July 28, 1964

To the Graduate Council:

I am submitting herewith a thesis written by Joseph Leland Johnson entitled "Congressional Career of Cordell Hull." I recommend that it be accepted for nine quarter hours credit in partial fulfillment of the requirements for the degree of Master of Arts, with a major in History.

Major Professor

We have read this thesis and recommend its acceptance:

Accepted for the Council:

Dean of the Graduate School

CONGRESSIONAL CAREER OF CORDELL HULL

A Thesis

Presented to

the Graduate Council of

The University of Tennessee

In Partial Fulfillment

of the Requirements for the Degree

Master of Arts

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by

Joseph Leland Johnson

August 1965

PREFACE

During the summer of 1963, under the direction of Dr. Stanley J. Folmsbee, Professor of History at The University of Tennessee, I prepared a short paper on an early period of Cordell Hull's congressional career. This study was fascinating. It appeared to me that many students who know a great deal about Hull's secretaryship under President Roosevelt are unaware of his preparation for this high position. Thus, during the latter part of the summer after a trip to Hull's hometown, Carthage, Tennessee, it was concluded that a thesis on the congressional career of Cordell Hull would prove a valuable contribution to historical research.

Of invaluable help in this project was the staff of The University of Tennessee Library. Miss Eleanor Goehring, research librarian at The University of Tennessee, deserves special appreciation. Also of assistance was the staff of Knoxville's Lawson McGhee Library.

I am also deeply indebted to those of the Department of History, University of Tennessee, who served so ably as members of the committee responsible for the reviewing of this thesis. Of great assistance were Dr. LeRoy P. Graf and Dr. Ralph W. Haskins. A special word of gratitude is given Dr. Folmsbee, head of the committee. And above all, my faithful mother is thanked for her splendid help in typing.

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CHAPTER I

BACKGROUND, STATE POLITICS, ELECTION TO THE HOUSE

Cordell Hull, the middle child in a family of five sons, was born in a rented log cabin on October 2, 1871, in Overton (now Pickett) County, Tennessee, a distance of seventy-five miles from the nearest railroad. A mile away was the only store in the entire area, and it also housed the post office called Olympus. The section in which he was born was known as the foothills of the Cumberland Plateau. During the Civil War it was considered a border area, and its inhabitants consisted largely of people with divided loyalties between the North and the South. Hull's father chose to fight on the side of the Confederacy.[1] As to the type of people who surrounded Hull during his early years--they were a common group possessed with that quality of the frontier "Jacksonian spirit" that was to characterize many of our nation's leaders of Hull's time. They were unalterably convinced that in a democratic nation an individual, by hard work and discipline, could rise far above his lowly surroundings of birth. Hull typified the "Jacksonian spirit"--the rise of the common man.

Cordell Hull's early schooling was received at various free schools which he attended, as his father moved frequently within the

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[1]Cordell Hull, The Memoirs of Cordell Hull (2 vols., New York: The Macmillian Company, 1948), I, 1-6.

mountain section establishing new farms. It was while going to school at Willow Grove, a distance of two miles from the family farmhouse, that the father made a decision which had lasting effect on the son's life. During a school debate which attracted most of the community, the fourteen-year-old Hull delighted his father so much by his presentation that the proud father readily decided that his middle son should receive the best education possible.

The debate resulted in Hull's being sent to Montvale Institute in Celina, the county seat of Clay County. The principal of the school was Professor Joe S. McMillin, the brother of Congressman Benton McMillin of Tennessee. There, during the first months of 1886, Hull studied algebra, geometry, trigonometry, surveying, English, rhetoric, Latin, Greek, and German. He soon found that he was much more interested by "mathematics, history, and literature than by languages and sciences." Before the age of twelve, Hull had found that he "could answer any question in the United States history textbook" and even the footnotes. During the same year, 1886, he went to the "normal school at Bowling Green, Kentucky," which he attended for two five-months terms.[2]

The first large city that Hull ever saw was Nashville, Tennessee, when at the age of sixteen he floated down the Cumberland River on a raft. In his book, The Memoirs of Cordell Hull, he records his vivid impressions:

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[2] Ibid., 14-18.

> It was a sight to be treasured, one I shall always recall. The buildings were more magnificent and the people more numerous than I could have imagined. Nashville was the metropolis of middle Tennessee, most of which was a bluegrass section. It was a large hardwood market as well as a market for livestock and farm commodities generally. It was then, as now, a noted educational city, sometimes called the Athens of the South. The city was calculated to impress, not to say overawe, the average young backwoodsman like myself who first visited it.[3]

There, in Nashville, Hull bought his first law books, paying for them from the wages received from working on the raft.

Before Hull was quite seventeen years old, he made his first political speech. It was during the presidential campaign of 1888 between Cleveland and Harrison, with the major issue being the tariff question. Hull supported Cleveland's platform for a lower tariff, and thus formulated ideas which would endure the remainder of his life and affect people in all corners of the world. That fall Hull traveled to Lebanon, Ohio, and enrolled in the National Normal University, the parent school of the normal school he attended at Bowling Green, Kentucky. There he scored 90, 95, and 100 in debating, 95 in elocution, 100 in rhetoric, and 60 to 75 in other subjects.[4]

In 1890 Hull began to study law in Nashville in the office of Pitts and Meeks. During the summer of the same year, he was selected for an office which he later declared "thrilled me more than any other since that time." He was elected chairman of the Democratic County

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[3] Ibid., 19-21.

[4] Harold B. Hinton, Cordell Hull, A Biography (Garden City, New York: Doubleday, Doran, and Company, Inc., 1942), 46.

Committee for Clay County.[5] Although only nineteen, the same summer he was chosen as a delegate to the Democratic State Convention. He participated in the convention even though he was not able to vote in elections.[6] That fall Hull read law in the office of Congressman Benton McMillin's brother, John H. McMillin, in Celina. When the Congressman arrived to campaign for his reelection, he found the ambitious young man more than willing to offer his assistance. Driving a horse and buggy, Hull took Congressman McMillin across the rugged Cumberland Plateau and Highland Rim areas of his mountainous district. From this experience, especially through talking with Congressman McMillin, Hull gained a considerable amount of practical political knowledge.

In January, 1891, Hull began his formal law education by entering Cumberland Law School at Lebanon, Tennessee. After successfully passing a rigid entrance examination, he was promptly permitted to enter the senior class. In June of the same year, he passed the final examinations, was graduated, and was sworn in as a member of the bar.[7]

While practicing law during the summer of 1892, several weeks before his twenty-first birthday, Hull campaigned to represent his traditionally Democratic county in the state legislature.[8] To the sur-

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[5]Hull, op. cit., I, 21-26.

[6]Nashville Tennesseean, July 24, 1955.

[7]Hull, op. cit., I, 26-27.

[8]Nashville Tennesseean, July 24, 1955.

prise of many, he soundly defeated his Democratic opponent in the primary election, and upon turning twenty-one a month before the regular November election, he won an easy victory over the Republican candidate.

Hull was reelected in 1894 without opposition, and became chairman of the Joint Legislative Committee. He immediately found himself confronted with the election contest "then pending between Governor Peter Turney and H. Clay Evans, the Republican candidate."[9] Evans had received 105,104 votes, and Turney 104,356.[10] At that time the state constitution and a state law required the payment of a poll tax by voters, and Turney's supporters contended that many of those who voted for Evans had not paid the tax, or that the Republican Party had paid the tax for them. The legislature passed a resolution introduced by Hull authorizing an investigation by a legislative committee. That committee, also headed by Hull, decided to divide into subcommittees and canvass the areas where those election irregularities had been reported.

Hull deliberately chose East Tennessee, the Republican stronghold where most of the questionable ballots lay. In counties such as Hawkins and Sevier, Hull and his group were warned not to enter for their lives would be endangered. Nevertheless, they went into all the East Tennessee counties, and while they were in Sevier County, shots were

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[9]Hull, op. cit., I, 27-31.

[10]Hinton, op. cit., 46.

fired at the hotel in which they were staying. After the committee had made a meticulous investigation of the entire state, Hull presented the majority report in the House, and after a heated debate, the Senate concurred.[11] The state legislature declared that 94,794 "legal" votes had been cast for the Democrat, Governor Turney, and 92,440 for Evans.[12]

It should be mentioned that Eugene Lewis in his article describing the election presents a more balanced point of view than either Hull or his biographer, Harold B. Hinton. In addition to setting out the points of evidence described by those writers, Lewis states that a minority report was submitted and rejected which declared that "Turney's charges of fraud rested alone upon alleged violation of poll tax law in the non-production of statutory evidence." According to the report, the "alleged violation" was only technical and should not have affected the qualifications of the voter.[13] Besides presenting numerous counter charges for the Republican side, the minority report asserted that the "election was as fair as any held in Tennessee for many years."[14]

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[11]Hull, op. cit., I, 31-33.

[12]Hinton, op. cit., 49-50.

[13]J. Eugene Lewis, "The Tennessee Gubernatorial Campaign and Election of 1894," Tennessee Historical Quarterly, XIII (March, 1954), 321.

[14]Tennessee Senate Journal, 1895 (April 30, 1895), 522.

In 1898 Hull's law career was interrupted by the Spanish-American War. Hull quickly raised a group of volunteers known as Company H of the Fourth Regiment, Tennessee Volunteer Infantry. This company was composed mostly of men from Clay and adjacent counties.[15] The Fourth Tennessee mobilized in Knoxville, and on November 28, 1898, Captain Hull's men left for Savannah, Georgia, to sail for Cuba, too late, however, to participate in the hostilities, as an armistice had been arranged and peace negotiations were being held in Paris between the two countries. The regiment landed in the province of Santa Clara and remained there on garrison duty for five months. The result was that there was ample time for leisurely recreational activities such as card playing. There Hull became most proficient at playing poker, and returned home in May, 1899, with the reputation of being the best poker play in the entire Army.[16]

After reestablishing himself in Celina, Hull decided in 1901 to broaden his law practice. He moved to Gainesboro, Jackson County, and entered into partnership with John Gore, a prominent local Republican who later became state senator and judge of the United States District Court of Middle Tennessee.[17] Much of the success of the partnership was

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[15]Hull, op. cit., I, 33-34.

[16]Ibid., 36.

[17]Ibid., 37-38.

attributable to the fact that the two were able to form a workable team even though each partner strongly maintained and asserted his political party identity.[18]

The law partnership was of short duration due to the resignation of the presiding judge of the Fifth Judicial Circuit, W. T. Smith. Judge Smith, a close friend of Hull, had expressed his desire to Governor James B. Frasier that Hull succeed him. Hull, although desiring not to relinquish his private law practice, reluctantly accepted the appointment. The judicial circuit encompassed ten counties in the Cumberlands, and Hull traveled by horse and buggy over the mountainous roads. The schedule was arranged so that judge would hold court once every four months in each county, and Hull found that a week's stay in each of the counties was of sufficient duration. Having filled the unexpired term of Judge Smith, Hull was elected unanimously in the election of 1904. During his judgeship experience he was to come in close contact with those people who were most responsible for supporting and electing him to Congress in future years.[19]

In 1906 many political friends and Democrats loyal to no specific faction in the Fourth Congressional District[20] urged Hull to make the race

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[18]Hinton, op. cit., 74.

[19]Hull, op. cit., I, 38-42.

[20]Tennessee's Fourth Congressional District included the following counties: Jackson, Macon, Putnam, Pickett, Rhea, Smith, Sumner, Trousdale, Wilson, Clay, Overton, Cumberland, Fentress, and Morgan. Official Congressional Directory for the Use of the United States Congress, 60 Cong., 1 sess., 120. Hereafter cited Official Congressional Directory.

for Congress. Seven years earlier the seat had been held for some twenty years by Hull's friend, Benton McMillin, who had been elected governor in 1898. Hull's opponents in the primary election were incumbent Congressman M. G. Butler and James T. Miller. The young politician Hull traveled extensively throughout the fourteen counties of the district, making speeches and seeking voters' support. In the primary election he won by only fifteen votes.[21] In the November election Hull received 11,961 votes and soundly defeated J. E. Oliver, the Republican candidate, who received 10,312 votes.[22]

More than a year passed before the Congress to which Hull was elected convened. During the interval before going to Congress, he established his residence in Carthage, Tennessee, and then journeyed to Washington and secured the assistance of agricultural and public highway officials who visited each of the fourteen counties of his district. The meetings were largely attended by farmers and were helpful in creating an interest within the area as to the need for improvement in agriculture methods and the development of highways. Hull also traveled to Nashville and attended a meeting of those concerned with the improvement of the navigation of the Cumberland River. In 1907, still before attending his first session of Congress, Hull took a boat trip from St. Louis

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[21]Hull, op. cit., I, 42-43. Hull received 6,298 votes, Miller 6,283, and Butler 3,103. Ibid., 43.

[22]Official Congressional Directory, 60 Cong., 1 sess., 120.

down the Mississippi River to New Orleans with President Theodore Roosevelt and several members of Congress. The purpose of the trip, as sponsored and promoted by the Mississippi Valley organization, was for the President and those members of Congress representing that area to gain firsthand information about the Mississippi and its tributaries.[23]

The Sixtieth Congress, to which Hull was elected, convened on December 2, 1907.[24] Both houses of Congress were predominantly Republican, and the White House was occupied by the dynamic Theodore Roosevelt. At this time a panic, the so-called Banker's Panic, was raging, with eight thousand banks closed.[25] As usual, the first order of business of the House was the election of a speaker. The Republican, Joseph G. Cannon of Illinois, known better as "Uncle Joe," largely due to his ironclad control of the House, was reelected to this position.[26] Soon Hull, as anticipated, was to find that he had been placed by Speaker Cannon on two relatively obscure committees--Reform in Civil Service and Pensions.

Following the undesirable appointments, Hull chose to devote little time to the two committee assignments and to concentrate his efforts on national issues. The novice representative decided to specialize on the

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[23]Hull, op. cit., I, 43-44.

[24]Hinton, op. cit., 108.

[25]Hull, op. cit., I, 45.

[26]Hinton, op. cit., 108.

tariff issue and to advocate the adoption of an income tax as the better method of raising revenue.[27] Thus Hull associated himself with the early progressive movement which has left a lasting reform effect on the American political scene.

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[27]Hull, op. cit., I, 51-53.

CHAPTER II

AUTHOR OF INCOME TAX LAW

Cordell Hull's first two terms in Congress (December 2, 1907 - March 4, 1911) were mainly concerned with the passage of an income tax measure. In addition, he unsuccessfully introduced other legislation of local interest, a sampling of which includes attempts to construct an observatory for the Weather Bureau on Crab Orchard Mountain, to erect a public building at Dayton, and to improve the Obed River. The bill which he introduced to erect a public building at Cookeville, however, did pass Congress and became law.[1] On December 19, 1907, with less than three weeks of congressional experience, Hull introduced before Congress the bill[2] which was later to give him the deserved recognition as author of our modern income tax law.[3] This bill, House Resolution 10548, called upon the Congress "to provide revenue for the Government by levying an income tax . . ." and was referred to the Republican-dominated Committee on Ways and Means.[4] Later in the same session of Congress, Hull offered a House resolution directing the Ways and Means Committee "to

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[1]Hinton, op. cit., 113, 122.

[2]Congressional Record, 60 Cong., 1 sess., 443. Hereafter cited Cong. Rec.

[3]"Frontispiece," The World's Fair, XXVI (July, 1913), 242.

[4]Cong. Rec., 60 Cong., 1 sess., 443.

report bills reducing import duties and income-tax bills." This, too, was referred to a committee.[5]

Legislatively, at the time of the introduction of an income tax, it was considered a dead issue.[6] This was in view of the fact that the United States Supreme Court in the Pollock decision of 1895 had ruled the income tax section of the Wilson-Gorman Tariff, passed by a Democratic Congress in 1894, as invalid.[7] Benton McMillin, Hull's Congressman at that time, was largely responsible for its drafting and adoption.[8] The law was ruled unconstitutional "upon the ground that a tax imposed upon income derived from real estate or invested personalty was a direct tax, and must therefore be levied by the rule of apportionment."[9] Interesting is the fact that during the Civil War, in 1862, a similar law was enacted, which remained in effect until 1872 without legal difficulties.[10] Later, in the next Congress, Hull called attention to the partisan nature of the income tax issue, pointing out that one of the "axioms" listed in the Republican Party's "campaign textbook" in 1894 had declared: "In this country an income tax of any sort is odious, and will bring odium upon any party blind enough to impose it. . . . Prepare for the funeral of the political party which imposes such a burden."[11]

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[5]Ibid., Index, 481.

[6]Hull, op. cit., I, 48.

[7]John D. Hicks, George E. Mowry, and Robert E. Burke, The American Nation (Fourth Edition, Boston: Houghton Mifflin Company, 1963), 197.

[8]Hull, op. cit., I, 49.

[9]Cong. Rec., 63 Cong., 2 sess., Appendix, 102.

[10]Paul M. Angle, Crossroads: 1913 (Chicago: McNally and Co., 1963), 153.

[11]Cong. Rec., 61 Cong., 1 sess., 4405.

In Hull's maiden congressional speech, March 18, 1908, he emphasized the fairness and equity of an income tax and declared that nine-tenths of the Democratic Party favored such a tax.[12] Speaking on the floor of the House a year later, on March 29, 1909, Hull turned his attention to the tariff issue, and once again outlined the merits of a comprehensive income tax. As other observers had noted, he felt that even though the Republican platform of 1908 had promised a lower tariff, the pending Payne Tariff Bill was more "upward than downward." He declared that it was an attempt of a majority of the Ways and Means Committee to continue the alliance "with the protected interests and the trusts." Hull asserted that "the footprints of every protected favorite may be found around the items in which each is respectively interested."

Thereupon, Hull presented his pleas for the adoption of an income tax as the most satisfactory method for raising revenue. In addition to citing other authorities, he emphasized that Adam Smith had written that "the Income Tax is the fairest, the most equitable system of taxation that has yet been devised." In attempting to offer the income tax as an amendment to the Payne Tariff Bill, he pointed out that the proposed amendment, with the omission of those provisions found unconstitutional in 1895, embraced the essential parts of the income tax law of 1894.[13] Since the House was still under the control of Speaker Cannon, the lower body was not allowed to vote on the proposed amendment.[14]

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[12] Ibid., 60 Cong., 1 sess., 3520.

[13] Ibid., 61 Cong., 1 sess., 532-534. [14] Ibid., 4401.

Concerning the taxation of wealth, Hull stated, "I have no disposition to tax wealth unnecessarily or unjustly, but I do believe the wealth of the country should bear its just share of taxation." He felt that the major burdens of government had long been "borne by those least able to bear them," whereas, accumulated wealth had for many years enjoyed the fruits of protection, and thus avoided paying its fair share of the government's financial burdens. He insisted that no state or the federal government had passed a tax law which affected those of substantial wealth. The young Congressman voiced his belief "that this class of wealth would not and could not seriously object to the payment of reasonable taxes in order to give some relief to the man of moderate means."

During the same speech, Hull also presented his attitude towards the taxation of inheritances. It was his contention that the right to transmit property was not a "natural one," but was "more in the nature of a privilege granted the citizen by law." Since the citizen in the process of accumulating wealth had been protected by the laws of his state and the federal government, he felt it was only natural or practical that the government should be compensated for its part. This he believed should be only in the form of a reasonable tax "upon the transmission of swollen and other fortunes."[15]

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[15] Ibid., 533-535.

A division in the Republican Party, which finally culminated in the battle between the Taft Republicans and the Roosevelt Progressives in the 1912 election, widened as each day passed.[16] The Progressives supported the Democratic view towards a general lowering of the tariff, and this, of course, was in direct contrast to the traditional Republican support of a high tariff. This was the group which had been able to force the Republican Party in 1908 to adopt as part of its platform a pledge to revise the tariff. In addition, the new element of the Republican Party was an outgrowth of dissatisfaction with the limited number who had exercised control of the government for some time. The progressive Republicans aimed their attack at the group known as the "Old Guard Republicans," and primary targets were Senator Nelson Aldrich, Chairman of the Committee on Finance, and House Speaker Joseph Cannon.[17]

Eventually, the Payne Bill passed the House with substantial downward revision of the former Dingley Tariff. Nevertheless, it was still believed by the "Old Guard leaders" of the Senate that the previous high rates could be restored. Senator Aldrich's Committee on Finance quickly introduced a bill in the Senate with 847 amendments, the majority of which were increases; yet Aldrich boldly asserted that "his bill would reduce the Dingley tariff."[18] It was then that the progressive Republi-

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[16]Hull, op. cit., I, 59.

[17]Harry J. Carman and Harold C. Syrett, A History of the American People (2 vols., New York: Alfred A. Knopf, Inc., 1958), II, 372.

[18]Frank Freidel, America in the Twentieth Century (New York: Alfred A. Knopf, Inc., 1960), 87-88.

cans, led by Senator Robert M. LaFollette, carefully studied the new tariff, produced tables, and concluded that the new tariff was about 1.5 per cent higher. Throughout the nation, particularly in the Middle West, indignation of the voters was aroused by the progressives' statistics. Thus the progressives, having gained public support, took the offensive.

Taking advantage of public advocacy of tariff revision, President Taft convinced the conservatives who had eliminated the inheritance tax as part of the Payne bill "that they must accept a compromise." Otherwise, they feared, the progressive Republicans would unite with the Democrats to enact a comprehensive income tax law as a substitute for the high tariff which heretofore had been relied upon for revenue producing purposes. The compromise was a two per cent tax on corporate incomes and the "submission to the states of an income-tax amendment to the Constitution," which when ratified during the "progressive upsurge of 1911 and 1912,"[19] became the Sixteenth Amendment on February 25, 1913.[20]

Due to the cleavage within the Republican Party, Senator Aldrich on June 28, 1909, introduced a Senate Joint Resolution as a proposed amendment to the Constitution. The proposed amendment declared that "Congress shall have the power to levy and collect taxes on incomes from whatever source derived, without apportionment among the several states,

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[19] Ibid.

[20] The Statutes at Large of the United States of America from March, 1911, to March, 1913., 1785.

and without regard to any census or enumeration." On July 5, 1909, the proposed amendment to the Constitution was unanimously passed by the Senate.[21]

Four days later, Congressman Payne, Chairman of the House Ways and Means Committee, introduced in the House the resolution of the Senate proposing to amend the Constitution.[22] And on July 12, 1909, Congressman Hull expressed before the House his views of the change of attitude by the Republicans concerning the passage of an income tax. Hull exclaimed:

> During the past few weeks the unexpected spectacle of certain so-called "old-line conservative" Republican leaders in Congress suddenly reversing their attitude of a lifetime and seemingly espousing, though with ill-concealed reluctance, the proposed income-tax amendment to the Constitution has been occasion of universal surprise and wonder.[23]

Speaking further, Hull reviewed how he had introduced in the Sixtieth Congress an income tax bill encompassing the main features of the income tax law of 1894 with omissions of those provisions declared invalid by the Supreme Court. He pointed out that on the first day of the present session of Congress he again introduced this same bill. He explained that there were two methods by which Congress might secure its taxing privilege. One alternative was "an amendment to the Constitution,"

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[21] Cong. Rec., 61 Cong., 1 sess., 3900.

[22] Ibid., 4390.

[23] Ibid., 4401.

and the second "was a reversal by the Supreme Court of its former decision." In reference to the two alternatives, Hull preferred "that Congress first pursue the latter alternative." He continued to advocate the inclusion of an income tax clause in the Payne-Aldrich Bill, hoping that it would be upheld by the Supreme Court.

Hull, in the same speech, pointed out that the Payne Bill was passed in the House without any income tax measure except for a section imposing an inheritance tax. During the debate on the Payne Bill, Hull said that he "watched every opportunity, as did other members of the minority, to offer an income-tax amendment," but the iron-clad rules of the House would not allow the amendment to be offered.

Hull continued in his speech to attack the "old-line Conservatives" and described, as has been presented in this chapter, how the progressive Republicans, backed by popular support, finally forced the conservative Republicans to adopt an income tax amendment to the Constitution. He felt that the conservative Republicans reasoned that the proposed amendment to the Constitution would create a division among the supporters of an income tax. To create a division, Hull avowed, the Republicans led by Aldrich in the Senate had presented both a corporation tax amendment to the bill and an income tax amendment to the Constitution.[24] Hull felt that their idea was "to give an appearance of acquiescing in an

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[24] Ibid.

income tax and at the same time kill it by substituting" for the income tax provision a like measure in the form of an amendment to the Constitution.[25]

They were willing to submit the amendment to the Constitution to the states, Hull asserted, because they believed there was little likelihood that three-fourths of the states would ratify it. Reasoning further, he emphasized that two thousand amendments to the Constitution had been introduced in Congress and only fifteen had been ratified by the states. Also, Hull brought out that according to the census of 1890 it had been statistically calculated that eleven states with 3.7 per cent of the nation's population could defeat an amendment. He indicated that since thirty-five state legislatures would not convene until 1911 the present "session of Congress should have enacted a comprehensive income-tax law and secured the judgment of the Supreme Court at an earlier date, as was done in 1895." He further contended that if the Supreme Court ruled the act invalid, the "pending amendment" could be submitted to the states without any additional delay.

In discussing the prospects of an income tax law to stand the approval of the Supreme Court, Hull stated that the Pollock decision of 1895 "would not stand-up again." The Pollock case, which declared the previous income tax law unconstitutional, was, according to Hull, "one of the very rare instances in the Nation's judicial history in which it

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[25]Hull, op. cit., I, 60.

is universally agreed that our greatest judicial tribunal on earth erred."[26]

In concluding his speech of July 12, 1909, Hull strongly asserted that he would vote for the proposed amendment, and he hoped that both Democrats and Republicans would aid in securing its ratification; but he gave assurance that he would continue to maintain that the Pollock decision was wrong, and that he would continue to press for an income tax law separate from the proposed amendment to the Constitution. While attacking the Republicans, he said:

> For it has long been understood that the Republicans never support a worthy cause until forced by public sentiment. Too stupid to devise and enact wholesome laws and to formulate and execute sound administrative policies, this piratical organization is wont to wait until Democrats point the way.[27]

As the proposed constitutional amendment was being presented to the states, Hull continued to press for a direct income tax law. During the second session of the Sixty-first Congress, on January 27, 1910, he presented reports on eighteen foreign countries' systems of taxation, all of which included income taxes. Hull again argued that a comprehensive income tax would be fairer to all than the "present tariff monopoly law." Hull's other major points were that the rates could be easily changed, the income tax would be productive, wealth could not evade an income tax, and since the income tax would be based on the

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[26] Ibid.

[27] Cong. Rec., 61 Cong., 1 sess., 4401-4405.

ability to pay it could not be called socialistic. He referred to the fact that the greater portion of the nation's indirect taxation fell upon incomes of two thousand dollars and less. Thus he concluded that "this country is approaching a tax revolution. The defenders of privilege, so long triumphant, can not turn back the tide of fiscal reform. Their opposition is a challenge to the civilization and representative government of our twentieth century."[28]

Finally, in 1913, during the Sixty-third Congress, Hull was able to reap the fruits of his efforts for the adoption of a national income tax. The amendment to the Constitution had been ratified by the necessary states; a Democrat, Woodrow Wilson, was the new President; and both Houses of Congress were Democratic.[29] Previously, during the Sixty-second Congress, Hull had been selected as a member of the Democratic House Ways and Means Committee.[30] As a member of this committee, Hull, in 1913, became author of our first permanent income tax measure, which was incorporated with minor changes from his original proposal within the Underwood Tariff.[31] Interesting in respect to our present-day scales, the provisions of the new income tax law allowed an exemp-

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[28] Ibid., 2 sess., 1109-1115.

[29] Hicks, et al., op. cit., 365.

[30] Edward G. Lowry, "The Tariff Reformers," Harper's Weekly, LV (February 4, 1911), 8-9.

[31] Hinton, op. cit., 153.

tion of $3,000 for single persons and an additional $1,000 exemption for those married persons living together. The graduated structure's rates increased as follows: 1 per cent on income over $3,000 and less than $20,000; 2 per cent on income over $20,000 and less than $50,000; 3 per cent on income over $75,000 and less than $100,000; 4 per cent on income more than $100,000 and less than $250,000; 6 per cent on income over $250,000 and less than $500,000; and all sums above $500,000 were taxed at 7 per cent.[32] In the Senate Republican insurgents William E. Borah, J. L. Bristow, and Robert M. LaFollette all pressed for stiffer rates,[33] but Hull was supported by President Wilson. The President, who took a keen interest in the bill, realized it would be unpopular, and thus favored a bill that would be as unburdensome as possible to raise the necessary revenue.[34]

During the framing of the income tax law, Hull received national publicity. The New York Times carried numerous articles describing Hull's role as author of the income tax section of the Underwood Tariff.[35] A full-page picture of Hull was printed on the frontispiece of the national

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[32]Cong. Rec., 63 Cong., 1 sess., Appendix, 358-359.

[33]Angle, op. cit., 153.

[34]Ray Stannard Baker, Woodrow Wilson Life and Letters (8 vols., Garden City, New York: Doubleday, Doran and Company, Inc., 1931), IV, 111.

[35]New York Times Index, 1913.

magazine, The World's Work.[36] Three magazines--The American Review of Reviews,[37] The Literary Digest,[38] and Harper's Weekly[39]--contained portraits of Hull and articles commenting on the new income tax law and his contributions. Thus Hull, heretofore an obscure Representative from a little known area in Tennessee, become of national stature. By all he was held in high esteem for his well-grounded and thorough knowledge of tax measures. Champ Clark, Speaker of the House, later recorded: "In one branch of our financial system--income taxes--Judge Cordell Hull of Tennessee is considered the fountain-head of information. He is the thorough master of that subject and is relied on implicitly as an authority by both the House and the executive departments."[40]

In January, 1914, Hull was afforded the opportunity of speaking before the State Bar Association of New York. In this address, which typified many of his Congressional speeches, Hull once again outlined the history of taxation, stressed that the new income tax law was based

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[36]"Frontispiece," loc. cit.

[37]"The Progress of the World," The American Review of Reviews, XLVII (May, 1913), 574.

[38]"The Income Tax Under Fire," The Literary Digest, XIL (May 24, 1913), 1163.

[39]Lowry, loc. cit., 9.

[40]Champ Clark, My Quarter Century of American Politics (2 vols., New York: Harper and Brothers Publishers, 1920), II, 343.

on the ability to pay, and that more than fifty countries and states had adopted this method of taxation and none had repealed the measure. In addition to a large portion of the speech devoted to various technical features of the law, Hull strongly answered in rebuttal concerning the preponderance of adverse criticism from the eastern section of the country. That area, upon the theory that it would unfairly contribute more taxes than any other section, strongly opposed the tax. In referring to New York as an example of the eastern section, Hull described the importance of New York as the great center of commerce of the nation, and then contributed to remind the state that its concentrated wealth was only made possible by profits largely drawn from industries throughout the country. He concluded by denying "the right of wealth anywhere to segregate itself and then upon the plea of segregation to exempt itself from its fair share of taxes."[41]

Later that year Hull received a heartening letter from William G. McAdoo, Secretary of the Treasury, who congratulated him on the results of the income tax law for the fiscal year which had ended June 30, 1914. Secretary McAdoo wrote:

> I am sure that you are as much gratified as I am with the showing. The law is new and, although unpopular in some quarters, it is not one-tenth as unpopular as partisan papers represent it and certainly not near so unpopular as the average men expected

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[41] Cong. Rec., 63 Cong., 2 sess., Appendix, 104-106.

> it to be. On the whole there is every reason to feel gratified with its success thus far.[42]

Illustrating the contention of many leading nation-wide magazines that the additional tax on increased incomes was discriminatory against larger incomes, The American Review of Reviews stated that a 1 per cent income tax with an exemption of $1,000 "would be more in accordance with the American spirit and with American common sense."[43] Additional criticism of the income tax law was made by Representative William E. Humphrey of Washington[44] in an introduction to an article published in several newspapers. Hull, on January 20, 1915, extending his remarks in the Appendix of the Congressional Record, described the contents of Humphrey's introduction as "cheap, coarse, and abusive." Contending that the income tax law in our country had not created "one-fourth the criticism and controversy" that other countries had experienced upon its enactment, Hull forcibly reminded the reader:

> It is not surprising that some highbound protectionists would oppose an income tax or any other honest tax designed to compel the wealth of the country to do what it has never done--bear its fair share of taxes. Neither is it surprising that the large owners of our wealth would, through any subservient newspaper or other available source, seek to prejudice any law of this character, either by superficial criticism or by grossly misleading statements.[45]

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[42] Hull, op. cit., I, 74.

[43] "The Progress of the World," loc. cit.

[44] Cong. Rec., 63 Cong., 3 sess., Appendix, 156, Index, 6.

[45] Ibid., Appendix, 156-157.

Finally, on January 24, 1916, the Supreme Court in deciding the case of Frank R. Brushaber, Appellant, versus Union Pacific Railroad Company, affirmed the constitutionality of the income tax law. The following day Hull received unanimous consent from the House that the above case be made a House document, and he was assured by his colleague, Congressman James R. Mann of Illinois, that ample copies of the decision would be printed by the Government Printing Office.[46]

In other legislation of the Wilsonian period, the President was fortunate to have, in addition to Hull, a capable group of congressmen to assist him in the carrying-out of his objectives. Such men, all close colleagues of Hull, were Carter Glass of Virginia, who later became Wilson's Secretary of the Treasury, Henry T. Rainey of Illinois, Claude Kitchin of North Carolina, and Henry D. Clayton of Alabama.[47] Hull, as a part of this group, was helpful in his vote and support for the enactment of the Federal Reserve Act of 1913, the Clayton Anti-Trust Act, and the Federal Trade Commission Act of 1914,[48] and the Child Labor Act, the Federal Farm Loan Act, and the Federal Highway Act, all of 1916.[49]

Concerning the hotly contested prohibition question, Hull maintained that it should not be a national partisan issue, but believed it was a matter that should be decided by the states separately. Representing a

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[46]Ibid., 64 Cong., 1 sess., 1538, Index, 9.

[47]Baker, op. cit., IV, 111.

[48]Hull, op. cit., I, 72-73.

[49]Cong. Rec., 64 Cong., 1 sess., 2035, 8017, 1536.

district which was overwhelmingly dry, he was not in a position to act as he might have otherwise chosen. Hull was by no means an advocate of prohibition; he merely cast his vote as an expression of his district's determined position. He never spoke publicly on the issue,[50] and during the state-wide effort for prohibition in Tennessee in 1908, he discreetly remained outside the state. Nevertheless, the Anti-Saloon League listed him as being a "nominal partisan of its cause."[51]

Of importance would be a fuller account of Hull's views on woman suffrage, which became the Nineteenth Amendment in 1920. The Congressional Record includes no remarks other than his voting record on that subject. On May 21, 1919, Hull voted against the resolution proposing what became the Nineteenth Amendment to the Constitution extending suffrage to the women. In the Senate, Tennessee's Kenneth McKellar voted for its passage, whereas John Shields failed to vote.[52]

Both Hull, in his Memoirs, and Hinton, in his biography, briefly mentioned the women's vote in connection with the Congressman's bid for reelection in 1920. The two believed that the Republican women were willing to make the effort to vote for their candidate, while the Democratic women were content with staying at home. Hull was defeated.[53] Joseph W. Brimm, a native of Carthage and a high school student at the time of the election, related "that the women were not so much casting their vote

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[50]Hull, op. cit., I, 140. [51]Hinton, op. cit., 180.

[52]Cong. Rec., 66 Cong., 1 sess., 635.

[53]Hull, op. cit., I, 115; Hinton, op. cit., 167.

for the Republican candidate as they were against Hull."[54] When elected chairman of the Democratic National Committee in 1921, Hull declared "that he would seek above all to see that the Democratic women were adequately represented.[55] The following year, when running for his former seat in the House, Hull strongly encouraged Democratic women to vote. He won by a seven thousand majority, for which victory much credit was due to the women in his district.[56]

On the political front in his home state, Tennessee, Hull for the most part avoided controversial matters. Nevertheless, in March, 1915, he found himself in the middle of a bitter political fight with Luke Lea, the state's senior senator. Lea was highly intelligent, had been elected to the Senate when barely over the constitutional age of thirty, and owned an influential newspaper, the Nashville Tennesseean.

On the other hand, Lea had a desire to dominate as much political activity as possible. Hull saw evidences of Lea's influence and pressure on state politics as well as on himself. Therefore, he determined to destroy Lea before the Senator was able to control completely future Tennessee politics.[57]

Backed by Major James Stahlman of the Nashville Banner, another very influential newspaper, Hull personally talked with members of the

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[54]Statement by Joseph W. Brimm, personal interview.

[55]Hinton, op. cit., 167.

[56]Hull, op. cit., I, 115.

[57]Ibid., 77-78.

Democratic Executive Committee throughout the state in regard to Luke Lea, but his efforts met with little success. He then decided upon a new approach. He knew that as each day passed, Senator Lea was making strides through "promises or patronage" towards gaining control of the executive committee. He reasoned that the sooner Lea was defeated for the Senate, the quicker he would be destroyed. Thus, Hull sought to arrange the date for the primary election for Lea's seat one year earlier than scheduled.

Finally, after delaying tactics by Lea's faction, the state committee met and voted to move the primary date forward to 1915. The result was that young Congressman Kenneth McKellar gained Lea's seat in the Senate. Thereafter, Hull steered clear of Tennessee politics until his successful Senate race in 1930. In the meantime, Lea had rebuilt his political machine and once again was Hull's opponent.[58]

In summary, like many of the younger and more liberal members of the Democratic Party, Hull was tremendously attracted to Woodrow Wilson. With firm dedication, he worked for the President's political, economic, and social goals. He became labeled--and proudly so--a Wilsonian Democrat. Having established himself as a leading financial expert through his familiarity with the tariff and income tax, he was prepared for the fiscal challenges of World War I. The nation's President and leaders were to become grateful for this service.

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[58] Ibid., 78-79.

CHAPTER III

WORLD WAR I: GUARDIAN OF THE TREASURY

From the outbreak of World War I in July, 1914, the maturing Representative Cordell Hull, now forty-three years old and having served three uninterrupted terms in Congress, was to find himself once again confronted with the nation's fiscal problems and responsibilities. Before, during, and immediately following the United States' participation in the world-wide conflict, Hull was to play a dominant role in the determination of the country's financial responsibilities. This period covered the Sixty-third through the Sixty-fifth Congresses, all of which were Democratic. From September 25, 1914, when Hull before the House warned America of the gravity of the European conflict and its glaring international repercussions,[1] through February 26, 1919, when again before the same body he declared that the American citizens could and should exhibit their patriotism and appreciation of the heroism of their soldiers by the purchase of Victory Bonds,[2] the Representative was to offer his assistance within four major areas of financial leadership. Various war revenue bills calling for increased taxes, the financial and commercial benefits of an improved Cumberland River, the securing of the passage of the inheritance tax, and the five bond drives were all given thorough and shrewd treatment by Hull.

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[1]Cong. Rec., 63 Cong., 2 sess., 15721-15722.

[2]Ibid., 65 Cong., 3 sess., 4340.

Because of the existing war conditions, Hull, on September 25, 1914, advocated the passage of an increased "emergency" income tax.[3] He was most critical of the Republican opposition to the bill, and pointed out that when the Democrats had been in the minority during the Spanish-American War, although they had suggested economy, they were willing to cooperate with the opposing party in the best interests of the nation's security. In his opening remarks, he declared:

> Mr. Speaker, if playing politics in the face of a great crisis were proof of patriotism, I could pronounce a eulogy upon the Republican side of the House that would place them in the category of the truest band of patriots to be found upon this planet. During my entire service here--in fact, during my entire life--I have never seen any assemblage of grown-up men reduced to such serious and desperate straits that they were willing to lay aside their judgment, the facts, the reason, and the patriotism of the situation and devote their efforts to the propagation of extreme, hidebound, stand-pat partisanship.[4]

During the same speech, Hull defended the recently enacted Underwood Tariff, explaining that its failure to produce the necessary revenue to operate the government was due to the chaotic international trade conditions. Hull indicated that by taking the minimum of monthly customs revenue loss since the war had started the United States Treasury would suffer a deficit of more than sixty million dollars. He violently criticized the Republicans for not at least offering a concrete alternative to the existing methods of taxation. Realizing the disastrous political implications embodied for his opponents in support of such a cause, he insisted that if they were really sincere in their criticisms

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[3] Ibid., 63 Cong., 2 sess., 16964.

[4] Ibid., 15721.

of the Underwood law, they would make every effort to repeal the law with its income tax provision and reenact the Payne-Aldrich Tariff. In his final remarks in advocating an additional tax, Hull stated his plea in the form of a summation of the world situation with a firm attack upon the opposing political party. He declared:

> This is an extraordinary tax imposed for extraordinary purposes. While we are not actually at war, we are actually facing war conditions as much or more, in some respects, than if we were at war. Our international trade was never better than during the Spanish-American War. But the only answer we get from gentlemen on the other side in their political extremities and in their favorite pastime of undertaking to bunko the people again is that we ought to be economical. My God! A political organization that raised the ordinary national expenses of the Government from $460,000,000 in 1897 to $982,000,000 in 1913, more than doubled; first a billion-dollar Congress, and, second, as rapidly as they could get to it, a two-billion dollar Congress--they turn around and confront us with the impudent suggestion that we should be economical. [Laughter and applause on the Democratic side.] They say that this Underwood law that is helpless to protect the Treasury in times of peace and in times of normal trade is amply able, it has such great recuperative power in a time of war, that it will bring in ample revenue to meet all war emergencies. [Laughter and applause on the Democratic side.] [5]

Actually, Hull pointed out in a later speech that the Underwood tariff had been successful in peace time. In the appendix of the Congressional Record, Hull inserted a reply to an editorial of the Washington Herald, which had complained that the Underwood revenue law had not produced the necessary revenue before the war commenced. Hull argued that when comparing receipts under the two laws of 1909 and 1913, one would of necessity include with the Underwood tariff receipts the amount

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[5] Ibid., 15722.

of revenue secured from the income tax levied for the purpose of "displacing a corresponding amount of the Payne tariff law." Hull concluded that by adding the tariff receipts and the income taxes together during the nine months of peace the Underwood tariff had been in operation, the two had secured an additional $16,000,000 over what the Payne Tariff and the Payne corporation excise tax would have procured during the same period of time.[6]

Although as a "guardian of the treasury" Hull was interested in reducing domestic expenditures because of disturbed world conditions and eventually the participation of the United States in World War I, he made one important exception to this point of view. This was in regard to his pet project as a congressman, the improvement of the navigation of the upper Cumberland River for the special benefit of his constituents. As early as 1886 Congress had approved the locking and damming of the upper portion of the Cumberland River from Nashville to its headwaters of navigation at Burnside, Kentucky--a distance of 325 miles. Thus, many of the locks and dams were to be constructed in counties represented by Hull. In February, 1906, a board of engineers, following a hearing in Nashville, made a report recommending a modification of the upper river project to the extent that many of the locks and dams proposed previously between Carthage and Burnside were to be eliminated. On the grounds of this report that many of the locks and dams were not presently justified by the commerce involved, Congress adopted the report

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[6]Ibid., Appendix,1044-1045.

in the River and Harbor Act of March 2, 1907.[7]

On April 3, 1909, Hull insisted that the upper Cumberland River should be improved in the near future. He called attention to the great amount of mineral and timber resources of this section of the Cumberland Valley, which was inaccessible because of inadequate water transportation. He also stressed that the commerce of the Cumberland River extended to the most important parts of the Mississippi River and would be measurably increased by the improvement of the upper Cumberland. Moreover, the river was suitable for locking and damming due to its rock bottom, steep banks, and uniform width, and building materials were accessible nearby.[8] Disagreeing with the engineers' report, he continued:

> The fact that since 1883 this river above Nashville has been recommended by all the engineers in charge as suitable for improvement by locks and dams, and highly worthy, should be borne in mind. The fact, also, that Congress concurred in this conclusion in the river and harbor act of 1886, and heartily adhered to it until 1906, having made numerous appropriations in accordance therewith, should not be overlooked. None of this board have seen this section of the river.[9]

During later sessions of Congress prior to World War I, Hull continued to fight unsuccessfully for appropriations for the upper portion of the Cumberland River project. On March 19, 1912, while describing the Cumberland River as "a magnificient stream of nearly 500 miles of navigable river," he referred to the upper portion of the river as "comprising 200 miles running through the greatest undeveloped forest and

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[7] Ibid., 61 Cong., 1 sess., 941.

[8] Ibid., 942.

[9] Ibid.

mineral region south of Pittsburgh without railroads or other suitable transportation facilities." He believed that these 200 miles had produced more commerce even in its unimproved condition than many of the rivers which had had millions of dollars expended upon them in the building of locks and dams. Yet, because of the report of the engineers in 1906, there was no improvement of the upper river to be contemplated, "at least during their generation."[10]

On September 21, 1914, Senator Theodore E. Burton of Ohio, former chairman of the House Rivers and Harbors Committee, opposed the Cumberland River project. Burton based his attack on the summary of engineer reports on the project as of October 29, 1912, on the population census of 1900, and on a personal visit to the area. Burton indicated there would be only a small amount of traffic on the river in comparison to its cost for improvement, that it was already navigable for six months of the year, that a small population of 30,000 would not justify its improvement, and that the upper portions of the river "were rocky and steep."[11] Both Tennessee Senators, John K. Shields and Luke Lea, defended the project. Senator Shields related that the Chief of Engineers knew that there were over 300,000 people living in the area and that commerce had doubled since the last engineers' report. Senator Lea, in a question and answer type discussion with Burton, carefully led the Ohio Senator

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[10] Ibid., 62 Cong., 2 sess., 3652.

[11] Ibid., 63 Cong., 2 sess., 15450.

into reluctantly admitting that possibly the population figures he used were not valid.[12]

Senator Burton claimed that although in October, 1912, the Board of Engineers had again made a report against the project,[13] within only fourteen months the report was changed due to the influence of many representatives and senators. Attending the meeting held in January, 1914, which according to Burton resulted in the board's favorable report, were Senator John Shields and Congressmen Cordell Hull, Joseph Byrns, Kenneth McKellar, and John Moon of Tennessee. From Kentucky were Senator Ollie James and Congressmen Alben Barkley, Harvey Helm, Swagar Sherley, Augustus Stanley, and Caleb Powers. Burton revealed that Hull opened the discussion and that his remarks were recorded in about the first three of the report's thirty pages.[14]

In his speech on September 29, 1914, Hull declared that Senator Burton sought to destroy a project without sufficient evidence. He felt that Burton seriously reflected "upon the fairness and freedom from bias of those gentlemen" from the Department of Engineers. He claimed that the truth regarding the favorable report which changed the board's mind was that in a meeting in December, 1912, it was found that there was actually twice as much commerce on the river as had been supposed. Hull stated that only three congressmen and two businessmen were present at this meeting. At the same time he expressed his willingness in view of

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[12] Ibid., 15452-15453.

[13] A search was made for the Board of Engineers' report, but apparently it was not printed.

[14] Ibid.

the pressing war conditions to forego his efforts on the project until a future date.[15]

During the following session of Congress, the project was again omitted from the river and harbor appropriation bill, due to the financial conditions of the country.[16] Finally, Hull began to push for appropriations for the project. On April 8, 1916, he declared that the project, despite the misunderstanding of many, was never completely eliminated. He said the Department of Engineers, not having ample information as to the amount of commerce, had only temporarily discontinued the undertaking. After having learned, in December, 1912, the real facts concerning the amount of commerce on the river, the entire Department of Engineers recommended the restoration of the original plan for the improvement. In 1914 the report was in turn approved by both the Rivers and Harbors Committee in the House and unanimously by the Senate Commerce Committee, only to be set aside due to the war effort.[17]

In the early part of 1917, Hull urged upon Congress the necessity of completing the project and recalled the following critical happening:

> There is the greatest urgency. I remember that during last fall there was a coal famine throughout the lower Cumberland River section, along the railroads even, when the people were utterly unable to secure coal on account of freight congestion all over the country. If the river had been open to navigation the people throughout the lower Cumberland and Tennessee and Ohio and Mississippi Valleys would have had the most ample supply of coal at the lowest possible prices.[18]

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[15] Ibid., 15917.

[16] Ibid., 3 sess., 1956.

[17] Ibid., 64 Cong., 1 sess., 5749.

[18] Ibid., 2 sess., 1991.

Finally, during the third and last session of the Sixty-fifth Congress in July, 1919, after the war was over, Hull and other interested Tennesseeans and Kentuckians were able to reap the rewards of their years of unrelenting efforts in behalf of the Cumberland River project. Congressmen from both states were instrumental in securing the coveted appropriations in the general River and Harbor Bill, which was signed by President Wilson on March 2, 1919. The new law included provisions calling for the expenditure of $4,500,000 "for the complete canalization of the upper Cumberland River from Burnside, Kentucky, to Nashville, Tennessee," and made an immediate sum of $340,000 available for the purchase of the necessary lock and dam sites in the two states.[19]

Hull, too, ably led in the securing of the passage of the inheritance tax. The New York Times on May 22, 1916, reported that Hull, who had written the income tax section of the Underwood Tariff was also the committee expert on the inheritance tax section of the forthcoming revenue bill. The article related that Hull had spent several months of preparation in examining the inheritance tax laws of other nations.[20] On various occasions he was outspoken before Congress in pointing out the practicality of the inheritance tax as a supplement to the income tax. Following extensive research,[21] on July 8, 1916, Hull, addressing the House of Representatives, advocated the adoption of the estate tax in the following manner:

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[19] Ibid., 65 Cong., 3 sess., Appendix 220.

[20] New York Times, May 22, 1916.

[21] Hull, op. cit., I, 80.

> I found, Mr. Chairman, as has been suggested by some of the ablest economical writers and students in this country, that the inheritance tax is absolutely equitable and just. I found that it is, possibly, the oldest tax law in existence. It is common to every country, old and young, large and small, throughout the world. It is the quickest and easiest tax collected that can possibly be devised. Some countries, with half our wealth, have been during peace and normal times realizing more than $100,000,000 on this particular tax levy, and without complaint from anybody.[22]

Continuing in the same speech, Hull confessed that he along with many others had formerly favored reserving to the states the inheritance tax as a source of currency. Hull explained that his reason for change was due to the federal government's urgent and probably future need of "internal taxes for more than $500,000,000 of revenue."[23] It was Hull's contention that the states, although through no fault of their own, had been most inefficient in the collection of this source of revenue. He felt that the states were hampered by the lack of jurisdiction, double taxation resulting from conflicting state laws, impediments in reaching intangible and other personal property, and conflict as to the residence of the decedent which frequently resulted in prolonged legal controversies. He also pointed out that when one state increased its estate rates, often the wealthy taxpayers would change their domicile to a state having either lower rates or no rates at all. In New York, according to Hull, $400,000,000 had been taken from the state within the first eight months following the enactment of increased rates. Thus, "it is utterly

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[22] Cong. Rec., 64 Cong., 1 sess., 10656.

[23] Ibid. In Hull's Memoirs, he recorded that in early 1915 $300,000,000 to $400,000,000 could be secured by an inheritance tax. Hull, op. cit., 77.

impossible," Hull contended, "for the states to secure any sort of uniformity with respect to these handicaps."[24]

Continuing his speech in support of an estate tax, Hull asserted that there was a general demand among the citizens for a "substantial tax on the transmission of property." He indicated that "in view of the far greater revenue requirements of the Federal Government and the comparatively small amount of taxes" secured by many states in seemingly fruitless experimentation with the inheritance tax, the only recourse was for the federal government to adopt the measure. He crystallized his point by presenting statistics showing that of the forty-two states having an inheritance tax, most recent accounts established that only $29,000,000 had been captured by the states, whereas England, with less than half our wealth, had in the past few years annually procured over $100,000,000 from an estate tax.[25]

In expressing a need for state and federal coordination, Hull reasoned that eventual uniformity of inheritance tax laws gained through federal taxation would allow the states to receive a greater amount than presently received. His plan was for the federal government to secure $150,000,000 by the estate tax measure and reserve one-third of the yield for the states. This, Hull declared, while contemplating formally introducing the idea in the form of a bill at a later date, would nearly

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[24]Cong. Rec., 64 Cong., 1 sess., 10656-10657.

[25]Ibid.

double the amount of revenue previously derived from state laws.[26]

In support of the pending estate tax bill, as introduced by Representative Claude Kitchin on July 1, 1916, Hull believed that the rates when considered as a supplement to state taxes on shares of estates would be more equitable, just, and reasonable than past methods. He felt that the proposed estate tax would "harmonize with the present income tax law in that the estate tax would come from those receiving unearned income and not from those receiving earned income." He explained that the proposed inheritance tax of $50,000,000 would be less than one-half of one per cent of the present $12,000,000,000 increase of national wealth; thus, capital would never be touched. At the same time, Hull continued to stress the feasibility of an inheritance tax of $150,000,000. Substantiating this point, Hull again mentioned England's success with this method of taxation, and stated that a percentage of only one and one-half per cent of the average $10,000,000,000 annual increase of national wealth for the past eight years would be necessary for its operation.[28]

In closing his speech, Hull expressed the thought that the proposed estate tax "is not within itself a comprehensive bill but is primarily intended to aid in meeting the temporary and extraordinary armament expenditures." He indicated, too, that if the present trend of the federal government's taking over many substantial expenditures previously assumed by the states continued, it was of necessity that the

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[26]Ibid., 10657. [27]Ibid., 10372. [28]Ibid.

federal government adopt the estate tax. Hull again stressed cooperation between the states and the federal government. He asserted that through the use of both an equitable income and inheritance tax by each and with a well-balanced system of reciprocal coordination of tax records by the two, the states could repeal their general property tax systems.[29]

Opposition to the inheritance tax stemmed mostly from various states wishing to safeguard their exclusiveness to this method of taxation. The states, too, found backing for their cause from the Republican Party. New York and Rhode Island strongly opposed the tax. New York declared it regarded the estate tax as "strictly and naturally a source of state revenue," could not financially sacrifice the $11,000,00 raised annually from the inheritance tax, and that double taxation would result from the enactment of a federal inheritance tax. Rhode Island based her opposition on similar reasoning. One Republican, Representative Charles F. Curry of California, indicated that forty-two states collected inheritance taxes and that the federal government had no right to make use of that source of revenue.

The estate tax bill was eventually passed by both Houses of Congress and signed by President Wilson on September 8, 1916. The new law, our first federal estate tax, became known as the Estate Tax Act of 1916.[30] Although the higher rates advocated by Hull were not applied, he inserted many of the provisions of inheritance tax and estate tax laws

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[29] Ibid.

[30] Ibid., 14158.

from other countries into the successful bill.[31] Just as the income tax rates of 1913 prove most interesting to today's reader, the same applies to the estate rates of 1916. The rates on the estates as graded were as follows:

Up to $50,000	1 per cent
$50,000 to $150,000	2 per cent
$150,000 to $250,000	3 per cent
$250,000 to $450,000	4 per cent
$450,000 to $1,000,000	5 per cent
$1,000,000 to $2,000,000	6 per cent
$2,000,000 to $3,000,000	7 per cent
$3,000,000 to $4,000,000	8 per cent
$4,000,000 to $5,000,000	9 per cent
Over $5,000,000	10 per cent.[32]

It should be pointed out also that as the war progressed and United States debts soared, the inheritance tax rates were successively raised to meet the added financial expenses. The idealistic Democrat, Hull, naturally supported the upward revision of the estate tax rates.[33]

Hull, too, as previously described, following the outbreak of World War I, continued to advocate additional revenue by means of increased income taxes. Time and again Hull assisted in the drafting of successive revenue bills calling for greater taxes and offered his close scrutiny as to the proposed bills' capabilities of producing the necessary revenue. As in former sessions of the House, partisanship was characteristic of Hull's speeches in which he ridiculed the Republican Party. The addresses were marked too by that which is obviously experienced during

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[31]Hull, op. cit., I, 80.

[32]"The Rising Cost of Inheriting $10,000,000," The Literary Digest, LIV (February 17, 1917), 444.

[33]Cong. Rec., 65 Cong., 2 sess., Appendix, 641.

every war--emotionalism and the theme that all should unite and "rally to the colors."

Speaking before the House, on December 16, 1916, Hull voiced his approval and support of the continuance of the emergency revenue act passed during October of 1914.[34] He exclaimed that the conditions requiring the continuance of the existing emergency tax law were even more apparent than they had been earlier. Taking a jab at the Republican Party for its reluctant support of the proposed tax measure, Hull remarked:

> We are confronted by a Republican minority which seems to be disappointed, desperate, and mad. They seem to be mad because their wonderful prophecies of dire calamity that would sweep over this country under a Democratic administration and a Democratic tariff law have been blown to atoms and have proven false in every particular. They appear to be desperate because under this administration and under the present tariff law we did not have a recurrence of those awful calamitous conditions that visited this country under the panic of 1907, when the Dingley high-protective tariff law was in operation.[35]

In March, 1916, Newton D. Baker, Wilson's Secretary of War, asked Congress for $8,000,000 to provide for the expenses of General Pershing's troops on the Mexican border. It was obvious that military expenditures would continue to expand and that the treasury would encounter difficult problems of financing.[36] The New York Times, on March 24, 1916, recorded Hull's reaction and his closeness to the administration:

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[34] Ibid., 63 Cong., 2 sess., 16964.

[35] Ibid., 64 Cong., 1 sess., 341.

[36] Hinton, op. cit., 152.

> Representative Hull of Tennessee, of the House Ways and Means Committee, who has kept in close touch with both President Wilson and Secretary McAdoo in regard to revenue raising, said today there need be no concern as to means of providing any necessary funds. He explained there were sources open without further legislation--the 3 per cent Panama Canal bonds, long term, of which $240,000,000 may yet be issued, and the $200,000,000 of 3 per cent certificates authorized under the Dingley tariff law. Mr. Hull also called attention to the fact that the Treasury probably received this year the largest revenue in its history.[37]

On July 8, 1916, Hull once again directed toward the Republican Party his attack for its vain attempts to delay the eventual passage of the proposed revenue bill[38] for which he had worked so prodigiously. He stated:

> This bill embraces a number of most important tax provisions, and, in my judgment, it is a matter of deep regret that the membership here has avoided their discussion, except to a very partial extent, but insisted as a rule upon rehearsing and rehashing old campaign speeches. Of course I can understand and appreciate the severe stress of politics, as it appears to some of my ultrastand-pat friends in the House; but laboring under these conditions, it does seem to me having several weeks ahead of us we could have delivered our campaign speeches later on and consumed the time allotted to this debate in an elaborate explanation and discussion of the merits and demerits of these tax proposals for the information and benefit of our respective constituencies.[39]

In the same speech Hull exhibited a fervent display of patriotism in answer to an address by Representative Frederick H. Gillett of Massachusetts.[40] Gillett declared it was a partisan measure drafted and supported by the Democratic Party. He believed a majority of its own party could secure its passage and that Republican votes were only

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[37] New York Times, March 24, 1916.

[38] Cong. Rec., 64 Cong., 1 sess., 14158.

[39] Ibid., 10651.

[40] Ibid., Index, 8.

a matter of record. Gillett declared that the purpose of a revenue bill from a Republican viewpoint was protection. Thus, the Republicans should not support the bill.[41] Hull, on the other hand, contended that Congressman Gillett had "practically notified the House" that he and others would impede the preparedness legislation not enacted unless there were tax provisions which would virtually guarantee the "former creatures of special privilege" such as the United States Steel Trust and the American Woolen Trust a sizeable profit. It was inconceivable to Hull that anyone who had previously advocated this legislation, unless "bluffing or playing politics," would alter his position when the nation was reaching the most important stage of the enlargement of its Army and Navy and the strengthening of its fortifications.[42]

In a spirit of high regard for the historical patriotism demonstrated by those of meager incomes, Hull expressed his appreciation and referred to the age-old conflict of what is considered an equitable apportionment of taxes. He exclaimed:

> Mr. Chairman, it is axiomatic that every citizen owes certain duties to the Government under which he lives. He must pay taxes for its maintenance in time of peace and fight for its preservation in time of war. It is a great tribute to our citizenship of the past and present that those who have not had the ability to pay taxes have been ready and willing in times of danger to the nation to leave family and fireside and hazard both life and limb on the battle field in defense of our free institutions. The question of taxation is always serious and important. It has been, and ever will be, a subject of constant controversy. An irrepressible conflict has been waged for thousands of years

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[41] Ibid., 10603.

[42] Ibid., 10651.

> between the strong and the weak, the former always striving to heap the chief tax burdens upon the latter. The conflict still continues.[43]

In the Appendix of the Congressional Record, May 22, 1917, nearly a month following the United States declaration of war, Hull extended his remarks concerning the successful enactment of another war revenue bill which became law on October 1, 1917.[44] The bill embodied an additional $1,800,000 in revenue to come largely from an increased income tax and inheritance tax. While affirming his support of the bill, Hull declared the Ways and Means Committee on which he served had justifiably concluded that the greater portion of taxes should be gained through the taxation of wealth, luxuries, and pleasures. In evaluating the income tax as a revenue-producing device, he emphasized that in comparison to all other methods of taxation the nation possesses, the income tax offers by far the largest source of revenue. Hull believed that its flexibility and great-revenue-yielding capacity had made it the backbone of any nation's program of financing in time of war. The usually modest Hull stated:

> It is with some pride that I contemplate the fact that this tax in which I have taken a keen personal interest during my ten years' incumbency here is now ready to bring to the Federal Treasury a billion dollars annually, and more when necessary for the prosecution of the war against Germany.[45]

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[43] Ibid., 10652.

[44] Ibid., 65 Cong., 1 sess., 7773.

[45] Ibid., Appendix, 227.

Following the enactment of the war revenue act on October 1, 1917, there quickly arose a controversy as to whether or not the salaries of senators and representatives in Congress would be subject to the excess-profits tax. According to Hull, the controversy was shifted by the press of the country to a general accusation that Congressmen had been exempt not from the excess-profits tax but from the income tax. Thus, Hull wished to counteract the sweeping charges by making it clear to the nation that Congressmen's salaries were not exempt from either form of tax. He reasoned that the Treasury "would and should rule that the salaries of Congressmen would be taxed on the theory they were not Federal officials under the Constitution," and that they were not subject to the law of exemption carried within the excess-profits provision.[46] A joint resolution embodying Hull's views was unanimously adopted by the House.[47]

In the spring of 1918 Congress, having been in session almost continuously since the extra session in 1911, began to make definite plans for early adjournment. Although the war was still going on, the New York Times carried an article on May 11, 1918, stating that Chairman Claude Kitchin of the Ways and Means Committee and Senator Furnifold M. Simmons of the Senate Finance Committee both supported early adjournment and a special session to be called in November. It was also felt by most congressmen that no legislation was pressing and that Congress should take a rest.

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[46] Ibid., 2 sess., 522.

[47] Ibid., 525.

Hull felt differently; he believed it would be a mistake to adjourn with no revenue laws enacted to tax the great amount of war profits. He felt that it would be too late in November for Congress to enact a revenue law which would affect the war profits for 1918 without the opposition claiming retroactive legislation. Although the Treasury supported his views, discouraging to him was the fact that his arguments had little impact on members of Congress.

Since it was the function of the House to initiate revenue legislation and Hull held membership on the committee with this responsibility, he felt justified in opposing the leaders of the House and Senate who favored early adjournment. In those circumstances, Hull prepared a thorough analysis of the entire financial situation and sent it on May 15 to President Wilson. Throughout the war, Hull sent Wilson important memorandums direct, and the "President always replied in person." In the letter, Hull strongly contended that Congress should not adjourn early but should remain and enact immediate laws to impose greater taxes--particularly on the war profits.

The following days, rumors circulated from the White House as to the contents of Hull's letter. Newspaper reporters quizzed Hull, who remained quiet, wishing not to add to the controversy with leaders in the House and Senate.[48] A day later, the New York Times, although disclosing the major contents of Hull's letter, reported that within a week the

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[48]Hull, op. cit., I, 95-96.

letter would be made public. It revealed that Hull supported Secretary of Treasury McAdoo's views that Congress should stay in session and pass additional revenue measures. The newspaper indicated that many high sources in Washington believed Wilson was the instigator of the letter in an effort to persuade Congress not to adjourn. The paper, too, reported that Representative Kitchin was "not affected" by the letter, and maintained that additional revenue was unnecessary until the following year. Kitchin felt that a more adequate bill could be written after the government had a close view of future expenditures.[49]

It is difficult to ascertain how much influence Hull's letter had on the President. Nevertheless, President Wilson, on May 28, made a personal appearance before Congress. He urged Congress to remain in session and enact legislation to reach the war profits. Later it was Hull's belief that had Congress adjourned and waited until November following the Armistice, it would have been practically impossible to have increased the wartime rates.[50]

On September 10, 1918, Hull, in a passionate support of the passage of the final war revenue bill, symbolic of the war fervor, declared:

> Mr. Chairman, Congress is now confronted with the solemn duty and the unusual responsibility of considering a measure which would levy a larger amount of taxes than has ever been imposed in the history of any nation. This tremendous undertaking on the part of the American people has been made necessary by the war for the suppression of rampant German militarism. The people of the United States, acting as a unit, are capable of doing big things, of meeting big responsibilities, and they will patriotically and unflinchingly shoulder this war-tax burden--one that no other

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[49]New York Times, May 17, 1918.

[50]Hull, op. cit., I, 97.

> country, past or present, could undertake. Next to fighting in the front lines, there is no better test of patriotism than the willingness of the citizen cheerfully to pay the maximum amount of taxes for the support of the Government in its prosecution of the war. On the other hand, the lack, or the degrees, of patriotism can no more quickly be detected than in the person who complains of, or resents, the payment of his fair share of an imperatively high war-tax levy. Especially since the stupendous plans and purposes of the German autocracy to dominate first Europe and Asia, and then the Western Hemisphere, industrially, financially, commercially, socially, and politically, have so fully and clearly unfolded themselves, no intelligent person with a spark of patriotism or with the slightest love of liberty will hesitate to place both life and property at the disposal of his Government in this time of supreme crisis. [Applause.] Even the casual reader now knows that from the day of the Potsdam Conference on July 5, 1914, world conquest and world domination were deliberately decreed by the ruling powers in Germany, and have since been most vigorously prosecuted by the German and its allied armies. The most ignorant person is now familiar with the uncivilized savage and barbarous methods employed by the German Government in waging this unholy, outrageous, and unspeakable war of conquest. For brutality and inhumanity, for duplicity and false pretense, for rape and robbery, for piracy and fiendish cruelty, for the malicious destruction of innocent lives and property, for the deliberate violation of the inalienable rights of both nations and individuals, for the utter and contemptuous disregard of every vestige of right, justice, honor, fair dealing, and moral sense, the conduct of the German overlords from the day they plotted and precipitated this war has been without parallel and without comparison, and has brought upon their heads a universal judgment of criminal infamy which a million years of atonement can not remove. [Applause.] Talk about "peace by negotiation!" How can you negotiate any question with scoundrels and villains, with assassins and freebooters, with highwaymen and desperadoes? They must first either be killed or disarmed, and then let honorable men speak and act for their nation at the peace table.[51]

During the same speech in connection with the war revenue bill, Hull outlined his thoughts concerning the coming postwar period. He referred to the fact that over a year before, on April 23, 1917,[52] he had introduced a resolution before Congress calling for "the organization of an

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[51] Ibid., 10160-10161.

[52] Ibid., 1 sess., 991.

international trade agreement congress."[53] Its purpose would "be to eliminate by mutual agreement all possible methods of retaliation and discrimination in international trade." Hull declared, "Economic wars are but the germs of real wars." Therefore, by the removal of the causes of war, he believed an international trade congress dedicated to the above purpose would measurably reduce the possibilities of economic warfare and greatly assist in the establishment of healthier trade relations throughout the world.[54] Interestingly, that same proposal made by Hull became point three of President Wilson's fourteen points for a lasting peace.[55]

Beginning in 1916 Hull closely observed the thinking of organizations such as William Howard Taft's League to Enforce Peace, and of men such as Theodore Roosevelt and Senator Henry Cabot Lodge, who were all urging the formation of an association of nations after the war. Hull strongly believed in the idea.[56]

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[53] Ibid., 2 sess., 10163. In February, 1916, Hull made an extensive investigation of the various acts, methods, and policies practiced by many nations in their efforts for international trade and commercial advantages. Hull was convinced that many of the efforts were "illegitimate, unfair, and unequal in their effects on other nations." The result was a great amount of "friction, ill feeling, and bitter economic strife!" between the nations. At that time Hull prepared the above resolution calling for an international trade agreement congress to be held in Washington in which all nations should be participants. "After some conference," Hull delayed the formal introduction of the resolution until April 23, 1917, when he offered it in "modified form." Ibid., 3 sess., 3955.

[54] Ibid., 2 sess., 10163.

[55] Ibid., 3 sess., 3955.

[56] Hull, op. cit., I, 86.

Although he supported Wilson's plan for a league of nations, Hull believed that point three of the fourteen points was equally important. On February 21, 1919, he declared that the establishment of economic world peace was most needed and would not conflict with any plans for a league of nations, but on the other hand, "would supplement, strengthen, and make easier its operation," since there would be less commercial and trade disagreements for arbitration. Hull exclaimed that "commercial power means political power, and as a rule, military power as well." He pointed out that history has revealed that most wars of recent times had arisen largely from "irritation, bitterness, jealousy, and strife" due to economic differences.[57]

Continuing in the same speech, Hull held that if all nations engaged in commerce would agree to the principles of the most-favored nation clause[58] in its entirety, virtually all discriminations would be removed. He believed that the colonial preference systems in which the mother country gives "preferences to the colonial products in her markets and vice versa" were in violation of the most-favored-nation principle. "Mother countries and not their colonies," Hull contended, received the most benefit from the preference system. Although he felt that the preferential treatment should be abandoned in the "case of autonomous

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[57] Cong. Rec., 65 Cong., 3 sess., 3956.

[58] The most favored nation clause as practiced in Europe required "each nation to accord to the other as the party of the second part treatment which is or shall be accorded in a like matter to that nation most favored by it in another treaty." The United States at that time had failed to adopt the doctrine in its unconditional form and thus was not bound by the provisions, except with some limitations. Ibid., 3957.

or self-governing colonies," he asserted the system should be allowed in the situation of "backward, uncivilized, or more or less dependent colonies" in which the mother country had made their interest dominant.[59]

During Worl War I Cordell Hull played a significant part in the raising of nearly $21,500,000,000 by the floating of five bond issues.[60] On April 17, 1917, he inserted into the appendix of the Congressional Record his views concerning the first bond issue aggregating $7,000,000,000, of which $3,000,000,000 was loaned to the allied nations opposed to Germany. He stated that what the Allies needed most of all was credit. He strongly held that "the most powerful blow the United States can strike at this early stage" was the procurement of credit to enable the allied armies to be supplied with the necessary food, materials, and equipment. This would allow the Allies to carry on the proper amount of warfare against the enemy.[61] The bill was passed unanimously by the House.[62]

Within the same remarks, Hull included a discussion of the form of fiscal policies the government should adopt during the length of the

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[59]Ibid., 3957-3958. The United States accepted the doctrine in a conditional form, which was that "the application of equality of treatment is conditioned upon the receipt from the other party to a treaty of a favor or a concession equivalent to that which was paid by the third nation to which the United States has accorded the favor or concession in question." The United States in 1922, however, adopted the unconditional interpretation, omitting the necessity for such a concession equivalent. Wallace Mitchell McClure, A New American Commercial Policy (Vol. CXIV of Studies in History, Economics and Public Law, New York: Columbia University, 1924), 148 and 169.

[60]Hicks, et al., op. cit., 409.

[61]Cong. Rec., 65 Cong., 1 sess., Appendix, 81.

[62]Ibid., 690.

war. He realized there would be "conflict of views" as to the most useful method of taxation. He explained that the nation should be most careful in its approach since the ultimate method used would cause both immediate and long-term effects upon the nation's economy. Hull indicated that there was "no fixed rule" as to what portion of war expenditures should be met by taxes or by bonds, but depended upon such factors as the nation's credit and the estimated cost and duration of the war.[63] He expanded these views as follows:

> I repeat that in financing a great war no fixed rule as to the relative proportion of taxes and bonds is possible. The best policy is to levy the largest amount of taxes that can be imposed without actual and serious impairment or disruption of the normal business of the taxpayers, making increases in such tax levies as the war progresses and expenditures swell, and as business adjusts itself to the new conditions which such tax levies create. The remainder of the expenses should be met by the issuance of bonds.[64]

Continuing his remarks, Hull pointed out that the bonds made available to furnish loans to Allies should mature at a time when the Allies would be capable of making the payments.[65] As to bond issues for domestic war purposes, he asserted that a different rule should apply. He felt that the best policy would be to eliminate bonded indebtedness as quickly

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[63] Ibid., Appendix, 81-82.

[64] Ibid., Appendix, 563.

[65] Ibid. On September 5, 1917, Hull was instrumental in defeating an amendment proposed by Representative Charles H. Sloan of Nebraska asking for a thirty-year limit on additional bonds thereafter issued to allied governments. Hull injected the view that the United States should not adopt an "ironclad statute" but should consider some of "their conditions and their wishes in regard to terms of maturity." He felt the allied governments would be overburdened by their own domestic indebtedness without taking into account foreign indebtedness. Ibid., 6640-6650.

as possible without the tax levies being "unduly burdensome or oppressive." Hull believed that most of the bonds issued for domestic purposes should be made optional or redeemable within approximately a five-year period. He reasoned that following the completion of the war a fixed rate of interest could then be applied to the total aggregate debt.[66]

Cordell Hull, too, expressed a dislike of the sinking-fund method, even though the law would carry very definite provisions as to payment in the future. He affirmed that often the sinking-fund method, due to its partial setting aside of money, resulted in detainment or deferment of indebtedness. He also contended that as a part of the serial bond plan, it would be feasible to increase the estate tax rates so as to produce $200,000,000 which would be equivalent to one serial bond payment. This view Hull had expressed in previous sessions of Congress.[67]

In addition, Hull emphasized that he did not favor the establishment of tax exemptions for the bonds. Taking account of the great amount of federal, state, county, and municipality bonded indebtedness and the property belonging to charitable and other institutions exempt from taxation, he declared:

> I have for some time been of opinion that in amassing the great war debt which the Government is being compelled to incur, the right of the Government to tax the interest on this debt, either now or following the war, should not be surrendered. At the best, the amount of the world's capital which will be found to be exempt from taxation at the close of the war will be appalling. With the right to tax reserved, the cause of a bonded aristocracy can be avoided and the interest advantages accruing to the bondholders can always be kept on a level justly proportionate to interest advantages derived from other sources. Few

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[66] Ibid., Appendix, 563.

[67] Ibid.

> greater evils could arise than the entire tax exemption of our public debt growing out of the war, especially if a period of depression and hard times should follow the reconstruction period, which would represent a situation in which would be found one class of idle and wealthy bondholders owing no financial obligations to the Federal, State, or local governments, and another class composed of the masses subject in their privations to the enormous taxes to pay both the interest and the principal of such bonds and other expenses of the Government. Such condition would greatly conduce to socialism.[68]

Hull stated that if the pending revenue bill were passed, the third liberty loan, although the interest would be free from state and local taxes, it would be subject to the identical super income, estate, and excess-profits taxes as were levied on the second liberty loan. He opposed the tax-free bond policy, pointing out it had caused economic distress in those countries such as Italy, Canada, France, and New Zealand, which had used it. The offer of the third liberty loan at four and one-half per cent interest, he declared, "presents to the people the best, soundest, and most desirable investment to be found in the world today."[69]

Before the House on February 26, 1919, Hull wholeheartedly supported the final bond issue, the proposed victory loan bill. In a moment of pride characteristic of the nation's spirit of that time, and reminding the nation's citizens of their financial obligations, Hull declared:

> Turning again to our own financial and economic situation, we experience a feeling of great relief after dwelling on the dark picture presented by the other belligerent countries. Our population is more than 100,000,000 and our wealth more than $250,000,000,000, while our annual savings must be more than

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[68] Ibid., 566.

[69] Ibid., 2 sess., Appendix, 269-271.

> $15,000,000,000. The Nation can without difficulty meet and pay off its obligations far in advance of other nations. The Nation can and should maintain and strengthen its unparalleled position of world supremacy industrially, financially, and commercially. The United States has to its credit a 19 months' war record which is the admiration of the world, as it is the despair of the enemy. Let us keep in mind at least some of the big things the Nation has accomplished, some of the big achievements with which it has startled the world. The courage and patriotism of our soldiers and sailors have brought lasting honor and glory to the Nation. Let us without brooding over little things, cheerfully practice enough financial heroism to pay the necessary taxes involved.[70]

Hull emerged from World War I as a recognized leader who had contributed a great deal to his nation's war efforts. His demonstration of expert financial leadership proved him to be of considerable value to the Wilson administration. However, with regard to his own career, the most important single result was his conviction that "economic wars were but the germs of real wars." Hull determined to offer more assistance to the nation in arriving at a solution to the tariff question. On November 11, 1918, Armistice Day, President Wilson wrote F. W. Taussig, Chairman of the Tariff Commission:

> The Hon. Cordell Hull, of Tennessee, a very serious student of public affairs and a very admirable man whom I am glad to call my friend, intends, I know, to seek an interview with you about tariff legislation, and I am taking the liberty of writing you this line to tell you he is worthwhile.[71]

Having gained status as a ranking Democrat member of the House Ways and Means Committee, and the war having been won, prospects for the future could only seem bright indeed. The disheartening result to Hull and other Democrats was that the Wilson administration suffered a disastrous political

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[70] Ibid., 3 sess., 4340.

[71] Baker, op. cit., VIII, 590.

defeat. In the mid-term elections of 1918, the Republicans captured control of both houses of Congress.

CHAPTER IV

DEMOCRATIC DISSENTER IN REPUBLICAN CONGRESSES

The election of the Sixty-sixth Congress, which began on May 19, 1919, with both houses predominantly Republican, was the first of six consecutive Republican Congresses. In this Congress Hull served for two years, which was during the remaining duration of the Wilson Administration. Suffering his only political defeat at the polls in a bid for a seat in the succeeding Congress, he nevertheless served his party ably as chairman of the Democratic National Committee. After being reelected to the Sixty-eighth Congress, he served continuously through the Seventy-first Congress, when he was elected to the United States Senate for a six-year term beginning March 4, 1931.

It can be well said that the years between 1919 and 1931, for the most part, were largely uneventful years for the Democratic Party. Hull, along with other Democrats, for twelve years suffered the consequences of a Republican-dominated executive as well as legislative branch of the government. Although Hull--the dissenter--continued to voice his opinion concerning the vital issues of the day, his voice was seldom noticed. The years marked those in which Hull expressed his ideas concerning issues involving post-war problems and assumed more responsibility and leadership as a member of the Democratic Party. He also increased and voiced his knowledge of the financial operations of the government, and asserted

his definite beliefs concerning the prevailing tariff issue which finally culminated in his election to the Senate.

Other leaders of the same party as Hull's who served during that "slumbering period" for the Democrats were Tom Connally, John Garner, and Sam Rayburn of Texas; Alben Barkley of Kentucky; Henry Rainey of Illinois; and Joseph Byrns and Finis Garrett of Tennessee. Tom Connally recorded in his autobiography that Hull "didn't fraternize much with other members." Connally continued:

> He was a man who rarely made a speech. He stayed in his office a great deal of the time doing research and gathering data and statistics, and we looked upon him as a student. He wrote many speeches on the subject of low tariffs, but he put them into the Record without delivering them on the floor. He wasn't especially shy; he just wanted to avoid rough and tumble debates.[1]

Hull, focusing the attention of the House on less serious matters of the day, on May 24, 1919, proudly informed the body of the presence of Sergeant Alvin C. York.[2] Sergeant York, who was awarded the United States Medal of Honor for his outstanding bravery during World War I, made his home in Hull's congressional district. Hull exclaimed:

> Mr. Chairman, I desire to call the attention of the House to the fact that there now sits in the gallery a young man who has been recognized by all the commanding generals of the Army as having accomplished the greated individual feat of the recent World War, Sergt. Alvin C. York, of Company G, Three Hundred and

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[1]Cong. Rec., 66 Cong., 1 sess., 191.

[2]Tom Connally as told to Alfred Steinberg. My Name is Tom Connally (New York: Thomas Y. Crowell Co., 1954), 110-111.

Twenty-eighth Regiment, Eighty-second Division. [Applause.][3]

Hull was outspoken in his opinions concerning the post-war problems encountered by the United States in its relationships with other countries of the world. On April 9, 1920, he expressed his opposition to the House Joint Resolution[4] "terminating the state of war declared to exist April 6, 1917, between the Imperial German Government and the United States." The resolution was based mainly on condition that reciprocal trade relations be resumed.[5] He strongly defended President Wilson's efforts to negotiate a lasting treaty at Versailles, and with equal vehemence condemned the Senate for its failure to approve its ratification. After ten months of delay, Hull, referring to the joint resolution, reluctantly stated that the House "by means of a purely legislative measure," was compelled to use the most necessary and "important part of the treaty-making power of the Government."[6] He asserted that the Constitution had given the President the authority "generally to negotiate commercial treaties." The duty of Congress, he contended, was to legislate in the form of levies, collections, and regulations to carry out the commercial treaties.

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[3]Ibid., 199. On August 20, 1919, Hull unsuccessfully introduced a bill "authorizing the President to appoint Alvin Collum York a second lieutenant and place his name on the retired list with the pay and the allowances of a second lieutenant of the Regular Army. The bill was referred to the Committee on Military Affairs. Ibid., 4085. In future sessions of Congress, Hull also, without success, introduced similar bills authorizing the President to make York a captain. Ibid., 69 Cong., 1 sess., 2480.

[4]Ibid., 66 Cong., 2 sess., 5411-5412.

[5]Ibid., Index, 9776.

[6]Ibid., 5411-5412.

Hull indicated that section three of the bill "ostensibly and prtendedly" proposed to establish reciprocal trade relations with Germany. The real purpose of the section, Hull concluded, after he had made a fair evaluation, was to have the German government agree to confirm to the United States and its protectorates the "benefits and advantages" which the President and allied countries had forced the German government to accept in the Treaty of Versailles. He held that the resolution would place the United States in a most unjustifiable position. Hull raised the question as to how the United States after it had rejected the Versailles Treaty, signed by Germany and each of the allied nations, could now insist that the German government conform only to the parts of the treaty that benefited the United States? The use of the words, United States, he said, "would become a hiss and byword in every civilized country on earth."[7] The resolution was passed by both Houses of Congress, but was vetoed by the President. The effort of the House to override the President's veto failed because of the lack of the necessary two-thirds majority.[8] It was brought again and passed after Harding became President.[9]

In 1920 Hull, taken under by the Harding landslide along with many other Democrats, was defeated in his bid for a seat in the Sixty-seventh Congress. It was the only political defeat suffered by Hull at the polls. The loss was caused mostly by the "lukewarmness" of many

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[7]Ibid.

[8]Ibid., Index, 9776.

[9]Ibid., 67 Cong., 1 sess., Index, 399.

Democrats toward the Wilson administration. Hull sought to arouse voter support within his Fourth Congressional District, but nevertheless many Democrats were content with staying at home.[10] Women, exercising their suffrage right for the first time in Tennessee, largely failed to support Hull. It is interesting that the previous year Hull had voted in Congress against woman suffrage.[11] The result was that a Republican, Wayne Clouse, won by 390 votes. Two years later, while carrying nine of thirteen counties in his district, Hull defeated the incumbent Clouse by a majority of nearly 6,000 votes. In previous years the normal Democratic majority had been 3,500 votes.[12]

In November, 1921, Hull accepted the unsought and thankless position of his party's chairmanship. Since the party had divided over the reelection of its chairman, George H. White, a backer of Governor Cox, Hull was chosen as an acceptable compromise candidate, much due to the support of Carter Glass. During the Democratic Convention of 1920, Hull had not closely allied himself with any of the candidates.[13] The New York Times, in commending the Democrats on their selection in an editorial, stated that Hull "has no part in the premature ambitions of any Democrats who are casting sheep's eyes at the White House." The

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[10]Hull, op. cit., I, 105-106.

[11]New York Times, November 9, 1920.

[12]Knoxville News-Sentinel, November 8, 1922.

[13]New York Times, November 2, 1921.

paper declared that the new chairman's main task was to elect a Democratic House in 1922.[14]

For a number of years Hull had been a member of the executive committee, and had become very familiar with the inner workings of the organization. For the next three years, the last one of which was served after he regained his seat in the House, the Chairman of the Democratic National Committee worked tirelessly and unceasingly for the good of his party.[15] Chairman Hull was in part responsible for the revitalizing of the party following the Harding landslide, as evidenced by the splendid Democratic showing in the election of 1922.

While chairman of the Democratic National Committee, Hull was often called upon to express the party's viewpoints on prevailing issues of the period. In March, 1921, he prepared an article entitled "Economic Consequences of the Defeat of the Peace Treaty."[16] The defeat of the Treaty of Versailles, Hull believed, had delayed conditions of peace the world over for two years. He observed that the refusal of America, neutral countries, and other strong nations to cooperate economically with the states of central and eastern Europe had resulted in the "world cataclysm." He indicated that it was the "unbiased judgment of statesmen, economists, financiers, and business men"[17] throughout the world

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[14] Ibid., November 3, 1921.

[15] Hull, op. cit., I, 113-115.

[16] Cong. Rec., 67 Cong., 1 sess., Appendix, 8844.

[17] Ibid., 8847.

that if the needful sections of Europe had been properly aided, the chaotic conditions of that time could have been avoided. Hull concluded:

> The most charitable comment that can be made on the conduct of these Republican leaders is that if they thus willfully and deliberately and knowingly wrecked the peace, the political, social, and economic order in many parts of the world, the act of so doing constitutes the blackest of all black crimes committed in the annals of the human race.[18]

In January, 1922, Chairman Hull was the guest of honor at a Jackson Day dinner given by the Tennessee Society. Attending were prominent Democrats such as Bernard Baruch and William G. McAdoo. For the occasion Hull chose his favorite subject--the need for the United States to call a world trade conference to help restore economically depleted nations. The speech and seemingly gala event received wide coverage by the New York Times.[19]

Among the most intricate problems before Congress during the twenties was the collection of loans which the United States had made to the Allies after 1917 and during their initial stage of reconstruction. The American government looked upon these loans as genuine--no different from the loan of one person to another--and expected them to be paid back. On the other hand, Europeans felt the United States had entered the war late; her casualty list was slight; much of the loans had been spent on United States goods; and they believed the American government was prosperous enough to be able to forget the matter. Congress was unwilling to oblige, and in 1922 formed the World War Foreign

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[18] Ibid.

[19] New York Times, January 6, 1922.

Debt Commission, which made agreements with fifteen Allied nations between 1923 and 1926.[20] The settlements were arranged in accordance with capacity to pay; thus, Italy's interest rate was a meager 0.4 per cent, whereas, more prosperous England's rate was 3.3 per cent.[21]

Hull regained his seat in the Sixty-eighth Congress, and on January 14, 1926, he spoke in opposition before the Sixty-ninth Congress to the proposed bill for the settlement of the Italian debt.[22] He and Henry Rainey of Illinois were the dissenting members of the Ways and Means Committee.[23] The Italian nation owed the United States government $2,042,000,000. The bill, as proposed before the House[24] and enacted,[25] extended the debt over a sixty-two year period; provided for payment of interest and principal totaling $2,407,000,000; and declared for the first five years a nominal $5,000,000 installment on the principal and a moratorium on the discharge of interest.[26]

Hull opposed the bill for the settlement of the Italian debt on the grounds that the 62-year payment plan, with an assumed interest rate of 4-1/4 per cent,[27] the current rate received by holders of United States

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[20]Freidel, op. cit., 236.

[21]Hicks, et al., op. cit., 449.

[22]Ibid., 69 Cong., 1 sess., 2055.

[23]New York Times, January 7, 1926.

[24]Cong. Rec., 69 Cong., 1 sess., 2066.

[25]Ibid., Index, 714.

[26]Ibid., 7902-7903.

[27]Ibid., 2057.

war bonds,[28] would amount to a total debt of more than $5,500,000,000. By subtracting $2,407,000,000, the proposed amount for Italy to pay, from the "true" debt of $5,500,000,000, Hull emphasized that the United States taxpayers would actually pay a sum of $3,093,000,000 of the total debt. This, he observed, "amounts to $7,000,000 for each of the 435 congressional districts of the United States."[29] He also noted that if Italy were to pay portions of the $2,407,000,000 settlement, as proposed, less than one-fourth would be paid during the following thirty-one years. The remainder, Hull exclaimed, would be "transferred to that nebulous, faraway period of time which embraces the next generation," a period over which men of today do not have full control.[30]

Hull stated that when the bill was before the House Ways and Means Committee, he had advocated as an alternative giving Italy a moratorium on payment of both interest and principal for six years, reducing the debt some 50 to 60 per cent of the aggregate, and then letting the two governments reach a satisfactory agreement as to payment of interest and principal. He contended that the United States, by the continuation of the moratorium for six years, could save over half or $2,000,000,000 of the Italian debt, with interest included at 4-1/4 per cent. Hull believed the period of moratorium would enable the United States to be in a better position to gauge more accurately Italy's ability to pay.[31]

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[28] Ibid., 7894.

[29] Ibid., 2057-2058.

[30] Ibid., 2058.

[31] Ibid., 2060.

Hull, too, on available statistical evidence, assumed that during the six-year period, Italy's business would prosper and her wealth would increase. Therefore, he thought Italy's capacity to refund the debt would be enlarged.[32] He also injected the idea of the need for a favorable balance of trade. He asserted that Italy's external debt would never be paid as long as an unfavorable balance of trade existed. This unfavorable balance, he felt, was caused by the high protective tariffs which had been recently enacted by the United States.[33]

Obviously, the war resulted in a great deal of confiscated property by both the United States and its enemies--Germany, Austria, and Hungary. Following the war, negotiations were held to make an agreeable settlement for the lost property. On December 16, 1926, Hull spoke in the House concerning a bill for the settlement of property between American nationals[34] and German nationals.[35] His speech said little

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[32] Ibid., 2062.

[33] Ibid., 2060-2061.

[34] The term national, strictly defined, refers to a person who owes allegiance to a country but is not a citizen of that country. American nationals are given most of the protections which citizens have, "and the actual distinction is hazy." When Congress legislates "the status of nationals to people it identifies them as belonging to and entitled to the protection of the United States, particularly for the purpose of international relations." Jack C. Plano and Milton Greenberg, The American Political Dictionary (New York: Holt, Rinehart and Winston, Inc., 1962), 49-50.

[35] The term, German national, as used in the proposed bill, referred to "an individual who, on April 6, 1917, was a citizen or subject of Germany, or who, on the date of the enactment of this act, is a citizen or subject of Germany." Cong. Rec., 69 Cong., 2 sess., 594.

specifically about the proposed bill,[36] but was mostly concerned with an indictment of the past and present Republican administrations for their methods of handling the German financial indebtedness to the United States. In the procurement of "army occupation costs and claims of their respective nationals," Hull sought to prove that from the beginning, 1919, the American government held "aloof and isolated"[37] as compared to cooperation and unity on the part of the allied nations.

Hull retold how the United States had failed to ratify the Versailles treaty of peace signed by the allied nations with Germany in 1919, and in 1921, acting separately, had negotiated a treaty of peace with Germany. This separate treaty, the Berlin treaty of 1921, included each of the terms concerning army occupation costs and claims of American nationals as accepted by the allied nations in the Treaty of Versailles. Thus, the United States sought to deal directly with the German government, whereas, the allied nations worked together and received through the Reparations Commission the major share of their army occupation costs. Hull declared that the United States received nothing in the form of reparations, due to failure to "request or accept payment" through both the Reparations Commission and the provisions of the Berlin treaty.[38] He also stated that the allied governments, acting under

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[36]The basic plan of the proposed bill was that 80 per cent of the total value of property, including interest, both of American and German claimants, would be returned in the form of money. The remaining 20 per cent, with interest, would be set aside in a deferred class and would share a percentage of the payments of the Dawes plan. Ibid., 602.

[37]Ibid., 605.

[38]Ibid.

specific articles of the Versailles treaty, between 1919 and 1925 established clearing offices for the settlement of the claims of nationals on both sides of the war. He observed that during the more than five years of operation, the clearing offices settled the majority of the claims; whereas, the United States having declined to use either the clearing office operation under the Versailles treaty or the Berlin treaty naturally received nothing.[39]

Hull, during the same speech, told of the reluctance of the United States government to allow complete cooperation of the nation's representatives to the various conferences for the arrangement of reparations payments. He referred to the fact that the separate treaty of peace with Germany, the Berlin treaty, carried a Senate reservation not allowing the representation of the United States on the Reparations Commission without the approval of Congress. He noted that the American delegates who attended the London reparations conference in July, 1924, to consider the Dawes report for reparations payments were very limited in their scope to act, and for fear of "involvement" refused to sign the final act.[40]

Continuing, Hull recalled that a conference was held in Paris in January, 1925, for the purpose of agreeing to the distribution of portions of the German reparations to the allied nations, and that, as the conference approached, the United States was divided between a desire

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[39] Ibid.

[40] Ibid.

to secure part of the reparations payments and the same fear of "involvement." At this point, Hull said, our nation took a closer look at the Dawes plan as adopted by the London conference. The act provided that payments from Germany could be received only from reparations payments provided for by the Dawes Commission. Thus, the United States was blocked from receiving any payments direct from Germany under the Berlin treaty. It was under these conditions, Hull contended, that the American government quickly acted to secure permission for its representatives to act as official delegates to the Paris conference.[41]

"As the only way out of a bad situation," and because it was not the fault of the claimants, Hull declared he would vote for the pending bill. He said, "I shall never be able to excuse the stupidity and outrageous negligence of our Government in handling its claims and the claims of nationals."[42] The bill passed the House with Hull voting for it. Although the bill was debated before the Senate, it was never voted upon.[43] During the following session of Congress, a similar bill including the nations of Austria and Hungary, as well as Germany, was successfully enacted into law.[44] Hull played no part in that bill.

During those Republican congressional years, Hull continued to voice his opinions concerning the financial operations of the government. On May 31, 1919, within the immediate postwar era, Hull made a

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[41] Ibid.

[42] Ibid., 607.

[43] Ibid., Index, 309.

[44] Ibid., 70 Cong., 1 sess., Index, 684.

speech in support[45] of an attempted repeal of the luxury tax[46] which had been recently extended.[47] Before he stated his reason for advocating the repeal of the tax measure, he made a lively attack aimed mostly upon Representative J. Hampton Moore of Pennsylvania,[48] who moments before had delivered an address before the House. Hull asserted:

> I must say that I get a little weary when some gentlemen persist in interrupting the real business of the House by attempting to play what some people would say was cheap politics--raising the question of politics in every conceivable little way--was this a Democratic bill, was it introduced by a Republican or a Democrat? My God! We have more problems to solve than our entire joint wisdom can possibly solve, and I say it is discouraging, when many of us on both sides have been earnestly striving jointly to work out some of these problems, to be constantly interrupted by gentlemen whose chief mission seems to be to play politics. In my opinion, unless some of that is suppressed during the next 18 months, the country will not be subjected to any greater menance from the I. W. W. and the anarchists than it will from the professional politicians. [Applause on the Democratic side.][49]

In his denunciation of the luxury tax, Hull claimed that the method was impractical due to its many administrative complexities. He indicated that the measure required the burdensome and unnecessary involvement of millions of clerks and salesmen in the application of the various rates on the many articles subject to the tax. He also believed another method of taxation, less expensive, should be devised for the luxury class of expenditures.[50]

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[45] Ibid., 66 Cong., 1 sess., 483-485.

[46] Ibid., Index, 9722.

[47] Ibid., 485.

[48] Ibid., Index, 9235.

[49] Ibid., 484.

[50] Ibid.

In a highly partisan speech before the House, Hull, on May 25, 1920, bitterly criticized the Republican Party for its fiscal policies. He sought to prove by statistical evidence that the Democratic Party had always practiced economy, whereas the Republican Party had been traditionally the party of extravagance. He contended that a Democratic Congress could be "expected and relied upon to bring about speedy, comprehensive, and equitable reforms in the present system of war taxation." He thus concluded that only a Democratic Congress could develop a suitable and effective program of peace-time taxation.[51]

In the meantime, Hull was defeated for reelection to the House and became chairman of the Democratic National Committee. In this position, he wisely continued to use his vast amount of financial knowledge. His first public statement was that the party "will pay debts promptly."[52] The financial leader had become the party's chairman when its treasury was near bankruptcy--an accumulated $300,000 of debts.[53] During this time only a few men such as Bernard M. Baruch, William Jennings Bryan, and Thomas L. Chadbourne, New York lawyer, gave generous financial assistance to the party. Baruch described the financial dilemma that the "competent and conscientious" Hull faced by a letter written from Hull to him on November 12, 1923:

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[51] Ibid., 2 sess., 7613.

[52] New York Times, November 3, 1921.

[53] Hull, op. cit., I, 116.

> I am still writing my own checks for more or less substantial amounts every week in order to squeeze by the weekend. This, of course, has crucified me in my efforts to do the real things that I should have been doing on as nearly a hundred per cent basis as possible during past months. I shall continue to hold on with a death grasp, however, and do the maximum amount of work possible on a shoestring.[54]

Following much hard work, upon his resignation, Hull could boast of a surplus of $30,000. Thus, Hull took over the chairmanship of the party at its lowest ebb, both politically and financially, and along with other dedicated Democrats greatly assisted in its rebirth.[55]

While chairman of the Democratic Party, Hull on many occasions voiced the party's viewpoint concerning the financial conditions of the nation. In September, 1923, The Congressional Digest published an article written by Hull entitled "The Democrats Challenge the Republican Tax Record." In an obviously partisan article, he contended that the Democrats by February, 1919, had reduced war taxes $2,000,000,000 below those of the previous year. The Democratic leader concluded that the Harding administration, now in its third year, had only made reductions of $850,000,000. Hull stated that the major part of this sum was the result of tax reductions on the wealthy class.[56]

Upon returning to the Sixty-eighth Congress, Hull, on February 7, 1925, made the longest speech of his career in the House of Representa-

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[54]Bernard Baruch, The Public Years (New York: Holt, Rinehart and Winston, Inc., 1950), 175.

[55]Hull, op. cit., I, 113-116.

[56]Cordell Hull, "The Democrats Challenge the Republican Tax Record," The Congressional Digest, II (September, 1923), 353.

tives. Although his address was slanted, needles to say, towards the Democratic viewpoint, the speech was a penetrating analysis of the government's fiscal policies between 1913 and 1925. The address, mostly pertaining to fiscal measures during World War I, covered thirteen pages in the Congressional Record.[57] Senator Carter Glass of Virginia,[58] who was Secretary of the Treasury under President Wilson and who was a close personal friend of Hull,[59] told the Tennessee Congressman that he remained awake all night reading and studying the speech.[60]

During the address, Hull called attention to the tax reduction claims made by the opposing political party. He made specific reference to President Coolidge's remark that the American citizens' taxes had been substantially reduced by nearly $2,000,000,000 in each of the last four years. Hull asserted that "some careless subordinate has greatly misled the President." He believed that in actuality the tax reductions had amounted to nothing since large amounts of taxes had only "been shifted but not reduced." Hull indicated that internal taxes were reduced while at the same time higher tariff taxes were legislated which imposed a comparable levy.[61]

On December 9, 1925, Hull entered the House debate on the general revenue bill for the fiscal year 1926. In a lengthy discussion on

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[57] Cong. Rec., 68 Cong., 2 sess., 3249-3262.

[58] Ibid., Index, 3.

[59] Hull, op. cit., I, 72.

[60] Ibid., 124.

[61] Cong. Rec., 68 Cong., 2 sess., 3260.

taxation, he urged that the existing maximum estate tax should remain at 25 per cent; the maximum income surtax at 25 per cent; the exemption for married persons should be lowered from $3,500 to $2,500 and include an exemption of $400 for each dependent; a tax of 2 to 3 per cent on the undistributed profits of corporations, but never greater than 3 per cent; reduction of taxes to the extent of $350,000,000; and the repeal of the wartime automobile and admission taxes.[62] He supported the proposed revenue bill,[63] which became law on February 26, 1926. The Revenue Act of 1926 provided for a maximum estate tax and income surtax of 20 per cent; an exemption for married persons of $3,500 with a credit of $400 for each dependent; no tax on undistributed profits of corporations; reduction of taxes to nearly $400,000,000; the lowering of automobile excise taxes from 5 to 3 per cent; and the decreasing of the admission taxes from 10 per cent on admissions over 50 cents to 10 per cent on admissions over 75 cents.[64]

Hull, in the same speech, in regard to past inefficient methods of taxation, advocated greater cooperation among the federal, state, and local governments. He insisted that definite lines of division for

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[62] Ibid., 69 Cong., 1 sess., 565. Hull believed that by the continuance of the maximum surtax and estate tax, the $1,500 exemption for single persons, and the $3,500 exemption for married couples with the $500 credit for each dependent, the automobile and admission taxes would not be needed. Ibid. Hull, too, expressed his opinion that married couples without dependents should be "lightly taxed." He believed that the amount of the exemption on a graduated income tax structure should be established near the "minimum subsistence" level. Ibid., 882.

[63] Ibid., 1164-1165.

[64] Ibid., 70 Cong., 1 sess., 10811-10817.

jurisdictional purposes should be established so as to promote the greatest utilization of tax resources.[65] He outlined the following program:

> 1. The federal government which needed $3,000,000,000 for the current fiscal year should make the income tax its chief revenue producing method. Customs, tobacco, estate taxes not needed by the states, oleomargerine, alcohol, and when totally necessary a limited system of stamp taxes should be applied as additional sources.
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> 2. The states should use the inheritance tax to the fullest possible degree. Revenue derived from gasoline, license, and other automobile taxes should approximate $300,000,000. A flat tax levy of 1 to 2 per cent should be applied on one's personal income, thereby taxing both the "intangible and tangible property holder." States should also use special assessment measures, license, occupation, and other minor taxes.
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> 3. The municipalities should secure their main income from real estate taxes in addition to special assessments, fees, sales, license, and other minor business taxes.[66]

On December 10, 1927, Hull again asserted that the Republicans had levied more taxes than the Democrats. Speaking before the House, he proudly noted that it was a Democratic Congress in February, 1919, which reduced internal taxes from the wartime high of $6,000,000,000 to $4,000,000,000. He observed that the "so-called tax reduction acts of 1921, 1924, and 1926" had decreased tax levies by an estimated sum of $1,604,000,000. The significant point made by Hull was that during the same time the Harding and Coolidge administrations had increased the tariff rates to yield an additional $3,000,000,000 to $4,000,000,000. He also pointed out that the federal expenditures between 1922 and 1928

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[65] Ibid., 69 Cong., 1 sess., 564-565.

[66] Ibid., 565.

had been reduced by only $169,000,000.[67]

Hull, too, chose to criticize the great amount of popular talk concerning "Coolidge economy" and the accomplishments of Andrew Mellon, Secretary of the Treasury. While recalling that Coolidge became President in August, 1923, Hull stated that federal expenditures for the fiscal year ending June 30, 1924, were $3,506,000,000. He then observed that the estimated expenditures for the fiscal year ending June 30, 1928, were $3,626,000,000, or an increase of $120,000,000. "Further comment," Hull declared, "is unnecessary."[68] As for Secretary of the Treasury, Andrew Mellon, Hull felt that he was far from worthy of the Republicans' praise, which would make him of comparable stature to Alexander Hamilton. "The honest truth," Hull maintained, was that the problems encountered by Mellon since 1921 had been "simple and easy" in regard to the conditions which he had inherited.[69] Thus, Hull believed that the Democrats had paved the way for Mellon's success.

In the same speech, Hull further stated that the interest rate on the war debt had been much higher during the years of Republican administration than during the Democratic years. The Wilson administration, he pointed out, had stabilized the long-term war debt on a maximum support level of 4-1/4 per cent interest rate. Hull asserted that the 4-1/4 per cent ceiling was fixed even though outspoken representatives

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[67] Ibid., 70 Cong., 1 sess., 433-434.

[68] Ibid., 434.

[69] Ibid., 435.

of financial institutions had pressed for a rate as high as 4½ per cent. Thus, he declared that the nation's taxpayers were saved billions of dollars. He stated that millions of dollars were lost when the Harding and Coolidge administrations allowed the banks to establish the interest rates of government securities. He further stated that the greatest amount of interest paid was not obtained until the fiscal year 1923, four years after the war, when the Harding administration paid $1,056,000,000 interest, as compared with $1,020,000,000 for 1920 under President Wilson. Hull then presented statistical evidence showing that the highest rates of interest on the public debt, following the war, had occurred during Republican years of administration.[70] He condemned the Republican Party for being unable to scale the interest rate below 4 per cent in 1927, eight years after the war.[71]

Four days later, before the same body, turning his attention to the federal inheritance tax, Hull greatly criticized those who would relinquish the tax on the grounds of state rights. Hull avowed that he held in high regard those who honestly championed state rights, but questioned those individuals who would use the theory as a protection for the unjustifiable avoidance of tax payment. "State rights," Hull upheld, "does [sic] not mean the exemption of wealth from its fair share of taxes."[72] He repeated the argument he had used while advocating the

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[70] Ibid., 434-435. The average rates of interest between the fiscal years of 1919 and 1927 were as follows: 1919, 4.10 per cent; 1921, 4.29 per cent; 1922, 4.29 per cent; 1923, 4.22 per cent; 1924, 4.21 per cent; 1925, 4.14 per cent; 1926, 4.09 per cent; and 1927, 3.96 per cent. Ibid., 435.

[71] Ibid.

[72] Ibid., 636.

passage of the first federal inheritance tax in 1916 that within eight months after the state of New York had increased its inheritance tax rates only a small amount, $400,000,000 was transferred into states with lower rates. Thus, Hull concluded, an obvious peculiarity of many of those of substantial wealth was a "roving disposition" or "migratory habits."[73]

The greater portion of Hull's speeches in Congress during his tenure between 1919 and 1931 were connected with the tariff issue. During this period the Republicans backed mostly by large business interests made successive efforts to raise the tariff to protect American industry and supposedly protect the agriculture economy. Several tariffs, decidedly upward, were passed. Time and again before the House, Hull directed a steady stream of attack upon the Republicans for their advocacy of higher tariffs. His first criticism came on December 9, 1919, when he opposed the passage of an antidumping bill.[74] The bill, which failed to pass, was presented by its many supporters as a means of protecting the American manufacturers and their wage earners from the effects of depreciated currencies abroad. Hull felt differently; he believed the country would be unable to increase domestic production and expand foreign trade if the United States chose to erect artificial barriers. He declared:

> Prices are high in the United States, and the enactment of a comprehensive, inflexible antidumping law such as is now proposed

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[73] Ibid.

[74] Ibid., 66 Cong., 2 sess., Index, 9720.

> will have a tendency to sustain and increase rather than decrease existing high prices. This is no time to stimulate or increase prices to the American consumers and to the American manufacturers as to raw materials and semimanufactured products when they are already artificially high, when ours is the only country that has surpluses in important lines, and when the world not only has nothing to dump upon us but nothing to sell to us except, in the main, raw materials, products for further use in manufacturing, and noncompetitive articles. . . . In this period of high prices at home we can, to a real advantage rather than to any detriment, buy virtually anything the world has to sell and at such prices as may be offered. We want to lower prices rather than raise prices at present.[75]

Once again, on December 22, 1920, Hull spoke against increasing the tariff. On that occasion it was in opposition to a bill calling for an emergency tariff to impose duties on specific agricultural products. Following World War I, the prices of many farm products had decreased, when the abnormal wartime market came to an end, and a number of congressmen believed tariff protection was the remedy. Hull stated that the United States was now exporting $8,000,000,000, of which one-half was agricultural products, and the Department of Agriculture anticipated a surplus in the future which must be sold abroad. Thus, Hull questioned the belief that increased tariff barriers would solve the problem of increased surpluses that could only be sold outside the United States.[76]

Hull pointed out the need for European nations to function economically in a normal manner, which could be accomplished only by reciprocal cooperation between the United States and the countries of Europe.

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[75] Ibid., Appendix, 8743.

[76] Ibid., 3 sess., 632.

For at that time most of the European nations had witnessed a loss of some 30 to 40 per cent of their productive power. He reasoned that for the European nations to return to an appropriate level of economic activity would require our nation to make available its surplus foods and raw materials at reasonable prices of exchange. He stressed that our country must buy from foreign nations in order to supply them the necessary credits to purchase United States products. By the establishment of this policy, Hull believed that normal international trade could be resumed.[77]

Continuing in the same speech, Hull emphasized the special significance of the proposed tariff, and declared:

> In the language of President William McKinley, the period of exclusiveness is past. The expansion of our trade and commerce is the pressing problem. Notwithstanding every true sign and wise warning to the contrary, the fight for reaction, for exclusiveness, and for economic isolation is now on. The sudden appearance of this hastily constructed high tariff bill was the signal for all the forces of stand-pat protection and of greed and selfishness to rally in a grand effort to get both their arms and their feet into the Federal Treasury. The logrollers behind this and other like high-tariff bills make the pork barrel logrollers drop their heads in shame. No person or business can become a beneficiary of one of these general high protective tariff laws without joining with other beneficiaries, no matter how undeserving or extortionate, and upholding their demands. I am persuaded that the proponents of this measure, while recognizing its utter futility as a remedy for the present distress of the farmers, have rushed it before Congress for the purpose of exciting the favorable interest and whetting the appetite of certain wheat raisers and livestock growers, bean, peanut, onion, and other raisers of certain agriculture products, to the extent that they will next spring demand that their representatives here give their support not only to the protective-tariff items affecting them at home but to the entire high protective tariff measure the reactionary Republicans expect to lay before Congress next year.[78]

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[77] Ibid.

[78] Ibid., 635.

Hull also brought out the fact that a tariff does not fall alone on what one eats and wears, but encompasses all types of businesses which develop a raw material into a finished product. He pointed out that these added production costs of the manufacturers were passed onto the ultimate consumer.[79] Thus, in effect, the enactment of a higher tariff would result in an upswing of price levels. He believed virtually all consumers of goods and services would be forced to share the higher price levels.

The proposed emergency tariff bill was passed by both Houses of Congress,[80] but was vetoed by President Wilson, whose veto message was read and sustained in the House on March 3, 1921.[81] President Wilson vetoed the bill on ground that it would not help the farmer, was designed only for selfish purposes, would breed monopoly, and would cause many "to look upon the Government as an instrument for private gain instead of an instrument for the promotion of the general well being."[82]

Hull was correct in stating that the protectionists would renew their efforts the following spring. President Harding, on May 27, 1921, less than three months after his inauguration, placed his signature on an emergency tariff bill[83] passed by a special session of Congress.[84]

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[79] Ibid., 637.

[80] Ibid., Index, 4953.

[81] Ibid., 4519.

[82] Ibid., 4499.

[83] Ibid., 67 Cong., 1 sess., 3084.

[84] Carman, et al., op. cit., 479.

The act greatly increased the tariff on agricultural products and carried antidumping legislation.[85] Midwestern congressmen of both parties, acting as a bloc, were instrumental in obtaining the legislation.[86] The following year, in September, 1922,[87] with the assistance of the farm bloc, the Emergency Tariff was superseded by the Fordney-McCumber Act.[88] Both laws raised tariff rates to the highest levels yet known, and measurably insured American producers against effective foreign competition.[89]

Because of his defeat in November, 1920, Hull was not in Congress when those laws were passed. But that did not mean that he had to remain silent on the tariff issue. When the Fordney-McCumber Act was pending, Hull directed the Democratic opposition to the measure.[90] After the bill had passed, the highly respected magazine, The Forum, in its November, 1922, issue, included an article by Hull entitled "Why a Democratic Congress?" He concluded that due to the raising of the tariff, history would repeat itself. He stated:

> There are historical precedents for the election of a Democratic Congress this year, following the enactment of the infamous Fordney-McCumber profiteering tariff bill. The McKinley high protective tariff of 1890 cost the Republicans the House that year,

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[85]Cong. Rec., 68 Cong., 2 sess., 3261.

[86]Freidel, op. cit., 257.

[87]Cong. Rec., 67 Cong., 2 sess., 13181.

[88]Freidel, op. cit., 257.

[89]Hicks, et al., op. cit., 476-477.

[90]Hull, op. cit., I, 114.

> and the presidency two years later. The Payne-Aldrich high protective tariff of 1909 cost the Republicans the House in 1910 and the presidency two years later. History is again repeating itself.[91]

History did not repeat itself, however, until an even higher tariff was passed in 1930. On February 22, 1923, Chairman Hull delivered an address in Topeka, Kansas, entitled "The Farmer and the Tariff." In this highly partisan speech Hull reviewed the speedy, continued decline of farm prices and presented statistical evidence to prove that it was due to the enactment of the Emergency Tariff Act, the Fordney-McCumber Act, and the "unsound economic position" held by the Harding administration. Since that administration was accountable for far more failures than accomplishments, Hull insisted the only possibility of relief for the American people was the return of the Democratic Party to power. He held that the Democratic Party, as it had done before when in power, would establish a definite program of foreign and domestic policy and would govern "with vision, constructive ability, and aggressive leadership" necessary for a satisfactory solution of the problems facing the nation.[92]

Immediately before Hull returned to Congress, he wrote an article entitled "Protection Fallacies," which appeared in the January, 1924,

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[91]Cordell Hull, "Why A Democratic Congress?" The Forum, LXVIII (November, 1922), 989.

[92]Cong. Rec., 67 Cong., 4 sess., 4667-4671.

issue of The Forum magazine.[93] Senator Adrieus A. Jones of New Mexico[94] believed the article would aid him in his attempt to reduce taxes by the lowering of tariff rates.[95] It typified many of Hull's former and future tariff speeches, and contained his usual denunciations of the Republican Party for its past and present tariff failures.[96]

After Hull returned to Congress, he delivered on February 7, 1925, a major speech in which he reviewed the nation's fiscal policies and operations between 1913 and 1925. He insisted that the increased tax burdens "due to the radical increases" of the tariff duties were greater than the amount saved from the lessening of internal revenue taxes through the revenue acts of 1921 and 1924.[97] In specific reference to the last two tariffs enacted by Republican administrations, he declared:

> We are the chief source of international credit; we have vast and unrivaled systems of mass production; the most modernized machinery, and labor of the highest skill and intelligence in the world. Shall we continue to improve our efficiency in manufacturing and general production, correspondingly lowering our cost levels, and proceed further to develop and expand our domestic and international finance, trade, and commerce in a natural way, or shall we turn away from this inviting picture and tempting opportunity and pursue the shortsighted and disastrous course of curtailing production in all lines to our domestic needs save such excesses as may be disposed of by the unthinkable process of dumping? The Fordney-McCumber tariff law is the signboard pointing in this latter direction.[98]

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[93]Cordell Hull, "Protection Fallacies," The Forum, LXXI (January, 1924), 46.

[94]Cong. Rec., 68 Cong., 1 sess., Index 3. Jones obtained the unanimous consent of the Senate for the inclusion of speech in the Cong. Rec.

[95]Ibid., 3947.

[96]Ibid., 3947-3948.

[97]Ibid., 2 sess., 3249-3262.

[98]Ibid., 3262.

Hull also commented that the American farmer had "undoubtedly learned his tariff lesson." He claimed that the farmer:

> . . . now knows that as to his most important products he has never received any tariff advantages, while all the time he has been obliged to pay extortionate tariff prices for what he has had to buy. He now knows that any industry or business in America which produces a substantial surplus which must be sold in world markets can not hope to receive any appreciable tariff benefits; that so called high protective tariffs have the effect of artificially increasing prices, except as just stated, which is the prime purpose of those demanding the same; that while the high tariff creates artificial temporary prosperity for certain industries, others languish or suffer depression; that the high tariff by preventing other countries from paying for our surplus in part in goods thereby diminishes their purchasing power and lessens their ability to buy our surplus at the attractive prices fixed by the undisturbed law of supply and demand. Our foreign trade is more than $5,000,000,000 less for 1924 than it was in 1920.[99]

During the spring of 1926, Hull opposed the enactment of the McNary-Haugen Bill favored by those farmers who had supported the enactment of the existing tariffs.[100] The McNary-Haugen Bill was designed to establish a federal farm board to assist in the "orderly marketing, control, and disposition of the agricultural surpluses."[101] Upon receiving the surplus, the government would sell it at the world price. An equalization fee, levied on the farmer, would be established for the difference between the domestic and world price. Thus the farmer would receive the fixed price minus the equalization fee.[102]

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[99] Ibid.

[100] Ibid., 69 Cong., 1 sess., 9101.

[101] Ibid., Index, 793.

[102] Carman, et al., op. cit., 490.

The measure was supported by Senator Tom Walsh and Bernard Baruch. Baruch believed the bill should be given a test on at least one commodity. Alongside Hull, although in the Senate, stood Senators Walter George, Georgia; Joseph Robinson, Arkansas; and Pat Harrison, Mississippi. Baruch wrote that Hull embodied the "free trade sentiment" of most of the Southern Democrats when he said to him "that he could not support a bill which relied on the tariff to help the farmer."[103] Hull, in the House, opposed the measure, as he felt that the proposed bill would not be workable, beneficial, or fair to the farmer. In regard to the fact that our country had only recently passed antidumping legislation, he largely opposed the bill in view of the section calling for a permanent system of dumping.[104] By a vote of 212 nays to 167 yeas, the bill was defeated in the House.[105]

It was during the first half of 1926, while Hull continued to attack the tariff and the Republican Party, that the Review of Reviews carried an article describing the various leaders of the House, including Hull. The article was written by William Hard, a Washington writer for various periodicals, who depicted Hull in the following manner:

> Hull might now be chairman of the Ways and Means Committee, except that he missed out on one Congress in the course of his service of nine Congresses. He is an infinite (and an infinitely able) specialist on the tariff. He is deeply solemn but profoundly amiable. With all his amiableness, he remains convinced, however, that sinister powers of horrible iniquity have dictated the Republican tariff policy of this country. He seems to hate no individual Republican. He simply, morally, and impersonally

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[103]Baruch, op. cit., 167.

[104]Ibid., 9101.

[105]Ibid., 9862-9863.

> hates the whole Republican party and the tariff. He has dug out information about the tariff till his shoulders stoop under it and his conscience writhes and rises under it. A gentle-spirited, relentless, and remorseless Christian crusader. Perfectly invaluable to his fellow-Democrats on the tariff issue.[106]

As the years progressed, the McNary-Haugen Bill continued to be presented before Congress. Both in 1927 and in 1928, the bill was passed by both houses of Congress[107] only to be vetoed by President Coolidge as "economically unsound."[108] On February 15, 1927, while speaking before the House, Hull declared that he had "never given any bill any more earnest and sympathetic study" than the proposed McNary-Haugen Bill. In opposition to the proposed measure, Hull argued that the bill was a continuation of the Fordney-McCumber high tariff, and that eight-five per cent of the American people gained no benefits from tariff protection, but were only injured by the tariff.[109]

Hull, in addition to arguments presented in previous sessions of Congress, questioned the constitutionality of the McNary-Haugen Bill. He pointed out that all laws and judicial decisions to that date had held that a tax should be levied by the federal government for a "general public purpose" and returned to the treasury with other tax revenue. He stated that the equalization fee,[110] as proposed, would be levied only on the farmers producing the enumerated commodities in the pending bill,

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[106]William Hard, "Leadership in the House," The American Review of Reviews, LXXIV (August, 1926), 163.

[107]Freidel, op. cit., 259.

[108]Hicks, et al., op. cit., 480.

[109]Cong. Rec., 69 Cong., 2 sess., 3895.

[110]See footnote 92 for a description of the term, equalization.

and in turn would be applied to the entire losses of the surpluses sold abroad. Thus, Hull doubted the constitutionality of both the levying and the disbursement of the proposed equalization tax.[111]

Hull, too, felt that when acceptable prices were guaranteed a producer, as the McNary-Haugen Bill proposed, invariably production increases would follow, thereby creating added surpluses. Although the section seeking to force compulsory cooperation among the farmers allowed for their consent through voting in state convention, Hull opposed the measure. He believed that America was not "ripe" for compulsion, and referred to the section as "absurd and unworkable." He also regarded the bill as impractical in view of its "technicalities, complexities, and artificialness."

During the same speech, Hull presented an outline of this House Resolution calling for agriculture relief.[112] He had formally introduced the House Resolution on January 13, 1927,[113] which stated that legislative measure and economic policies" should be enacted for the "relief and recognition of agriculture." The points of the resolution were as follows:

> 1. Tariff reduction, thereby materially diminishing the farmer's cost of production, transportation, and his cost of living.
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> 2. International trade agreements, eliminating by mutual consent the harsher forms of discrimination in trade or commerce, and the development of more liberal trade relations with broader and better foreign markets.

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[111] Cong. Rec., 69 Cong., 2 sess., 3895-3896.

[112] Ibid., 3896.

[113] Ibid., 1633.

3. Financial and other aid and encouragement of efficiency in agriculture and in the wider expansion and development of cooperative organizations in each branch of the agricultural industry for the purposes of transportation and marketing, and also production to the extent practicable and desirable.

4. Continued exemption from antitrust laws of farm cooperative organizations or associations.

5. Any additional and more desirable short-term and other credit facilities, actually needed and justified by good business principles.

6. Reduction and readjustment of railway rates, especially as to agricultural products.

7. Abolition by the States of State taxes on farm lands, with the possible retention of a small rate for schools, leaving the same state tax to counties and villages.

8. Systematic suppression of monopolies in the distribution of farm products.

9. Speedy enactment for temporary relief purposes of H. R. 15655, the Aswell bill, or H. R. 15963, the Crisp bill,[114] with certain amendments, for the purchase and orderly marketing of the surplus of the principal basic agricultural commodities, and the stabilization of prices on a reasonable basis.

10. The greater utilization of the Mississippi and other important water courses for the transportation of farm products, and the fullest utilization of water power on farms and for farm purposes.[115]

During this period Hull became widely known as a possible presidential candidate. The consideration of Hull as a prospective candidate began following his election as chairman of the Democratic National Committee. In this high position, he was able to capture national attention. He was known by many, regardless of their political identity, as

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[114]Both bills south to establish a federal farm board to assist agriculture in an effective and systematic distribution of surplus commodities. Ibid., Index, 319, 323.

[115]Ibid., 3896.

a sound financial legislator, and for this reason he became a formidable presidential candidate. Early in 1923 he was mentioned as presidential timbre by his home state, but he requested the Tennessee legislature not to endorse him for the presidency.[116] The national convention met in the summer of 1924, and during the deadlock between William G. McAdoo and Alfred E. Smith, there was talk of Hull as a compromise candidate.[117] He was informed by Austin Peay, Governor of Tennessee, that the "insiders" were in conference to determine which of two candidate to nominate--Hull or John W. Davis.[118] Davis was nominated.

As the 1928 convention approached, Hull, in September, 1927, was again boomed for the presidency by his home state, and he passively accepted the endorsement. Tennessee was fearful that if Smith, a Catholic and "wet," received the nomination, the state would go Republican. On the other hand, Hull was both a Protestant and "dry."[119] The American Review of Reviews, in March, 1928, published that Southerners were not ready to concede that Smith's nomination was assured. The article mentioned that Senators Walter George and Carter Glass and Congressman Cordell Hull held many votes.[120] Later, based on the same reasoning, he received support from the North Carolina delegation headed by Senator

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[116]New York Times, March 17, 1923.

[117]Ibid., July 6, 1924.

[118]Hull, op. cit., I, 122.

[119]New York Times, September 12, 1927.

[120]Albert Shaw, "Southern Preferences," The American Review of Reviews, LXVII (March, 1928), 238.

Furnifold M. Simmons. Hull, too, revealed his presidential campaign expenses before the Senate Investigating Committee. Before the Committee, Hull told that he had spent one thousand dollars personally, but expected to be reimbursed by private contributions.[121]

As the Smith candidacy appeared assured, in April, 1928, Hull was mentioned as a possible vice-presidential candidate. Many Democratic leaders held that he would have a substantial influence in border states--Tennessee, Kentucky, Oklahoma, and Missouri--which would likely go Republican if Smith were nominated. On May 23, Hull publicly rejected the idea of accepting second place on the ticket. Soon thereafter, the New York Times stated that since Smith and a large element of the Democratic Party were sympathetic to a protective tariff, doubt was cast that the Tennesseean would make an acceptable running mate.[122]

At the convention held in Houston, Texas, Hull was nominated by Harvey H. Hannah, a railroad executive of Nashville. Hull was described by Hannah as the "Andrew Jackson of our time." Following the nomination, a brief demonstration lasting five minutes took place. Although the first roll call was overwhelmingly in favor of Smith, Hull captured delegate majorities from Alabama, North Carolina, Tennessee, and Virginia. His fifty votes placed him fourth on the list, preceded by Senator George of Georgia and Senator Reed of Missouri.[123]

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[121] New York Times, May 28, 1928; May 8, 1928.

[122] Ibid., April 13, 1928; May 23, 1928; June 2, 1928.

[123] Ibid., June 29, 1928.

The Democratic Party, as anticipated, under the leadership of Smith and the influence of Massachusetts and New Jersey, favored a protective tariff as part of its 1928 platform. Resisting this movement with no avail, were Hull and Carter Glass. Glass related: "I am disposed to agree with Hull that, if the Democratic party is to embrace Republican doctrines, and permit certain Republican states to nominate its candidate, it had as well disband and go over to the enemy."[124]

During the campaign, Hull, along with other Southerners, played an inactive role in the national election. Smith had made prohibition repeal the major issue, and Southern Democratic members of congress wisely chose not to identify themselves closely with the "wet" candidate. They concentrated on their own reelections. Their judgment proved correct, as most of the Democratic Southerners, including Hull, were returned to Washington. At the same time, Tennessee, in addition to six other states of the South, went Republican in reaction to Smith's "wetness and other characteristics."[125]

On December 31, 1928, Hull came in open conflict with Smith and the chairman of the Democratic National Committee, John J. Raskob, on their views on the tariff issue. Smith felt the party was on record for a tariff which would "protect legitimate business." The New York Times described Hull as the leader of the low tariff faction opposed to the Smith-Raskob group. Hull believed that "protection should be

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[124]Rixley Smith and Norman Beasley, Carter Glass, A Biography (New York: Longmans, Green, and Co., 1939), 282.

[125]Hinton, op. cit., 185.

given where it was economically vital and that adjustments should be made in the most careful, gradual, and scientific manner."[126]

Hull addressed the House on January 3, 1929, concerning the American tariff and the nation's trade policies. He blamed the United States tariff policy for the unfortunate creation of a network of high tariffs and other trade barriers in Europe following the war. He declared its results had been less production, inefficient use of capital, uneconomic location of industries, detrimental trade controversies, and disastrous handicaps to the reestablishment of international trade. He, too, insisted that the United States should have formed in 1921 an "impartial and fact-finding" tariff committee free from the "bias and factionalism" of presidential appointed tariff commissions.[127]

Hull opposed passage of the Hawley-Smoot Tariff, which was reluctantly signed by President Hoover on June 17, 1930.[128] The President, following his inauguration and having taken notice of the American farmers' frightful conditions, had asked Congress in April of 1929 to raise the agricultural tariff.[129] Congress, assisted by encouragement from manufacturers' interests and "lobbyists representing every conceivable economic group," prepared a substantially higher tariff bill.[130]

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[126] New York Times, December 31, 1928.

[127] Ibid., 70 Cong., 2 sess., 1072-1073.

[128] Hicks, et al., op. cit., 540. The bill was not what Hoover wished, but neither did he accept the advice from one thousand American economists in the form of a petition urging a presidential veto. Ibid.

[129] Freidel, op. cit., 282-283.

[130] Carman, et al., op. cit., 480-481.

In its final form, the Hawley-Smoot Tariff contained 75 increases on farm products and 925 on manufactured goods. The newly enacted tariff raised the average ad valorem duty from the 26 per cent under the Fordney-McCumber Act to an all-time high of 50 per cent.[131] The general level of protection was increased approximately 7 per cent. During the passage of the bill, protests were registered by over one thousand American economists and by trade associations in most of the European countries.[132]

Shortly before the introduction of the Hawley-Smoot Bill, Hull, in a statement printed in the Congressional Record, called attention to the efforts of the Republican Party to enact an upward revision of the tariff. He cleverly declared:

> When I was a boy we were never able to take the same victim on a sniping expedition more than once. The Republicans have been able to carry many of the political leaders of American agriculture on a tariff sniping expedition, first in 1921, second in 1922, and now they would try it a third time, in face of the fact that ninety per cent of our farm acreage produces surpluses, the price of which abroad fixes home prices, and so little or no tariff benefits are afforded.[133]

Representative Willis C. Hawley of Oregon, Chairman of the House Ways and Means Committee, on May 7, 1929, introduced the original tariff bill, which lay within the limitations outlined by President Hoover. The original bill was a basis for Republican, along with Democrat advocates of tariff protection, to attach additional protective measures.[134] On

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[131]Freidel, op. cit., 283-284.

[132]Hicks, et al., op. cit., 539-540.

[133]Ibid., 51-52.

[134]Hicks, et al., op. cit., 539.

May 11 Hull submitted a minority report signed only by himself, due to the diversity of thought within his own party.[135] The minority report was typical of Hull's tariff speeches before Congress. The New York Times labeled the report a rebuttal to Smith's belief that the tariff issue could be taken out of politics. Hull contended that the tariff should never be dropped from politics as long as there was a "continuous and corrupt political partnership between tariff beneficiaries and dominant Republican leadership." The report, too, dated only five months before the great crash in September, 1929, stated that America's productive capacity was 25 per cent greater than her ability to consume. Thus, Hull observed that the solution of unemployment was the development of foreign markets.[136]

The following day, Hull delivered on the floor of the House of Representatives an address, which was the "most exhaustive tariff speech of his career."[137] The speech covered nearly twelve pages in the Congressional Record.[138] The veteran Congressman directed a steady stream of charges, backed with abundance of statistical information, upon those who supported protection. He criticized the high rates of American tariff system as compared to those of other countries. He observed

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[135]Hull, op. cit., I, 132-133.

[136]New York Times, May 12, 1929.

[137]Ibid.

[138]Cong. Rec., 71 Cong., 1 sess., 1201-1212.

that our nation's tariff rates were topped by only one other country, Spain. Hull noted that the United States took the lead in upward tariff revision in 1922 and carried most of the other countries along with it in forming "extraordinary high-tariff structures."[139]

Continuing in the same speech, and in reference to the inequality between agriculture and industry, Hull described the splendid historical role played by those of rural background. He declared:

> When I recall that the highest and the finest types of our civilization in all the centuries past originated among rural people, that the cities have never been able to preserve and maintain those high types in a permanent way, but they have always found their last retreat back among that sturdy yeomanry that reside in the rural sections--when I contemplate this situation I naturally fall in with Thomas Jefferson's ideas that we should so conduct our national policies as to maintain an equilibrium between agriculture and industry in this country [applause]; that we should not allow one to submerge the other; that we should keep them on a balance just as we keep our three departments of government on a balance; that this more nearly than all other policies is calculated to guarantee the permanency of a free republic. [Applause.][140]

As Hull continued to speak before Congress on the principles in which he believed so strongly, he also continued to reach only closed ears. In his Memoirs he reviewed that disquieting period:

> The year 1929 was perhaps the nadir of my Congressional career. We had lost the national elections; I was disturbed by those Democrats who had swung toward high-tariff ideas; my fight of two decades to reduce tariffs was failing to keep them at their existing level, because a new movement to boost them still higher was successfully under way in Congress, resulting in the Smoot-Hawley Act of 1930; and my health was not too good.[141]

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[139] Ibid., 1205.

[140] Ibid., 2 sess., 1203.

[141] Hull, op. cit., I, 132.

Hull, understandably, became depressed and contemplated returning home to Carthage to practice law.[142] Then in late August of 1929 Senator Lawrence D. Tyson of Tennessee died, and Governor Henry H. Horton appointed William E. Brock of Chattanooga to fill the vacancy. Brock filled Tyson's seat until November, 1930, when he stood for election to the short term, the lame duck Congress beginning in December, 1930, and lasting until March 4, 1931. Also, in November, 1930, an election was held for the Senate term of the full six years starting March 4, 1931. Therefore, Hull was confronted with the choices of running for either the short term, the long term, or both terms.[143]

Hull was not interested in serving in the lame duck session of Congress, but at the same time he was fearful that if Brock were elected to the short term, he might likewise succeed as a candidate for the full term.[144] Finally, after careful consideration, and with his doctor's approval concerning his questionable health,[145] on September 2, 1929, Hull announced his candidacy for the six-year term beginning March 4, 1931. In the meantime, Tennessee Democratic supporters of Brock realized that Hull's candidacy would be too strong for Brock to encounter, and favored his running only for the short term session. This action was taken even though it was widely held, in accordance with Tennessee's strictly observed geographical distribution of senators, that since

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[142]Hinton, op. cit., 193.

[143]Hull, op. cit., I, 134.

[144]Hinton, op. cit., I, 193.

[145]Hull, op. cit., I, 134.

Tyson had been from Knoxville, his successor must also come from East Tennessee. Thus, Brock from Chattanooga, the western boundary of the eastern part of the state, was considered a logical choice. At that time, Senator Kenneth D. McKellar of Memphis represented the western portion of the state. It was believed by many that the election of Hull from upper-Middle Tennessee would result in undue weight to the western section of the state.[146]

The political machine of the former United States Senator Luke Lea was hastily reorganized. Lea, in 1915, due to his attempt to control state politics, had been temporarily quieted by Hull.[147] In Memphis was the political boss, Ed Crump, who at that time cooperated with Lea. The group led by Lea and Crump put up A. L. Todd, who was Hull's major opposition. Hull based his campaign for the Senate on his numerous years of service in the House, and on the support of personal friends and "Democrats more interested in the welfare of the Party and country than in any faction or individual." In addition, he anticipated and received strong backing from the "national soldiers, farm, labor, and rural carrier and postal organizations."[148]

The campaign dealt mostly with domestic issues and personal accusations. Todd greatly stressed the fact that Hull's automobile carried a District of Columbia license rather than a Tennessee one, and

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[146]Hinton, op. cit., 194.

[147]See page 29 for discussion of Hull and Lea's political fight in 1915.

[148]Hull, op. cit., I, 135.

that he used a driver from Washington. Hull was quick to secure both a Tennessee license and driver. His theme during the campaign was based on the subject of democracy. He won in the Democratic primary by a "substantial majority,"[149] defeating Todd by 61,000 votes.[150] The New York Times, in a complimentary editorial on Hull, stated that his election would do much "to raise the Senate level of industry, intelligence, and gentility." At the same time, the paper, in a derogatory reference to Senator McKellar, declared it would be praiseworthy of Tennessee to "give Mr. Hull an equally high-grade colleague."[151] In the general election of November, 1930, as expected, Hull soundly defeated the Republican candidate, Paul E. Divine of Johnson City.[152] Hull's majority increased to more than 100,000 votes.[153]

Following the general election, Todd became dissatisfied with the outcome of the primary election. He, therefore, demanded and received a United States Senate investigation of the expenditures made in that campaign. Todd questioned the legality of certain campaign expenditures made by Hull. The investigation was conducted by Senators Gerald P. Nye of North Dakota and Robert F. Wagner of New York. Hull presented a detailed list of expenditures to the Senate committee,[154] claiming he

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[149]Knoxville News-Sentinel, August 8, 1930, I-1.

[150]Hull, op. cit., I, 138.

[151]Hinton, op. cit., 195.

[152]Knoxville News-Sentinel, November 5, 1930, I-1.

[153]Hull, op. cit., I, 139.

[154]Ibid.

had spent $10,000;[155] whereas, Todd refused either to testify or to submit a report. The committee ruled in favor of Hull.[156]

As a Senator-elect, Hull rarely spoke on the floor of the House during the remaining session of his elected term to the Seventy-first Congress.[157] Nevertheless, Hull's views on the prevailing depression and the tariff issue were presented before Congress. On February 16, 1931, a statement by Hull entitled "Economic Policies of the Government" was inserted in the Congressional Record.[158]

"Economic problems, including tariff and commercial policy," Hull declared, "would come first on any Democratic National Party program during the next two years."[159] He condemned the Republican Party, under the influence of strong business forces, for once again allowing the nation's economy to reach panic conditions. He observed that immediately after the close of the recent war, the United States raised its protective tariff walls, and in due course other nations throughout the world followed suit. Therefore, Hull felt that the increased tariff barriers had predominantly caused the "present world economic collapse."[160] He also noted the very slight increase of world trade of 1929 over 1913 for both exports of the United States and other nations of the world. Hull

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[155]Hinton, op. cit., 194.

[156]Hull, op. cit., I, 139.

[157]Cong. Rec., 71 Cong., 3 sess., Index, 150.

[158]Ibid., 5045.

[159]Ibid.

[160]Ibid.

then pointed out the substantial prewar amount of increase the United States had annually experienced during a Democratic administration.[161]

Thus Hull completed his career in the House of Representatives with the tariff issue very much alive. During the twenties, he strengthened his views concerning economic cooperation with other countries by his support of a conference of nations to be called by the United States. He again proved his financial leadership by his actions as a dedicated dissenter from Republican fiscal policies, and became associated in the upper circles of the Democratic party as its chairman and contender for the presidency. Most important, he was one of the nation's most formidable opponents of the protective tariff. The Senator-elect was prepared for combat in the upper house.

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[161] Ibid.

CHAPTER V

SENATORIAL CAREER

On December 7, 1931, Cordell Hull was administered the oath of office as a newly elected United States Senator.[1] A week later he was chosen to serve on the Senate Banking and Currency and the Finance committees.[2] His tenure in the Senate lasted only the duration of the Seventy-second Congress, for in January, 1933, he was asked by President-elect Roosevelt to become Secretary of State. During his short period of service in the Senate he continued to advance the same outspoken views on the government's fiscal policies that he had repeatedly presented in the House, including his advocacy of a lower tariff. As he had done during his last years as a representative, he gave his opinions freely as to what should be done to combat the economic depression. These views were not always in accord with those advanced by President Hoover.

The President believed the depression was world-wide and that it was delaying America's recovery. Thus, in June, 1921, he advocated a moratorium on intergovernmental debts. However, the proposal, which was accepted by fifteen governments, was too late, as the German and Austrian economies had failed. Thus, the United States soon felt the effects of the European disaster and saw that more urgent legislation

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[1] Cong. Rec., 72 Cong., 1 sess., 5.

[2] Ibid., 439-440.

was required. In January, 1932, the Reconstruction Finance Corporation was formed and provided with $2,000,000,000 to lend to banks, railroads, and mortgage companies near bankruptcy. The Federal Land Banks were created and allowed $125,000,000 to maintain farm mortgages. The income tax was raised. To prevent foreclosure of individually owned homes, the Federal Home Loan Bank Act was passed in July, 1932.[3] During the Hoover Administration, over $2,225,000,000 was spent for public works.[4] Concerning specific bills which were enacted, Hull voted for the establishment of the Reconstruction Finance Corporation and the Federal Land Bank Act, but failed to vote on the Federal Home Loan Bank Act.

Senator Hull, on January 15, 1932, advocated a thoroughgoing revision of the nation's tax structure. He contended there had been excessive increases of taxes--federal, state, and local--from $7,500,000,000 in 1922 to $9,700,000,000 in 1929, and there was urgent need for reforms in all government operations. He declared:

> We see today a thoroughly confused, demoralized, and chaotic tax situation, with most systems distinguished by discrimination, excessive exemptions, exceptions, allowances, unscientific rates, double, triplicate and quadruple taxation, and narrow and lopsided methods, as the rule rather than the exception.[6]

Rather strangely, on one point Hull wholeheartedly agreed with Hoover's Secretary of the Treasury, Andrew Mellon, who stated, "We have

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[3]Carman, et al., op. cit., 508.

[4]Hicks, et al., op. cit., 546.

[5]Cong. Rec., 72 Cong., 1 sess., 1705; 1879; 15604.

[6]Ibid., 2017.

at the present time an internal-revenue system of few and relatively light taxes." Hull contended that this system of limited taxation was the major drawback in the treasury's futile effort to deal with the ever-surmounting deficit.[7] He observed that the treasury of the United States was facing an economic crisis virtually comparable to the seriousness of wartime conditions. Therefore, he was of the opinion that those capable of paying taxes "should cheerfully step forward and assume again, as they did in World War I, surtax, gift, and estate tax boosts up to 40 per cent."[8]

Before the Senate on February 8, 1932, Hull outlined the following program of tax cooperation for federal, state, and local governments:

> 1. Present expenditures--federal, state, and local--of $12,000,000,000 should, by the most ruthless economies, be reduced, during the next two years in an aggregate amount running into the billions.
>
> 2. Federal, state, and local taxes of $10,000,000 resting as one common burden on the 123,000,000 American people should, at all hazards, be reformed, made more equitable, and reduced 20 to 35 per cent as speedily as may be legislatively possible.
>
> 3. Federal, state, and local indebtedness of $32,000,000,000 was in numerous instances incurred unwisely, unsoundly, and recklessly, with no sinking-fund provisions, subject to excessive interest, with the calamitous result that the credit of most branches of the government in America is seriously impaired. The policy of steady payment of the public indebtedness inaugurated by Thomas Jefferson should be maintained. No government can justify chronic borrowing to pay current demand, or tolerate with complacency a gaping deficit until it reaches a rate of near $3,000,000,000 per annum, while sinking-fund policies are in effect suspended.[9]

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[7] Ibid.

[8] Ibid.

[9] Ibid., 3512.

On May 23, 1932, Hull again called the Senate's attention to his desire for coordination of federal, state, and local taxation. The address was made during the dinner hour when many of the senators were not in attendance. His position in reference to the deplorable state of affairs was that the nation's capital should lead other forms of government by becoming the first to overhaul its inefficient means of operation. He believed that "no living person except a very few expert accountants know how to read the balance sheet of the Treasury Department,"[10] which he claimed represented nothing more than mass confusion with all its endless types of appropriations "jumbled" together. He recalled that his views for many years had been that a system of modern accounting in the Treasury Department should be adopted in order that any citizen of America, at a quick glance at the balance sheet, could readily ascertain both normal and extraordinary expenditures and receipts.[11]

During the same speech Hull called attention to the amount of various properties exempt from federal, state, and local taxation, and complained that it was the wealthy who were protected from the payment of their fair share of taxes. He noted that $60,000,000,000 of property in the United States was tax-free, of which $34,000,000,000 were tax-free federal, state, county, and municipal bonds. On the other hand, he stated that during a Democratic administration and Congress, in 1918, $12,000,000,000 of long-term bonds of the federal government were and

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[10] Ibid., 10940.

[11] Ibid.

continued to be subjected to the surtax as enacted in that year. While observing that a small number of Americans own the greater part of the $60,000,000,000 of tax-free wealth, he declared that he would "consistently oppose" any legislation that would allow the wealthy to avoid taxation. He denied that he was "a baiter of wealth," for he only believed that each class of citizenry should pay its fair portion of the tax burden. He could not condone, especially in the state of emergency, a limited number owning the majority of the wealth of the nation free from taxation, and asking that the rest of the country "defend and protect it."[12]

Continuing, Hull condemned the Republic administration for its handling of fiscal policies since 1929. He indicated that the Treasury allowed hundreds of millions of dollars of possible tax revenue to be lost from the exceptionally high profits of 1929. "Instead," Hull pointed out, "just the opposite course was pursued." A resolution was passed by Congress lowering rather than raising taxes. The objective, Hull noted, was to alleviate the panic condition by reducing the income taxes $160,000,000, but the panic picked up momentum, becoming more alarming by the day, and the treasury continued to be drained, and still that department appeared not to comprehend the seriousness of the current or future extent of the economic crisis. The result was a deficit of $206,000,000 for the fiscal year 1931; and instead of a surplus of $30,000,000, as predicted by the Treasury Department for 1933, the latest

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[12] Ibid.

available estimates showed a deficit ranging from $2,750,000,000 to $3,000,000,000.[13]

Regarding the tariff issue, on January 4, 1932, only a few weeks after Hull became a senator, the New York Times gave added weight to Hull's tariff position. The highly regarded newspaper, in an editorial, backed Hull's continuous pleas for a world economic conference dedicated to the gradual adjustment of existing tariffs. The editorial stated that most of the world had intentionally armed itself to obstruct international trade when trade was most needed. In view of the fact that the world-wide depression was in its third year, even an "unsuccessful conference on tariff" would be beneficial. Such a conference would at least inform people throughout the world as to the "full extent of the impediments that have been placed in the way of international recovery by the shortsighted policy of nations intent on 'protecting' their own interest."[14]

On February 8, 1932, Hull took up the attack in the Senate on the tariff issue from where he had closed his remarks in the House. The address, typical of his later tariff speeches given in the House, was largely an outline of the development of the tariff structure since 1920, with his customary indictment of the political party which he believed most responsible for its enactment. He insisted that the self-seeking and excessive policy of economic nationalism which had characterized the

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[13]Ibid., 10938-10939.

[14]New York Times, January 4, 1932.

world since 1920 was largely due to America's leadership in the directive of upward tariff revision.[15] Hull noted that following the enactment of the Hawley-Smoot Act of June, 1930, which called for 890 increases as opposed to only 235 decreases, a total of 25 countries raised their tariff rates.[16] He bluntly labeled their policy of protective tariff barriers as the cause of the economically disastrous world conditions and the "gravest danger to world peace today."[17] Attacking the Hoover administration, he denounced it for not having plans or programs for the solution of the countless and seemingly enduring economic difficulties.[18]

Concerning the question of where the panic originated, Hull stated that high-tariff minded America claimed that the panic was precipitated in Europe, while Europe, with equal intensity, maintained that the panic began in the United States. He insisted that it must be acknowledged that the United States was the most prominent financial and economic power among the nations of the world; that its financial resources were either not permanent or were unstable; that its policy of nationalism had been followed and praised since 1930; and that the stock market crash in New York had set off a shock wave felt by every organized financial trading establishment throughout the world.[19] Hull asserted that Old Guard Republicans were pinpointing the blame for the panic as far away

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[15] Cong. Rec., 72 Cong., 1 sess., 3505.

[16] Ibid., 3509.

[17] Ibid., 3512.

[18] Ibid., 3507.

[19] Ibid.

from the United States as possible. From the numerous contradictory statements of Republican spokesmen, he said, "one might plausibly conclude that the panic originated in the great Arabian desert, or somewhere near the middle of the Indian Ocean, but that in any event the Republican administration had nothing remotely to do with it."[20]

Continuing, and in reference to England's going off the gold standard in September, 1931,[21] Hull thought that the United States was "incapable of administering the gold standard." He also insisted that the United States could not provide the leadership for an effective and suitable distribution of gold and an acceptable plan of monetary stabilization for the various countries of the world. He contended that nations hiding behind a protective tariff wall, backed by substantial credits, had no right to monopolize the world's supply of gold for their own mercenary needs. Hull, too, believed that the United States was not "qualified by the necessary information, experience, and financial machinery" to fulfill the role, recently relinquished by England, as financial and commercial center of the world. Interesting, in view of his subsequent career, was Hull's conclusion that international cooperation was the best possible method of lowering the tariff walls and reestablishing a sound international credit structure.[22] To promote international cooperation for those goals, Hull believed the American government could do its part by enacting legislation authorizing the President to call a

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[20] Ibid., 3504.

[21] Ibid., Index, 771.

[22] Ibid., 3505; 3673.

world economic conference, allowing the President to negotiate trade agreements "based upon mutual tariff concessions and the unconditional most-favored nation doctrine," and the erection of an "impartial fact-finding commission" for the cautious downward revision of the existing tariff structure.[23]

Following the speech, Senator Joseph T. Robinson of Arkansas, Democratic floor leader, declared the address reflected "profound thought." Senator Robinson believed Hull's speech embodied "sound principles of government and should receive general consideration."[24]

The basis of Hull's goal for lowering the tariff structure was embodied in a proposed bill calling for passage of an amendment to the Hawley-Smoot Tariff Act of 1930. On March 24, 1932, before the Senate, Hull supported the passage of this bill. Much of the speech was devoted to criticism of President Hoover for his reluctance to take decisive action in dealing with the deplorable economic conditions. Recalling that the panic had begun in October, 1929, Hull observed that the Hoover administration was still making use of only temporary emergency relief measures and was holding the United States to an outmoded policy of economic isolationism.[25] He firmly voiced his opinion that the "mad pursuit of economic nationalism or aloofness or seclusion--every nation striving to live unto itself--has proved utterly empty and disastrous.[26]

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[23] Ibid., 3511.

[24] Ibid., 3512.

[25] Ibid., 6787-6788.

[26] Ibid., 6790.

The bill was passed by both houses of Congress, vetoed by President Hoover, and later the lower house sustained the President's veto.[27] President Hoover stated in his veto message that the United States, at this time more than ever in its history, needed the benefits of tariff protection. If the purpose of the bill was to reduce tariff rates by 35 per cent on those imports not on the free list, the President observed, then the simple remedy was for Congress to specify only those items needing reduction and enact legislation accordingly. The President opposed the part of the bill calling for the withdrawal of presidential authority to adopt or reject rate changes recommended by the bipartisan Tariff Commission. Hoover felt this elimination would reduce the Tariff Commission to no more than an advisory group, in that the proposal would restrict the commission's ability, subject to the President's approval, to change the tariff rates up to 50 per cent. He expressed the effectiveness of the flexible provisions as used by the Tariff Commission in its recommendations to him.[28]

The President also found fault with the proposal calling for an international conference whose purpose would be the lowering of existing tariffs. Hoover declared he did not want to submit what he considered a domestic question to an international conference. Concerning the section authorizing the President to "negotiate with foreign governments

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[27] Ibid., Index, 888.

[28] Ibid., 10035-10036.

reciprocal trade agreements under a policy of mutual tariff concessions," Hoover felt this portion of the bill was in direct contradiction to other sections seeking "to eliminate discriminating tariffs; or prevent economic wars; or promote fair, equal, and friendly trade." He indicated that the American government in the past had acted upon a well-proven policy of like treatment for all nations of the world. President Hoover reasoned that the reciprocal arrangements with one country to the exclusion of other countries meant the renouncement of the rule of equitable treatment. Thus, he concluded that the desertion of fair treatment for all nations would be the "very breeding ground for trade wars."[29]

On May 19, 1932, Hull delivered his reply to President Hoover's veto message. He stated that the President inferred that the existing tariff duties on only 35 per cent of imports, allowed ample imports, and that the nation's best protection was the continuance of a duty on at least 35 per cent of imported goods. Hull maintained that the 35 per cent figure was actually much larger than "meets the eye." The truth was that the United States did import a vast number of raw materials duty free, but placed a prohibitive tariff levy on any commodity "even remotely or speculatively competitive."[30]

Hull rebuffed Hoover's desire for the continuance of the existing relationship between the Tariff Commission and the Chief Executive. He strongly believed that since the commission was named by the President

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[29] Ibid.

[30] Ibid., 10637.

and was also under the direction and control of the President, who was sympathetic with those who gained from tariff protection, the organization should be abolished. Hull asserted that he therefore favored a bill abolishing what was in effect a partisan commission and repealing the flexible provisions of the law which had served to increase rather than decrease protection. As a replacement, he advocated the establishment of an impartial fact-finding board and the reinstatement of the authority of Congress to legislate tariff rates in their entirety.[31]

Continuing, Hull said he was perplexed to learn that President Hoover did not favor an international conference on economic conditions or the proposal for reciprocal trade agreements based on mutual tariff concessions. Concerning the international conference, Hull told Congress that three months of extensive preparation had been made in seeking a satisfactory solution to the intricate domestic and international conditions. He stated that those who took part in the preparation and approved the international conference represented the most distinguished and unbiased economic experts in every important country.[32] As to the section for reciprocal commercial agreements based on mutual tariff concessions, Hull explained that the President, without sufficient knowledge, assumed that the bill proposed reciprocal trade treaties "based on the conditional instead of the unconditional favored-nation doctrine.[33] The actual truth, Hull pointed out, was that the bill did not mention the

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[31] Ibid., 10638.

[32] Ibid.

[33] For a description of "most-favored nation clause," see footnotes 58 and 59 of Chapter III.

matter either way. He asserted that Congress, anticipating a controversy, agreed to allow the President to steer his own course of action as to whether to negotiate on the conditional or the unconditional favored-nation clause. Hull also stated that Congress took for granted, based upon the present policy, that the executive department would negotiate on the unconditional form of the favored-nation doctrine.[34]

Hull continued his attack on the current tariff law on April 8, 1932, in an address before the Senate. The upper house was in debate over a resolution of Senator David A. Reed, a Republican of Pennsylvania. In view of England having abandoned the gold standard,[35] the resolution called for an investigation of the "effect of the depreciation of foreign currency values upon importations of important commodities into the United States." Later, the resolution was passed. Hull believed Senator Reed's resolution was a hidden attempt by protectionists to once again raise the tariff rate. Both Senators Reed and James J. Davis, also of Pennsylvania, quizzed the Senator from Tennessee, asking why both cotton and coal as well as other imports should not be curtailed to protect domestic employment. The two senators from Pennsylvania called Hull's attention to the recent increase in competition of cotton and coal from abroad. Hull admitted that a number of cotton and coal workers were affected by imports, but carefully observed that our exports of those two commodities far exceeded our imports. Thus, Hull

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[34] Ibid., 10639.

[35] Ibid., Index, 771.

reasoned that America's exports of cotton and coal, as well as many other goods, provided far more jobs than were comparatively lost due to imports. With the assistance of Senator Edward P. Costigan of Colorado, he also argued there was no need to become alarmed and enact higher tariff walls because the English nation had gone off the gold standard. Hull pointed out that following England's dropping of the gold standard, her exports to the United States had gradually lessened.[36]

During the same speech Hull also brought to the nation's attention the abnormal amount of surpluses of goods being produced by the leading countries of the world. He asserted that 20,000,000 people throughout the world would find their conditions worsened instead of lightened if a sound economic policy based largely on a lower tariff were not adopted by the great creditor and surplus-producing nations. He called upon the United States to do her part to alleviate the situation. He also presented statistics concerning American exports and imports, showing the vast decline in world trade of a leading creditor and surplus-producing country. Hull noted that in January, 1927, the United States exported $419,000,000; whereas, in January, 1932, the figure was $150,000,000. Concerning imports, he observed that in January, 1927, the American government received $356,000,000 worth of goods from abroad; whereas, in the corresponding month of 1932, the figure stood at only $136,000,000.[37]

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[36] Ibid., 7736-7744.

[37] Ibid., 7742.

During Cordell Hull's senatorial career, he became a leading backer of Governor Franklin D. Roosevelt's bid for the Democratic presidential nomination.[38] Significantly, Hull himself was still considered by many as a possible presidential candidate. Following Hull's election to the Senate, the Review of Reviews summarized his qualifications in an article on potential presidential candidates. The magazine presented the Tennessee Senator as an authority on tariff matters, "an uncompromising foe of high protection," an advocate of international cooperation, and as a leader of "calm judgment and cautious movement." This periodical pointed out also that although bankers and manufacturers might oppose the lowering of tariffs and at the same time for personal reasons support international cooperation, Hull's support of such policies was based upon his firm belief that they would "safeguard the interest of the common run of men." Thus, the Tennesseean's convictions identified him with a large segment of the voting population.[39] He, too, was mentioned by Colonel House in a conversation with James A. Farley, Chairman of the New York State Democratic Committee, as his choice for the presidency in the event Roosevelt lost the nomination. Colonel House also referred to Hull as an "ideal candidate" for Roosevelt's vice-presidential running mate.[40] In his book, Behind the Ballots, Farley

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[38]James A. Farley, Behind the Ballots (2 vols., New York: Harcourt, Bratt and Co., 1938), I, 101.

[39]Emily Newell Blair, "Opportunity Rouses the Democrats," The American Review of Reviews, LXXXII (December, 1930), 59-61.

[40]Farley, op. cit., I, 100.

described Hull in the following manner:

> I came to know him intimately as a result of my frequent trips to Washington during the preconvention period. He was devoted and untiring in his labors, and the advice he gave was nearly always correct. I conferred with him alone on many occasions, and he sat in on a number of general conferences. It has been my experience that when men sit up close around the table in political discussion, especially when stakes are high, a good glimpse of their real character is almost always possible. Ambition is pretty heady stuff, and it is frequently difficult for an individual to overlook his own personal interests for the sake of the cause he is serving. I don't intend that as a general criticism, or intimate that I am any different in that respect from other men. However, in a life devoted to politics, it is natural for a man to size up those with whom he is in constant contact, and with whom he must deal. I formed the opinion early that Cordell Hull was the most unselfish man I had ever met in politics, and nothing has happened since to cause me to change that opinion. Holding such an opinion, it was easy for me to agree with Colonel House that he was capable of filling any position of honor, including the Presidency, with distinction.[41]

In the fall of 1931, Senator-elect Hull, along with Senators Burton K. Wheeler of Montana and Clarence C. Dill of Washington, became the nucleus of Roosevelt's earliest senatorial supporters.[42] Soon, Senator Alben W. Barkley of Kentucky was added to the group. Later, Barkley, writing in That Reminds Me, referred to Hull as the charter member of the small group of senators.[43]

Hull and Roosevelt began their relationship during the Wilson Administration when Roosevelt was Assistant Secretary of the Navy. Although each person's official position required no direct contact, the two became acquainted at various governmental functions.[44] The rela-

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[41] Ibid., 101-102.

[42] Ibid., 89.

[43] Alben W. Barkley, That Reminds Me (Garden City, New York: Doubleday and Company, Inc., 1943), 140.

[44] Hull, op. cit., I, 94.

tionship of the two Democratic leaders became much closer following Hull's differences with the Democratic Party as led by Alfred E. Smith. Even though Hull supported (but halfheartedly) the Democratic ticket in 1928, as has been previously described, he did not support Smith's views calling for tariff protection. In April, 1929, as on other occasions, Hull issued a statement aimed at the party's titular spokesman. He bitterly condemned those "Democrats who are undertaking to effect arrangements for the unconditional surrender of the Democratic Party to the forces of high-tariff greed and privilege." Thereafter, Hull's conferences with Roosevelt increased, as the two found mutual agreement on the tariff issue and economic policies. In his conversations with Roosevelt, Hull clearly made it known his opposition to Smith and to John J. Raskob, Chairman of the Democratic National Committee, who held similar views. Significantly, due to Roosevelt's continued association with Smith, Hull never discussed his plans with Roosevelt for challenging the Smith-Raskob faction.[45]

The showdown came in early 1931 in a national committee meeting called together by the Smith-Raskob faction. The purpose of the meeting was that the national committee might declare publicly the entire party's position on various issues, particularly prohibition. Smith and Raskob's group was determined that the committee adopt a resolution requesting repeal of the Eighteenth Amendment as part of the 1932 platform. Hull strongly objected to a few men expressing the views of all members of

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[45] Ibid., 130-132, 141.

the party. On March 2, 1931, the New York Times reported that his opposition to repeal of prohibition was "conclusive assertion" of the same view expressed by other Southern Democrats. Concerning the national committee's views on prevailing issues, the paper stated that Hull "reinforced opinions" stated by Senators Robinson, Glass, and Cameron Morrison of North Carolina.[46]

Three days before the meeting, three national committee members--Hull, Governor Harry F. Byrd of Virginia, and Senator John S. Cohen of Georgia--and two senators--Robinson and Claude A. Swanson of Virginia--met together and planned the opposition's defense.[47] The group felt it would be most detrimental to the party to allow prohibition to carry more weight as an issue than the economic situation.[48] Hull was especially fearful that the party would be once again committed to a high tariff. Concerning prohibition, he believed the question should be determined by each state acting separately, and that it should not be made a "national partisan issue."[49] The following night the Tennessee Senator received a telephone call from Governor Roosevelt saying that he was sending two national committee members from New York and his personal representative, James F. Farley, to assist the group opposed to Smith and Raskob. Hull was delighted, and knew then that undoubtedly "a

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[46]New York Times, March 2, 1931.

[47]Hull, op. cit., I, 94.

[48]Farley, op. cit., I, 75.

[49]Hull, op. cit., I, 140-141.

complete separation between the Smith and Roosevelt forces had occurred."[50] Farley related in his book that it was the first time Smith and Roosevelt had been "arrayed on opposite sides of the same question."[51]

The meeting was held on March 5, 1931, and ended, much to Hull's satisfaction, by denying the national committee the right to establish the party's position on issues, and by taking no action on a higher tariff or on the prohibition question.[52] Both groups presented their positions on the prohibition question, but Chairman Raskob realized that the opposition had a majority of votes to reject the proposal, and failed to call for a vote.[53] The significance of the meeting was that those opposed to prohibition or those who did not desire to make the question a party issue "looked with favor or much less disfavor on Governor Roosevelt." Other possible Democratic presidential candidates opposed to the group led by Smith and Raskob also received increased support. In addition, Smith's influence in his own state of New York, as a former governor, was greatly weakened in the national committee. According to Hull, the meeting represented "the most important turning point which ultimately resulted in the defeat of Smith and the nomination of Franklin D. Roosevelt for President."[54]

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[50] Ibid., 143.

[51] Farley, op. cit., 76.

[52] Hull, op. cit., I, 144-145.

[53] Farley, op. cit., I, 76.

[54] Hull, op. cit., I, 145.

On May 10, 1932, less than two months before the Democratic Convention, Hull created a division of thought among Roosevelt's backers in the Senate. Tennessee's junior Senator bitterly criticized Senator Barkley's vote for a duty on coal in the revenue bill before the Senate Finance Committee. In attacking the Kentucky Senator, Hull referred to Barkley's vote as "monstrous," and declared that Democratic support of a higher tariff was a "legislative and party sin." Barkley at that time was the leading choice of the Roosevelt group, including Hull, as the keynote speaker for the coming convention. The New York Times, while describing Hull as the "leading Roosevelt champion in the Senate," felt it would be most difficult for Barkley at the convention to speak against a protective tariff.[55] Interestingly, Barkley, as the keynote speaker, strongly condemned the high tariffs successively enacted by the Republican administrations.[56]

Three days following Hull's attack on Barkley, the Tennessee Senator, along with four other Democratic members of the Senate Finance Committee, submitted a minority report on the revenue bill. The report was in retaliation to those Democratic senators of the same committee who had voted for protection. In addition to Hull, others who signed the minority report were Senators Pat Harrison, Walter George, David Walsh, and Edward Costigan. The group demanded the elimination of the duties on coal, oil, copper, and aluminum. Democratic members of the committee

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[55] New York Times, May 11, 1932.

[56] Ibid., June 28, 1932.

who did not sign the report were Senators Alben Barkley, Thomas Connally, Thomas Gore, and William King. Senators Connally and Gore of Texas and Oklahoma, respectively, had voted for oil, and King from Utah had voted for copper. The report condemned their action as "log-rolling," and accused the senators of swapping votes with other senators to make certain that a valuable item from their section might be included on the protected list.[57]

Also during the spring of 1932, Hull accepted a request by A. Mitchell Palmer, Wilson's Attorney General, to assist in preparing a draft for the Democratic national platform. The two worked jointly with Daniel C. Roper, former Commissioner of Revenue; Congressmen Henry Rainey of Illinois, and William Ayres of Kansas, and other Democrats. As the date of the Democratic convention approached, the Tennessee Senator was sought by both Roosevelt[58] and those associated with the movement to become chairman of the Committee on Platform and Resolutions. On April 30, 1932, the New York Times published that Hull was not a "receptive candidate for chairman." The Senator wished to remain free and "unhampered" at the convention so that he might devote himself fully to the framing of the economic sections of the party platform. Hull maintained, too, that by being free, he would be in the best position to "challenge the strong influence in the Democratic Party which have been seeking to carry it into the Republican right wing on the tariff."[59] In addition,

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[57]Ibid., May 13, 1932.

[58]Hull, op. cit., I, 150-151.

[59]New York Times, April 30, 1932.

Hull explained to Roosevelt that by not having the responsibility of chairmanship, he "could defend all provisions of the platform draft against attack."[60]

Even up to a few days before the convention began, Roosevelt continued to expect Hull to accept the position. The Tennessee Senator again declined, for the same reason, and recommended former Senator Gilber M. Hitchcock of Nebraska. Roosevelt accepted the suggestion, and Hitchcock served as the convention's chairman of the Committee on Platform and Resolutions. At the convention, Hull constantly defended the platform. Although he lost on the prohibition question, for the most part the other planks were well accepted by the committee. His economic and tariff planks were adopted by the committee and by the convention in their entirety. In his Memoirs, he expressed his gratification:

> The convention's adoption of the tariff and economic planks delighted my heart. I was gratified to see the Party swing back from the Smith-Raskob ideas to a fixed policy of sound economics. The way was paved for the trade-agreements legislation in 1934.[61]

The future secretary of state was in wholeherted agreement concerning the foreign policy plank, which stated:

> We advocate a firm foreign policy, including peace with all the world and the settlement of international disputes by arbitration; no interference in the internal affairs of other nations; the sanctity of treaties and the maintenance of good faith and good will in financial obligations; adherence to the World Court with appending reservations; the Pact of Paris abolishing war as

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[60]Hull, op. cit., I, 151.

[61]Ibid.

> an instrument of national policy, to be made effective by provisions for consultation and conference in case of threatened violations of treaties.[62]

On the issue of prohibition, Hull lost that battle. Upon his arrival to the convention, he attempted to lessen the importance of the question by acceptance of its submission to the states for repeal, but at the same time not making it part of the party platform. Thus, Hull wished to avoid making prohibition a party issue. He, too, strongly declared that "it would be a damnable outrage, bordering on treason, if the convention should not primarily address itself to the economic condition of the country."[63]

On the other hand, the wets, led by Smith and backed by the larger cities, were equally determined that the party take a stand on prohibition. The Committee on Resolutions adopted the plank which Hull strongly opposed.[64] Before the convention's delegates, in presenting a minority plank on prohibition, Hull pleaded for submission of the Eighteenth Amendment to the states "without making acceptance of repeal a test for party loyalty." The Tennessee Senator was booed by the wets and followed by Smith on the speakers' platform. Smith, amidst frequent outbursts of cheers, exclaimed that there was "nothing the convention can do except possibly extend sympathy." The convention laughed,[65] and without doubt Hull was very embarrassed. In his Memoirs, he referred to the incident

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[62] Ibid., 153.

[63] New York Times, June 23, 1932.

[64] Hull, op. cit., I, 152.

[65] New York Times, June 30, 1932.

in the following manner:

> Governor Smith followed me on the speakers' platform, and I was not a little surprised to see him engage in both demagogy and discourtesy at my expense. Possibly he was stimulated by the wild shouts of the packed-to-order galleries. I had cited his position on Prohibition four years before, which was the same as I was now presenting. He indulged in a tirade against me in order somewhat awkwardly to cloak the fact he had reversed himself. No doubt he was also smarting under my four years' constant, active opposition to his organization.[66]

Although Smith won that round, he lost the nomination to Roosevelt.

In November, 1932, the American voters overwhelmingly decided that the future President and both houses of Congress would be Democratic. Since the election was a foregone conclusion, Hull played only a nominal role.[67] On December 6, 1932, Hull issued a statement to the press entitled "Panic Conditions, Problems, and Remedies," in which he promised that the Democratic Party would have a constructive program satisfactorily evaluating the postwar economic conditions and that his party would provide for extra sessions of Congress if the public so demanded. He repeated what he had often said before, that the "deep-seated and chronic" conditions, the effect of "blind, selfish, and dumb economic leadership in this country since 1920," could not be solved immediately.[68]

Senators Costigan and Hull, both members of the Senate Finance Committee and personal friends, in January, 1933, worked together on a

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[66]Hull, op. cit., I, 152.

[67]Hinton, op. cit., 201.

[68]Cong. Rec., 72 Cong., 2 sess., 65-66.

resolution that Costigan introduced before the Senate. The resolution, which was passed, called for the Tariff Commission to provide statistical information on imports and exports that would be helpful to the incoming administration in negotiating trade agreements.[69] During the same month, Hull accompanied the President-elect through the area which was soon covered by the Tennessee Valley Authority. While serving in the House, Hull, along with other Tennesseeans, had safeguarded the state's right to power lying within her political boundary. Upon learning of the Norris plan--a project to develop the area on a broad scale--the Tennessee group abandoned their state-orientated proposals and gave full support to the new plan.[70]

On January 19 or 20, 1933, the President-elect asked Hull to become his Secretary of State.[71] According to Hull, "I was really almost thunderstruck." Thinking a long career remained ahead of him in the Senate, the Tennessee Senator insisted he had given no consideration to such an appointment.[74] Alben Barkley, writing in That Reminds Me, mentioned that Colonel House claimed the credit for recommending to Roosevelt that Hull be made the new Secretary of State.[73]

Hull requested and received from Roosevelt more time to think over the many implications of the position. He clearly saw the vast opportunities for the cause of international economic peace embodied within

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[69]Hull, op. cit., I, 156.

[70]Ibid.

[71]Hinton, op. cit., 208.

[72]Hull, op. cit., I, 156.

[73]Barkley, op. cit., 260.

the secretaryship. He also realized he could do more for his objective of economic world peace as the head of the State Department rather than as a member of the Senate.[74] During this period of Hull's thinking, Roosevelt became more convinced that the Tennesseean was the ideal person for the appointment. The President-elect reasoned that Hull's acceptance would do much to hold Southern support, in view of the noticeable amount of Northern liberal element among his close associates.

On February 17, 1933, Hull accepted Roosevelt's offer.[75] Before Hull's acceptance, he impressed upon Roosevelt that he did not regard the duties of the State Department as the mere routine of corresponding with foreign governments. The Senator insisted that he expected to advise the President "in every possible way in the formulation and conduct of foreign policy."[76] Four days later, the President-elect officially announced Hull's appointment.[77]

In the meantime, before Roosevelt's public announcement, news circulated that the appointment had been made. Senator William E. Borah, Chairman of the Committee on Foreign Relations, having been assured by colleagues of the appointment, led congressional praise. Borah described Hull as an "able, cultured gentleman, a deep student of international

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[74]Hull, op. cit., I, 156-157.

[75]Hinton, op. cit., 209-210.

[76]Hull, op. cit., I, 158.

[77]Hinton, op. cit., 211.

affairs, and a man of courage." The committee chairman considered Hull the "first economist in Congress."[78] Harold Hinton, in his biography on Hull, said his acceptance was looked upon with much favor in newspaper editorials and public reaction.[79]

On the other side, Senator Tom Connally, member and future chairman of the Foreign Relations Committee, recorded a different impression of Hull's appointment. Connally, who differed with Hull on numerous occasions while the latter was Secretary of State, later wrote an account of the Tennesseean's appointment in his autobiography, My Name is Tom Connally. The Texas Senator bluntly stated that Hull lacked training in foreign affairs, having never served on the House Committee on Foreign Affairs or the Senate Committee on Foreign Relations. Senator Connally concluded that the appointment was merely a political repayment, as Hull had been one of Roosevelt's staunchest supporters in gaining the nomination and winning the election.[80]

On March 3, 1933, Hull resigned his seat in the Senate[81] and became Secretary of State the following day. Thus, Hull entered the Senate during the dark days of a raging depression and became Secretary of State on a day when the nation's economy was at its lowest ebb. During this interval, Hull forcibly advanced his views on fiscal measures

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[78] New York Times, February 19, 1933.

[79] Hinton, op. cit., 211.

[80] Connally, op. cit., 201.

[81] Cong. Rec., 72 Cong., 2 sess., 5427.

and the tariff issue. Evidence of his gains was the acceptance by the Democratic Convention in 1932 of his economic and tariff planks and the nomination of a President who likewise espoused his ideas.

The career of Cordell Hull as Secretary of State is familiar to all students of history. He served in this capacity longer than any other American and endured twelve of the world's most crucial years. During this years, his strong belief in low tariffs was put into effect by the enactment of reciprocal trade agreements with many nations of the world. Hull was widely noted for his work in the development of the "Good Neighbor" policy of the Roosevelt Administration toward Latin America. As World War II came to an end, he tirelessly worked for a future organization dedicated to world peace. When Hull resigned in 1944 due to ill health, President Roosevelt, reviewing the Secretary's efforts for "international amity,"[82] dubbed Hull "The Father of the United Nations."[83] In 1945, Hull was awarded the Nobel Peace Prize.[84]

On July 23, 1955, Cordell Hull passed away at Naval Medical Center in Bethesda, Maryland. In Geneva, President Dwight D. Eisenhower interrupted the Big Four Conference to offer the nation's gratitude for Hull's "long and fruitful labors in the cause of peace."[85] In Hull's

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[82]New York Times, July 24, 1955.

[83]Knoxville News-Sentinel, July 24, 1955.

[84]Ibid.

[85]New York Times, July 24, 1955.

beloved native state, the Nashville Tennesseean expressed the feelings of many Americans:

> As much as any citizen of his time he symbolized the rugged Americanism upon which our national strength has been built. The Jacksonian spirit which sustained him to the end, strides on and on across the globe. His words will resound throughout the years, his example will sustain and encourage generations as yet unborn.[86]

[86] Nashville Tennesseean, July 24, 1955.

CHAPTER VI

AN EVALUATION OF HULL'S CONGRESSIONAL CAREER

Cordell Hull's some twenty congressional years, with two of those years as chairman of his party, might be analyzed in different segments. Each phase represents a maturing and more responsible man. As the nation grew in wealth, population, and prestige, Cordell Hull's stature increased as representative, senator, and finally as secretary of state. He was never a person to shirk responsibility, and each added amount of responsibility led him to new heights of service to his country.

Early in 1907, during the initial period of Hull's activity in the House, he advocated a lower tariff and the enactment of an income tax law as a more effective means of raising revenue. In his maiden speech, he pleaded for a lower tariff and an income tax. During the early part of the Wilson administration, the nation's spotlight was on Hull as author of our first successful income tax law. During the war years, the maturing Congressman was invaluable for his fiscal advice to President Wilson. Hull realized, as the war closed, the need for cooperation among the nations of the world, and declared that economic wars are but the beginning or "germs" of real wars.

The period of the twenties, with Republican administrations and congresses, marked Hull's time as the dissenter; nevertheless, he progressed. Following his election defeat in 1920, the Democratic National Committee still thought enough of Hull to make him its chairman. He

received national attention as the party's spokesman, and constantly received coverage in the influential New York Times. During the twenties, he was repeatedly mentioned as an excellent presidential candidate not only by his home state, but by many others. He regained his seat in the House in 1922 by a substantial margin, and became a leading minority member of the House Ways and Means Committee during the remainder of his service in that body. In the Senate, Hull was also held in high esteem, and was most notable besides his fiscal and tariff positions as an ardent supporter of Governor Franklin D. Roosevelt as the future President.

From this researcher's description throughout the paper and its analysis, it would seem that Cordell Hull was a national figure before he became secretary of state. This writer is prone to take an opposite approach. From the sources read and evaluated concerning Hull, it is my contention that he was never fully known outside of Tennessee until he became secretary of state. This conviction is held even in view of the fact that Hull did receive national news coverage as a tax expert, that he was a presidential candidate, and that he was chairman of the Democratic Party. My belief is that the average American did not know that he existed until he became secretary of state. For as Americans of today are satisfied with identifying themselves with only our very highest officials, it is the contention of this thesis that only a relatively few astute followers of the American political scene were aware of Hull. This writer is in agreement with James A. Farley, who wrote:

While holding definite and well-considered views on public questions, Hull never really made himself known to the American people while in Congress because of a somewhat retiring disposition and inclination to avoid anything that smacked of "limelight" tactics. He never adopted the course, followed by some of his colleagues, of sounding off on any current question just to see his name in print, or of issuing a statement merely because it was sensational and not because he thought it was true.[1]

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[1]Farley, op. cit., I, 101.

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