

THE SOUTHERN TARIFF ASSOCIATION

A Thesis

Presented to
the Faculty of the Department of History
University of Houston

In Partial Fulfillment
of the Requirements for the Degree
Master of Arts

by
Milton L. Ready
August 1966

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ABSTRACT

The Southern Tariff Association was a lobbyist organization founded by a group of Texas businessmen in September, 1920. Headed by John Henry Kirby of Houston and James Asbury Arnold of Kinmundy, Illinois, the organization's original purpose was to provide a non-partisan forum where economic matters concerning the general welfare of the South could be discussed regardless of political convictions. The association first took up the question of tariff revision in 1920. The association endorsed the Republican principle of a protective tariff in the presidential election of 1920, and tried to implement this doctrine for selected southern products through a program of propaganda and pressures upon Congressmen in Washington, D. C. Arnold and Kirby tried to mold public opinion in the South for their protectionist beliefs by holding tariff congresses in New Orleans, Louisiana, Atlanta, Georgia, and Greensboro, North Carolina. The effort was generally unsuccessful.

Initially, the Southern Tariff Association claimed to represent the tariff opinion of southern farmers, but actually voiced the doctrine of producers, distributors, and commercial interests rather than the growers. The association's stand appealed to some conservative, business-minded elements in Texas, Louisiana, Georgia, North Carolina, and Florida, and the organization established state tariff divisions and tariff clubs in these states. Some Congressional representatives from these southern states also voted with the association's stand on the Emergency Tariff Act of May 27, 1921, which placed duties on twenty-eight agricultural products. By endorsing the association's policy of high and even ruthless protection, these representatives of southern agricultural states could not easily oppose burdensome rates on manufactured articles when they appeared in the permanent measure of 1922. Democrats in the Sixty-Seventh Congress were hopelessly outnumbered, and the Southern Tariff Association cut even more deeply into their slender, dissident minority. Thus, the association helped to remove moderate influences in the Fordney-McCumber act of 1922, and the resultant rates were the highest in American history up to that time.

The association's influence began to decline in the protracted tariff debate in the spring of 1922, and, with its falling off, most of its activities fell under the control of James A. Arnold, who used it as a front for his lobbyist

activities. From 1922 until 1930, Arnold continued his activities as a lobbyist. Using the tariff association as a base, he created the American Bankers League which later became the American Taxpayers League. The League was active in the mid-twenties in support of Secretary of the Treasury Andrew Mellon's tax policies.

John H. Kirby and Vance Muse turned to political activities. In 1924, they created the National Council of State Legislators, and, in 1928, used it as a guise to organize opposition in the Fifteenth Congressional District of Texas against John Nance Garner's reelection. The tariff association enjoyed a brief revival when the Democratic party held its national convention in Houston in June, 1928, and Kirby gave it much of the credit for underwriting the tariff plank of the Democratic platform.

In October, 1929, Senator Thaddeus H. Caraway of Arkansas, chairman of a Senate judiciary subcommittee, investigated the activities of the Southern Tariff Association as a lobbyist organization. His committee's report thoroughly discredited James A. Arnold and the association, and ended their waning influence in Washington.

The Southern Tariff Association furnishes an example of the methods, techniques, and politics of a lobbyist organization in the business decade of the twenties. The New York

Times called it a southern attempt, patterned along the lines of other organizations and managers such as the National Association of Manufacturers, American Farm Bureau Federation, Lemuel Ely Quigg, Charles Eyanson, and Joseph R. Grundy, to form a southern protectionist lobby association. The Southern Tariff Association became known as the prototype of southern lobbyist organizations and James A. Arnold's name with the evils of lobbying.

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CHAPTER I INTRODUCTION

Speaking at the annual meeting of the National Association of Manufacturers in 1929, its president, John E. Edgerton, took pride in pointing out that the association had been revitalized in 1921 for the specific purpose of boosting tariff rates. "Recalling . . . that our organization was called into being by a very unhappy nation-wide situation resulting from an unsatisfied tariff necessity, and was dedicated in its infancy to the fostering and maintenance of a continuously adequate tariff for the protection of our developing economic status," Edgerton said, "it should be noted here that our exports and imports have moved steadily upward . . . and in very significant proportion to the rate of advance in all other respects." ¹ The "unhappy nation-wide situation" re-

¹ Quoted in James W. Prothro, The Dollar Decade: Business Ideas in the 1920's (Baton Rouge, 1954), 162. Although the National Association of Manufacturers could trace its origins to 1895, it did not become powerful until after World War I. James E. Edgerton became president in 1921, and often referred to that date as the birth of the association. See ibid., xiv, xx.

ferred to by President Edgerton was the recession of 1920-1921, and he gave the National Association of Manufacturers' tariff policy much of the credit for overcoming the economic decline of that year.

Not only had the protective tariff healed the economic malaise of the period, Edgerton maintained, it had been also the chief cause of America's remarkable economic recovery. If anyone wanted to know the association's role in this sine qua non of America's astounding industrial development, Edgerton advised, "let it be intelligently and correctly answered that . . . this Association has been continuously and persistently its chief and indispensable friend." ²

While Edgerton gave the business-minded National Association of Manufacturers much of the credit for influencing America's "continuously adequate tariff" during the 1920's, acknowledgement also must be made of midwestern and southern pressure groups who were "indispensable friends" to the Emergency Tariff Act of 1921 and the Fordney-McCumber Act of 1922.

The midwestern organization which supported a protective tariff policy was the American Farm Bureau Federation. The impelling force behind the federation was the severe decline in prices suffered by farmers in the latter part of 1920.

2 Ibid.

Prices of wheat, corn, meats, and cotton dropped to one-half and even one-third of war figures. Farmers, helplessly ignorant concerning the economic cause of this decline, clamored for a remedy.

During the period since the passage of the 1913 Underwood-Simmons tariff act, Democrats had claimed theirs as the party of good times, and had ascribed much of the country's prosperity to their low tariff policy. It was inevitable that when farm prices collapsed, the Democrats were held responsible, since they had assumed credit for all preceding contrary conditions.

Republicans maintained that the war years, and not the low tariff policy, was more responsible for the nation's success. The war of 1914-1918, they asserted, had inverted the Democrats' free trade policy. To American industry it served as protection more effective than any tariff legislation could possibly be. Foreign importation of competing products was almost completely eliminated, and American goods previously made at home only under the shield of high duties were exported to neutral markets.

Midwestern farmers' representatives, succumbing to popular debates of the last generation which inculcated the belief that the imposition of high duties served at once to benefit the domestic producer, turned to the Republican pro-

protective tariff principle. The farm bureau federation proposed immediate and drastic tariff changes. Midwestern political representatives accepted the federation as the farmers' spokesman, and welcomed their proposals for tariff duties and schedules.

The decline in farm prices also affected southern farmers. The sudden slump in prices of cotton, sugar, rice, peanuts, tobacco, and other products affected the southern farmer no less than his midwestern counterpart, but he did not seek a protective tariff as an immediate remedy.

While southern farm organizations as a whole did not advocate tariff change as a remedy for the emergency of the times, some southern producers and businessmen did. The protective tariff advocates were located in the Texas-Louisiana area, and were led by John Henry Kirby of Houston, Texas. Kirby concluded that the tariff presented the solution not only to the farmers' ills, but to the ills of southern industry as well. Kirby, defining the problem, determined to do something about it, and due chiefly to his vigor, the Southern Tariff Association was founded in September, 1920.

By 1920, John Henry Kirby enjoyed an established reputation as a leading southwestern entrepreneur. In 1890 he became the head of the Texas and Louisiana Land and Lumber Company and also the Texas Pine Land Association, two of Texas'

largest timber companies. During the same decade he built the Gulf, Beaumont, and Kansas City Railroad which stretched some seventy-five miles from Beaumont, Texas, to the pine forests of East Texas near Jasper County. In addition to these capital investments, he secured aid from eastern financiers in chartering the Kirby Lumber Company with a capital stock of ten million dollars. This company soon acquired the milling properties that had previously been operated by fourteen different companies.³

John H. Kirby further expanded his activities with the charter of the Houston Oil Company in 1901 with a capital stock of thirty million dollars.⁴ The Houston Oil Company was a holding company for the various enterprises conducted by the Kirby Lumber Company, and was also chartered for the development and production of oil. The ownership of all the timber and lands contracted for by the Kirby Lumber Company was vested in this company, and the properties which it con-

³ Dermot H. Hardy and Ingham S. Roberts (ed.), Historical Review of South-East Texas (Chicago, 1910), II, 1023-25. For other information on John H. Kirby see Jack Dionne, A Brief History of the Life of John Henry Kirby (Houston, 1940), pages unnumbered; Kirby Lumber Company (ed.), The Kirby Story (Houston, 1951), 6-8; Albert N. Marquis Company (ed.), Who's Who in America (Chicago, 1938), XX, 1430.

⁴ For a study of John H. Kirby's part in the Houston Oil Company, see John O. King, "The Early History of the Houston Oil Company of Texas, 1900-1908," Texas Gulf Coast Historical Association Publications (Houston), III (April, 1959).

trolled and owned covered a considerable portion of the map of East Texas and represented wealth in the many millions. Besides his oil and timber interests, Kirby also built the seven-story Kirby building in Houston, Texas, a twenty-story building in Dallas, Texas, and developed extensive real estate holdings in downtown Houston.

John H. Kirby's position at the head of vast lumber, oil, and real estate developments served to identify him with the political life of Texas and the Southwest during this period. Politically Kirby was a Democrat, but he did not necessarily agree with either the views of the Wilson administration or with the personalities and platforms of the Texas Democratic party. Kirby himself frequently said that "my father before me was a rock-ribbed Southern Democrat and I inherited his faith." ⁵ Kirby was "an old-fashioned Democrat . . ." who followed the teachings of Thomas Jefferson, Andrew Jackson, Roger O. Mills, William R. Morrison, and Henry Watterson. ⁶

⁵ John H. Kirby, The Tariff, A Handbook of History (Houston, 1923), 12.

⁶ Ibid., 12. Kirby referred to Jefferson's first message to Congress delivered in December, 1801, endorsing a protective system, and also to Jefferson's vigorous stand for protection from English products in 1793 as the teachings he believed in. He also thought Jackson was correct when, as a Senator from Tennessee, he heartily supported the protective tariff of 1824. Kirby was not a true Jeffersonian Republican or a Jacksonian Democrat. See pages 6-9 for his concept of Democratic principles. See also Frank W. Taussig, The Tariff History of the United States (New York, 1964), 13-14, 83-91.

To Kirby, the function and role of government was limited, and the exact nature of its limits was carefully defined by the Constitution. Kirby believed in a narrow interpretation of the Constitution which favored business interests. The task of government was to protect the businessman by erecting duties against foreign competition, giving him a protected market to sell in, limiting taxes upon the sale of his product, and abolishing the tax upon his income which he had made in open competition. Any other function by the federal government constituted interference.

Standing as he did at the pinnacle of success in a economically oriented society, John H. Kirby could not help but think that the important instrument of society was and must be, "not governments, but business." ⁷ Yet where could he, a southern businessman, find help in his fight against government in 1920? To Kirby, and to many southern businessmen like him, the answer did not lie in Woodrow Wilson's tax policies, low tariff duties, and other progressive policies

⁷ Prothro, Dollar Decade, 211. Throughout his book, Prothro seeks to examine the businessman of the 1920's in relation to society. A more useful understanding of the personality of John H. Kirby in contrast to his views on the businessman's role in the society of his time might be had by comparing Prothro's conclusions on pages 207-12 with Kirby's published views on politics, the government, economic legislation, and taxation.

of the decade, nor did it lie in the Democratic party itself.

Kirby's dissatisfaction with the principles of the Democratic party in the twenties was shared by a close friend, ex-United States Senator Joseph Weldon Bailey of Gainesville, Texas. Bailey was one of the most conspicuous and influential Democrats in official life at Washington during the administrations of William McKinley, Theodore Roosevelt, and William H. Taft. More often than not, Bailey found himself at odds with the three great Democratic party leaders of his time, Grover Cleveland, William Jennings Bryan, and Woodrow Wilson, over which course democracy should take. To Senator Bailey, these leaders had broken with the past, and in protest against this break, he often took refuge in Republican legislation. ⁸

⁸ The relationship between Bailey and Kirby was brought forth in July, 1907, in an article written by David Graham Phillips for the Cosmopolitan Magazine. Written in the fashion of the literature of exposure, Phillips sought to prove that Bailey and Senator John C. Spooner of Wisconsin were the "keynoters" of an alliance between Democratic and Republican Senators against the welfare of the general public and in favor of the special interest. The fifth installment was devoted to Bailey, and constituted a review of all that had been charged against him since 1900. To Phillips, the relationship between Bailey and Kirby was clear: Kirby, as a rich Texas lumber and oil multimillionaire, was the chief backer of the Texas Democratic machine, and also the chief source of the fees that constituted a large part of Bailey's fortune. See David Graham Phillips, "Treason in the Senate," Cosmopolitan Magazine (New York), vol. 41 (July, 1907), 276. See

During his tenure in public office and as a lawyer in Washington, D. C., Bailey worked closely with Kirby to formulate protests against the course which the country took on questions of public concern. Of particular concern to Bailey was the South's exclusion from the benefits of national legislation, such as a protective tariff, to which he attributed the South's inferior economic position.

In association with Joseph Weldon Bailey, Kirby came to the conclusion that the broadening of federal powers would necessarily lead to a form of socialism. To John H. Kirby socialism in any form was at cross purposes with his own gospel of wealth, and he determined to fight it. Kirby's career coincided roughly with what Professor Charles A. Beard has called the movement toward social democracy in the United States, and because of his passionate fight against the reform movements of his day, Kirby has been dubbed as a reactionary, a radical, and a conservative. Yet, the most appropriate political description of him would be that of a Democratic, southern businessman, conservative in nature, and

also John O. King, "The Early History of the Houston Oil Company of Texas, 1901-1908," Texas Gulf Coast Historical Association Publications (Houston), III (April, 1959), 73-87. See also William A. Cocke, The Bailey Controversy in Texas (San Antonio, 1908), II, 531-55, and Sam Hanna Acheson, Joe Bailey, the Last Democrat (New York, 1932), 176-77, 215, 294.

in a minority position in national politics.

John H. Kirby's political philosophy, concept of constitutional government and the relationship with Joseph Weldon Bailey undoubtedly reflected the future ideology of the Southern Tariff Association, but its guiding spirit turned out to be an obscure man from Illinois, James Asbury Arnold.⁹

Arnold's background gave no indication of his interest in either politics or government. Born in Kinmundy, Illinois, in 1869, he spent most of his early life on his father's farm. When he was eighteen, he met and married a neighbor, Miss Emma Frances Holt, and one year later, a son, Lloyd, was born.¹⁰ For the next sixteen years, Arnold engaged in normal business pursuits around Kinmundy with an occasional outburst of political sentiment, but he was not particularly outspoken in his beliefs.¹¹

In late 1903, James A. Arnold moved from Illinois to

9 The Caraway Senate Committee, investigating the lobbying activities of the Southern Tariff Association, erroneously described John H. Kirby's role in it as "a negligible part in the Association's activities. His name gave only a fictitious virtue and value to the organization." New York Times, December 21, 1929.

10 A. N. Marquis Company (ed.), Who's Who in America (Chicago, 1944), 59.

11 Ida Darden to author, January 6, 1966.

Beaumont, Texas, to preserve the failing health of his wife. Within a short time after his arrival in the oil-rich Beaumont area, Arnold met George W. Carroll and William P. H. McFaddin, two local, wealthy, oil and real estate promoters. Impressed by his political views and sympathy to their cause, McFaddin had Arnold installed as secretary to the Beaumont Chamber of Commerce. 12

Politically, James A. Arnold was a Republican. While in the Midwest, he consistently supported local Republican party programs and nominees, and he also sympathized with their national platform. 13 After his move to Texas in 1903, Arnold found there was no effective Republican party organization within the state, and so he turned to those conservative business elements within the Democratic party whose political views most closely resembled his own.

In his views upon the role and function of government, James A. Arnold was an articulate and constant spokesman for the gospel of wealth. Throughout his career as a representative of vested interest groups from 1903 until his death in

12 John H. Kirby to John W. Blodgett, March 12, 1928, in John H. Kirby Papers (Manuscript Collection, Texas Gulf Coast Historical Association, Houston, Texas).

13 Ida Darden to author, January 11, 1966.

1948, Arnold's idea of the functions of government remained unchanged. Government's proper function, Arnold reasoned, was to guarantee its citizens "peaceful occupancy of his possessions, protection against foreign invasion and local insurrection; liberty, freedom and the pursuit of happiness. The citizen agreed to pay for limited service at cost, economically rendered. To expand the scope and enlarge compensation without authority is burglary." 14

Basically, Arnold believed that the power of government must be limited, but that government intervention in the economy need not always have disastrous results. Arnold maintained that government meddling in economics could be expected to produce nothing better than confusion, but that this general proposition did not apply when the intervention was inspired by business. Particularly abhorrent to Arnold was the idea of federal taxation, and he was fond of saying that "It is through excessive taxation that Government legislates idleness, stupidity, and want," and that "The power of Government over the purse must be limited." 15 In support of this

14 James A. Arnold, The Desire to Own (Washington, D. C., 1938), 38.

15 Ibid., 45. This last saying, Arnold's favorite, is printed at the bottom of every page of this book.

idea, Arnold consistently fought against the sixteenth amendment, the inheritance tax, gift tax, and taxes upon corporate wealth. While Arnold considered the tariff to be a tax, he acknowledged it to be a very necessary one which was mutually beneficial to government, the people, and business.

Like most businessmen of the first decade of the twentieth century, the Constitution was the bulwark of Arnold's beliefs.¹⁶ To him, the property-conscious Constitution was the stronghold of capital, commerce, property, and progress, and just as "nature restrains animal by instinct . . . Government must be restrained by constitutional limitations."¹⁷

To Arnold, the continuing expansion of governmental powers and the widening of the popular base of government would lead the nation into socialism, the dole, and a consequent undermining of "rugged individualism." As he said:

Any man who lives without toil is a worthless creature and any social order that frees man from toil is turning man back to the jungles The moral strength of a race is in them that work; the ills from humanity flow from the idle class.¹⁸

¹⁶ For a discussion of the role of the Constitution in conservative business thinking of this decade, see Eric F. Goldman, Rendezvous with Destiny (New York, 1952), 87-88.

¹⁷ Arnold, The Desire to Own, 39.

¹⁸ Ibid., 99.

Arnold's answer to government paternalism, interference, and extension was to limit its "powers over the purse." In order to limit the power to tax, Arnold did not turn to judicial or legislative redress, but to a program designed to educate the people to the dangers of a government swollen with monies and power. Since government was inherently corrupt, Arnold reasoned, the people must turn to those owners, builders, and benefactors of society who truly protected the public welfare—the big businessmen.

John H. Kirby first met Arnold while on a business trip to Beaumont in 1904. Because of the business relationship between Kirby, McFaddin, and Carroll, Arnold found Kirby easily accessible to his political and business views. Before very long the two found themselves on common political ground, and Kirby introduced Arnold to such Texas businessmen as Ike T. Pryor of San Antonio, David C. Giddings of Brenham, Royal A. Ferris and John N. Simpson of Dallas, Issac Herbert Kempner of Galveston, John T. Scott of Houston, George T. Colvin of the Dallas-Fort Worth area, Frank S. Hastings of the Ellis P. Swenson interests in Stamford, and William W. Cameron of Waco.

By 1906, James A. Arnold, successful in his work with the Beaumont Chamber of Commerce, became the secretary-mana-

ger of the Beaumont Businessman's League. The League was set up by commercial interests in the Beaumont area to counteract the attacks by the Texas progressives on corporate wealth.

The Thirtieth Legislature (1907) of Texas, prodded by its progressive governor, Thomas M. Campbell, enacted a series of sweeping tax reforms designed to shift more of the burden of government expense from individuals to corporate enterprise,¹⁹ and James A. Arnold found himself with a responsive conservative propaganda organization to fight these reforms.

The full weight of the Charter Fee, Franchise Tax, Inheritance Tax, Gross Receipts and Intangible Tax Laws, the tax on liquor dealers, and other progressive legislation fell heavily upon the railroad and business interests of the state.²⁰ They did not choose to suffer this restrictive legislation in silence, and a number of industrial associations, civic booster clubs, chambers of commerce, and commercial clubs sprang up around the state to protest these new tax laws.

In 1907 J. A. Arnold left Beaumont for Fort Worth, where

¹⁹ James A. Tinsley, "The Commercial Secretaries Association: A Conservative Response to Texas Progressives." (Manuscript paper read to Southwestern Social Science meeting, Dallas, Texas, 1964), 2.

²⁰ Ibid.

he took part in the organization of these protest groups into the Texas Commercial Secretaries Association in August of 1907. Working through the Dallas Commercial Club, Arnold managed to interest Ben B. Cain, a Tyler railroad builder and promoter, and a group of other business leaders of the state in the possibilities of a permanent organization which would "educate the public," mold public opinion, and control political activities in the interest of business leadership.²¹ Backed by Cain, Buckley B. Paddock, George T. Colvin, and other commercial interests in the Dallas-Fort Worth area, Arnold persuaded the Commercial Secretaries Association to call a protest meeting in Fort Worth on March 12, 1908. With sentiment and financial backing solidified in the association, Arnold hurried off to Austin to meet the legislature when it convened in January, 1909.

From 1909 until 1915, Arnold was concerned exclusively with the activities of the Commercial Secretaries Association. When the legislature was in session, he remained in Austin, but during recesses, he hurried to Fort Worth to publish circulars, letters, and tracts designed to influence the public.

It also became obvious that with his increased influence and responsibility, Arnold would have to expand his staff.

²¹ Ida Darden to author, January 6, 1966.

He hired a full time secretary and office manager for his offices in the First National Bank Building in Fort Worth, and also hired another office worker, Mrs. Ida Darden, who "just barged right in and asked for a job." ²² Ida Darden was due to remain with J. A. Arnold for the next forty years, and eventually became a newspaper publisher, editor, writer, public relations woman, and minor political figure in her own right.

Four months later, Arnold added Ida Darden's brother, Vance Muse, to his staff, and these four people—John H. Kirby, J. A. Arnold, Mrs. Ida Darden, and Vance Muse—became the permanent staff of what was to be one of the most important southern political and economic movements of the twenties—the Southern Tariff Association.

Both Ida Darden and Vance Muse belonged to the Muse family of Virginia, and could trace their ancestry to John Muse, Sr., who emigrated to Westmoreland County, Virginia, from England in 1633. ²³ The family subsequently moved to Henderson County, Tennessee, and then, in the late 1880's, Henry Lawson Muse and his wife, Henrietta L. Harris, moved to the small town of Moran in Shackelford County, Texas. Before

²² Ida Darden to author, January 11, 1966.

²³ Walter Lee Hopkins, Hopkins of Virginia and Related Families (Richmond, Va., 1931), 166.

1890 a daughter, Ida Mercedes, and then a son, Vance, was born.²⁴ A constant visitor to the Muse household during those early days was Joseph Weldon Bailey, who, to Ida Darden, was "like a father . . . who taught me all I know about politics."²⁵

Both Vance and Ida Muse attended the public system and the Cullen School of Business in Cleburne, Texas. In 1904, Vance Muse began work as a laborer for the Santa Fe Railroad system, and one year later he became an employee at Swift's Packing Plant in Fort Worth, Texas.²⁶ He was working for the Swift Company in 1907 when Arnold hired him to become the bookkeeper-typist and later publicity agent for the Texas Commercial Secretaries and Businessmen's Association.

Fortified by the addition of Ida Darden and Vance Muse to his staff in Fort Worth, Arnold hurriedly organized his activities at the state capital in Austin. As expressed in the by-laws of the organization, his purpose there was to enhance:

the efficiency of the commercial organizations of this state and concentrating their efforts in its development; . . . in obtaining greater publicity for the legitimate exploitation of its varied resources, agricultural, manufacturing and mining; in encour-

²⁴ Ibid.

²⁵ Ida Darden to author, January 11, 1966.

²⁶ Albert N. Marquis Company (ed.), Who's Who in America (Chicago, 1946), xxiv, 1714.

aging the investments of both home and foreign capital; in securing more factories . . . in advocating fewer and better laws and that prompt and harmonious action may at all times be secured for the proper consideration of every subject affecting the material interests of the state 27

Arnold's job was to promote business interests at the state capital, and to impede the Texas progressive movement aimed at corporate wealth.

Arnold believed that the best way to do this was to educate the public through the news media, and he set up a "legislative liaison reference bureau" that distributed articles and feature articles to over 750 of the eight hundred daily and weekly newspapers of the state. To write these articles, Arnold hired older writers, unemployed newsmen, and other "down-and-out" newspapermen who were paid according to the number of articles they could turn out. In 1910, Ida Darden replaced one of these itinerant newspapermen, George Bell, and took over the press and plate service in Fort Worth. 28

From 1907 until 1914 the Commercial Secretaries Association, under the maturing leadership of J. A. Arnold, flourished in Texas. The association had effectively gained control of

27 Quoted in James A. Tinsley, "The Commercial Secretaries Association: A Conservative Response to Texas Progressives." (Manuscript paper read to Southwestern Social Science meeting, Dallas, Texas, 1964), 8.

28 Ida Darden to author, January 11, 1966.

the press of the state, organized the widespread distribution of their literature, and had admittedly blunted the voice of progressivism in Texas.²⁹ Where there was no sentiment among industrial or commercial elements within the conservative ranks for his cause, Arnold found that he could create artificial sentiment by the use of his news service and pamphlets.

The end of Arnold's first attempt at "educating the public" with the Commercial Secretaries Association, came in June, 1914, when Texas Attorney-General Ben F. Looney filed suit in Austin to dissolve the association. Charging that the association had, in essence, used corporate funds for political purposes, Looney named ninety-five contributing corporations as defendants. Arnold, acquiescing to the pressure from his contributors and recognizing the legitimate fact that there was "no longer a need" for the work of the association, chose not to contest the suit, and the Commercial Secretaries Association ceased its activities.

The Commercial Secretaries Association is important to a study of the Southern Tariff Association because it was a miniature representation at the state level of the regional tariff association. It was, in fact, the precedent in orga-

²⁹ James A. Tinsley, "The Commercial Secretaries Association: A Conservative Response to Texas Progressives." (Manuscript paper read to Southwestern Social Science meeting, Dallas, Texas, 1964), 12.

nization and in the methods used by Arnold for the tariff association and the later movements growing out of it. The methods of financing, publicizing, sponsoring, and persuading are to be found in both associations.

From 1914 until 1920, Arnold, Ida Darden, and Vance Muse busied themselves with sundry projects centering around Fort Worth. For awhile, some work was still carried over from a withering Commercial Secretaries Association. Under the sponsorship of J. S. Cullinan of Houston, Arnold tried to rehabilitate the association in the guise of the Texas Economic League. The purpose of the league was to discuss "important economic and social questions of the day," ³⁰ and it was here that John H. Kirby discovered that Arnold's organizational talent might be put to good use later. The league faded after the first publication of its magazine, the Anvil, and Arnold's presses turned to other outlets. ³¹

From 1917 until 1919, Arnold and Vance Muse worked with the Fort Worth Chamber of Commerce Association, and, along with George W. Armstrong, were instrumental in reorganizing the Associated Industries of Texas into the Texas Chamber of Commerce. In December, 1918, Vance Muse initiated organizational plans for the consolidation of the two associations

³⁰ Ibid., 15.

³¹ Ibid.

and it was effected in April, 1919.

In the spring and summer of 1919, J. A. Arnold, fresh out of issues and organizations, was contacted by John H. Kirby in regard to the upcoming Texas gubernatorial campaign. Kirby's good friend, former Senator Bailey, was thoroughly alarmed at the path into which Wilsonian democracy had led the state and country, and, in an effort to "restore the true principles of Jeffersonian Democracy in Texas politics," returned to Texas to enter the 1920 governor's race. ³² To pave the way for his return, Bailey renewed his political contacts within the state, and both Arnold and Kirby were enlisted in his cause.

Because J. A. Arnold had worked for him in previous political battles, Bailey was well acquainted with Arnold's methods and techniques. Bailey was also aware that a potential political ally, James E. Ferguson, had organized an anti-Wilson American party in Texas, and intended to run for the presidency in the next general election. In order to keep the support of this and other diverse anti-Wilson forces in the state, Bailey asked Arnold to publish literature

³² Dallas News, February 13, 1920.

and periodicals designed to create a division among the Democrats, and also to enlist the aid of Texas Republicans in his cause.

Bailey asked Kirby to contact two of his old friends, Hugh Nugent Fitzgerald, then editor of the Fort Worth Record, and William Capps, president of the Record, in order to furnish Arnold with offices and equipment in the First National Bank Building in Fort Worth.

Utilizing this equipment, Arnold began the publication of the Texas Republican Counselor in the summer of 1919. The periodical was sponsored by Kirby and Bailey, and was "published weekly in the interest of the Republican party." 33 Arnold was the editor and publisher, and Vance Muse was the business manager. Rentfro Banton Creager, Republican National Committeeman from Texas, was also interested in preventing the election of the Democrat Pat M. Neff, and joined with Arnold in forming a Texas Republican Council. The Council sponsored the Counselor and also distributed organizational literature of the Republican party which advocated "building

33 Texas Republican Counselor, March 2, 1920. Some scattered copies of this newspaper are found in the newspaper collection file at the University of Texas, Austin, Texas, and also in the John H. Kirby Papers (Manuscript Collection, Texas Gulf Coast Historical Association, Houston, Texas).

a distinct service to your Party . . . " by voting for the anti-Wilsonian candidate, Joe Bailey. ³⁴

In August, 1919, Arnold, Muse, Kirby, ex-Governor Oscar B. Colquitt, former Congressman Robert Lee Henry of Waco, Judge William Poindexter of Cleburne, Jack Beall of Dallas, Judge Rice Maxey of Sherman, Howard Templeton of San Antonio, and Sidney Samuel of Fort Worth sponsored a meeting at Fort Worth to organize a Bailey Democratic party. Addressing the meeting, Bailey expressed his opposition to growing Wilsonian socialism and monopoly, and declared that he was inclined to carry out his reforms outside the Democratic party. ³⁵ Resisting his temptation to declare himself for Republican principles, Bailey nevertheless asked his good friend, Senator Warren G. Harding, to visit Texas and lend support to his platform. In March, 1920, Senator Harding, on his way to the east coast, stopped at Fort Worth and Dallas to endorse the stand against prohibition, the ever increasing participation of the national government in matters affecting the daily lives of the people, and to give support to a tariff which would protect southern agriculture. ³⁶

³⁴ Format of insert sheet in Texas Republican Counselor, December 16, 1919.

³⁵ Fort Worth Record, August 15, 1919.

³⁶ Ibid., March 3, 1920. See also Dallas

On August 28, 1920, Texas voters rejected a return to old Bailey democracy, and the former Senator retired to private life.

News, March 3, 1920, and Texas Republican Counselor, March 3, 1920.

CHAPTER II ORGANIZATION

The response to Bailey's speeches on the tariff during the gubernatorial campaign of 1920 caused both Kirby and Arnold to feel that an anti-Wilsonian stand on the tariff would be a popular issue in the South during the coming presidential election. Realizing this, they also anticipated the "need" for an organization to support such a stand — the Southern Tariff Association.

Kirby professed to be the father of the association which, he declared, was composed of "ninety-five per cent" Democrats, "in the sense that they are business men and producers affiliated with the Democratic party." ¹ Although composed mainly of Democrats, Kirby described the association as, "a non-partisan organization created during the past year for the pur-

¹ John H. Kirby, "Question of Protecting American Industry Is Old As Government Itself," Southern Tariff Advocate (Fort Worth, Texas), I (May, 1921), 6. The Southern Tariff Advocate was started by the association in Fort Worth in December, 1920. Ida Darden edited the monthly periodical, and it continued irregular publication until 1930.

pose of affording a non-partisan tribunal or forum where problems affecting the South, especially with respect to national legislation and more particularly with regard to the tariff, could be discussed on their economic basis, entirely free from partisan interest or character." 2

As a manufacturer of lumber products, Kirby stated that he had no direct interest in the purposes of the association because, as a raw material, lumber did not need protection. His work was wholly in the public interest, he maintained, and he had connected himself with the association "not as a lumberman but as a citizen." 3

In a later address, he suggested that he undertook the tariff association's work at "the request of the cotton farmers of Texas and the cattle raisers of Texas . . . the rice farmers . . . and peanut farmers of Texas." 4 Kirby also declared the agricultural depression of 1920 demonstrated the "imperative public necessity for the activities of the Southern Tariff Association." 5 For these reasons John H. Kirby consented to serve as president of the association, at grave in-

2 Ibid.

3 Kirby to Colonel Ike T. Pryor, October 20, 1920, Kirby Papers.

4. John H. Kirby, "Question of Protecting American Industry Is Old As Government Itself," Southern Tariff Advocate (Fort Worth, Texas), I (May, 1921), 6.

5 Kirby to John Craig, October 15, 1920, Kirby Papers.

convenience to himself and at a considerable outlay of cash.

The Southern Tariff Association ultimately did involve much of John H. Kirby's time and money, but it also proved to be an issue which constantly kept his name before the public. As its president he corresponded with governors and congressmen; spoke at numerous public gatherings; and constantly gave interviews to the press. He suggested congresses whereby southern tariff interests might meet and discuss common problems; presented various petitions before Congressional committees; and personally called upon President Harding at the White House. For the next eight years the affairs of the Southern Tariff Association kept John H. Kirby's name in print, and more than once he was urged to run for public office. However benevolent John H. Kirby was in assuming a crusade for downtrodden southern agriculture in 1920, it was also true that he had found a sensitive issue and a responsive vehicle for entrance into national political life.

In September, 1920, Arnold suggested to Kirby that sufficient interest existed in the South to warrant calling a tariff congress for that fall. Indeed, honest sentiment did seem to exist among Democrats, nominally interested in tariffs "for revenue only," for just such an organizational meeting. Missouri's Senator James A. Reed frequently described himself as a "tariff-for-revenue" Democrat, but admitted that "I recog-

nize the fact that there may be special circumstances requiring particular remedies." 6

Stressing a similar feeling in a letter to Dr. Wilson Compton of Chicago, Illinois, Kirby wrote:

The gentlemen who will participate in this Congress are not in the main Protectionists. Most of them will be Democrats who will participate in this meeting in protest against the Wilson idea of free raw materials The Wilson idea of free raw materials puts everything the Farmer produces upon the Free List while compelling him to make his purchases in a taxed market. 7

Governor John M. Parker of Louisiana, a strong advocate of a protective tariff for southern products for many years, offered his assistance in sponsoring a New Orleans meeting to further southern protective sentiment. 8 Governor William P. Hobby of Texas offered to serve as an honorary vice-president of the organization because, "I believe it is important to end the discrimination which has been practiced against our own people and our own products." 9

Thomas W. Hardwick, former Senator and Governor of Georgia, expressed sympathy for the tariff cause, as did Governor Albert C. Ritchie of Maryland. Many lesser figures in the

6 Senator James A. Reed to Kirby, October 5, 1920, ibid.

7 Kirby to Dr. Wilson Compton, September 27, 1920, ibid.

8 Ida Darden to author, January 11, 1966.

9 Governor W. P. Hobby to Kirby, November 2, 1920, Kirby Papers.

South also expressed dissatisfaction with the present tariff policy and demonstrated a willingness to support the principles of the Southern Tariff Association.

Arnold, over Kirby's signature and with his consent, mailed literature to most southern Congressmen and many of the larger industrial organizations of the South. Although most of the replies expressed whole-hearted agreement or tacit sympathy, some did not. In a letter addressed to Kirby, Mississippi's venerable Senator John Sharp Williams curtly replied that "I have been fighting the false doctrine of protectionism a long, long time. I shall not begin now, when I have passed my 66th birthday, to take advice or orders from protectionists." 10

Also, Anderson, Clayton, and Fleming, one of the largest national cotton exporting firms, gave, in answer to the literature, one of the most convincing and far-sighted economic arguments of the post-war period as to why an upward revision of the tariff would be dangerous. Writing to Kirby on November 1, 1920, the firm said, "We believe that international trade must be reciprocal; that no nation can expect to sell freely to the rest of the world unless they are prepared to buy freely; we believe that a great creditor nation, like our

10 Senator John Sharp Williams to Kirby, January 31, 1921, ibid.

nation is today, might as well write 'cancelled' across the face of the obligations held by it as to put up a tariff wall against the nations who are its debtors and thus deprive them of their chief if not only means of payment. This would be a policy of . . . unenlightened selfishness." 11 Kirby dismissed such comments as being irrelevant and went ahead with plans for the New Orleans meeting.

At first, Kirby suggested that the beginning organization be called the Southern Protective Tariff Association. After conferring with Senator Reed, Arnold wrote Kirby that Senator Reed emphasized the "importance of calling our organization a Tariff Association rather than a Protective tariff association." 12

Both Reed and Arnold thought the classification of any tariff alliance as protective was an unnecessary political restriction and out of step with twentieth century economic thinking. A more appropriate designation would utilize the 1908 principle of equalizing the cost of production in this country with that of foreign countries. In essence, the "cost of production" principle not only avoided preconceived notions

11 Anderson, Clayton and Fleming to Kirby, November 1, 1920, ibid.

12 Note from J. A. Arnold to Kirby, attached to a letter from Senator James A. Reed to Kirby, October 5, 1920, ibid.

on protective and revenue tariffs, but, since it essentially agreed with both party platforms in 1920, also enhanced the bipartisan appeal of the tariff coalition.

Once the preliminaries were seen to, the first tariff congress sponsored by the association was called to meet in New Orleans, Louisiana, on October 11-12, 1920. In order to insure a successful start and a sympathetic base for the New Orleans congress, Kirby declared that it was to be a delegated convention as well as a mass meeting. Kirby and Arnold sent out over seven hundred invitations to the tariff congress, mostly to business associates, representatives of commodity organizations, and politically prominent southerners. Ida Darden guaranteed friendly press notices and sympathetic publicity by inviting selected editors from Texas, Louisiana, Arkansas, Georgia, Alabama, North Carolina, and Florida to attend the congress at the association's expense. Kirby invited commissioners of agriculture from several southern states to attend the meeting at his expense, and engaged William S. Culbertson, a member of the Federal Tariff Commission, to speak at the gathering.

In all, nearly two hundred delegates representing cattle, sheep and goat interests, peanut and cotton-growing industries, and sugar, rice, and lumber industries attended the meeting.

A large number came from Texas, and Kirby hired an entire railroad car to transport them.¹³ The delegates were usually the "biggest men" in their industry, and were involved more often than not in the processing end of the operation than in the growing—peanut crushers rather than peanut growers, for example.

The first day of the meeting attracted between 2,000 and 2,500 people to hear the opening speeches. Delegates to the meeting were in a minority, and most of those who attended were members of the New Orleans Association of Commerce. This association, with a membership of over five thousand, offered to cooperate with the Southern Tariff Association, and under the prodding of Governor John M. Parker and the association's president, Walter Parker, turned out to attend the tariff congress.

As acting president of the association, John H. Kirby called the congress to order and then introduced Governor Parker of Louisiana who presided over the deliberations of the conference. The association was organized by the passage of a constitution, by-laws, and the adoption of a full slate of officers.

¹³ Ida Darden to author, January 6, 1966.

Kirby agreed to remain as president until the next congress met because of the "public necessity" of the work. Arthur J. Draper, a prominent tobacco grower and businessman from Charlotte, North Carolina, was elected vice president. John T. Scott, president of the First National Bank of Houston, Texas, was named treasurer, and James A. Arnold became the executive secretary. The congress accepted a Declaration of Principles based upon the premise that "in making tariff levies the burdens and benefits shall be laid equally upon all industry without discrimination toward any pursuit or any section of the country." ¹⁴

The position of the congress in relation to the national election of 1920 was made clear by the pronouncement that

The American people will (not) be foolish enough on next Tuesday to longer trust us Democrats with the administration of government, but if they should show that kind of folly, then the activities of the tariff association should begin in earnest. We know that the Republicans when they come to revise the tariff will give us relief and it is only a matter of ourselves understanding our problem so that we can present it intelligently and effectively. ¹⁵

Because of the announced anti-administration stand on the tariff, some partisan Democrats looked upon the congress

¹⁴ Kirby to Marion Sansom, October 29, 1920, Kirby Papers.

¹⁵ Ibid.

and the association as an instrument organized by northern Republican protectionists to get the aid and influence of southern businessmen in support of Republican views of protection. The organization of the Texas Republican Council in Texas in 1919, Arnold's association with the Republican national committeeman from Texas, R. B. Creager, Kirby's business interests and affiliation with the "Republican-minded" Joseph Weldon Bailey, and Governor Parker's published sympathy with Republican principles lent credence to their claim. The following Tuesday, Kirby cast his vote for Senator Harding, and it is logical to assume that members of the association who sympathized with his tariff views also voted for Harding. Most of the delegates believed, as did Marion Sansom of Fort Worth, that if a Democratic administration succeeded, they could expect little tariff relief from Congress. By voting for a Republican president, they sincerely expected to get such protection they thought was so greatly needed for farm products, livestock industries, and other southern commodities.

The delegates to the congress also listened to speeches by Senators Joseph E. Ransdell and Edward J. Gay of Louisiana, Senator Albert B. Fall of New Mexico, and Senator-elect Edwin S. Broussard of Louisiana, all of whom spoke in favor of protection for southern interests which, it was declared, could

be secured if the South presented its claims intelligently, vigorously, and with a willingness to have protection fairly applied without discrimination to sections or industries. 16

Judge James Cornell of Sonora, Texas, spoke of the necessity for protection to the sheep and goat industry; Colonel Ike T. Pryor for the cattle industry; and T. Sevier from Birmingham, Alabama, for the southern iron and steel industries. 17 Before the congress adjourned, Kirby read a letter from Senator Warren G. Harding which declared:

No section of our country needs so much at this time the application of the principle of the protective tariff . . . (and) it seems to me that the movement which the congress has been called to consider and to further is one of the most important in its relations to the progress and development of the South which has been inaugurated in the last century. 18

The South, Harding continued, had been economically "un-
aroused, unheeding," but now was aroused and, he declared,
"I am glad of the awakening, and I am glad, indeed, that the
seed sown by the brilliant, magnetic and prophetic Henry Gra-
dy and those he enlisted with him is bearing fruit." 19

At the conclusion of the reading, thunderous applause

16 Baltimore Manufacturers Record, October 14, 1920.

17 Ibid.

18 Senator Warren G. Harding to Kirby, September 23, 1920, Kirby Papers.

19 Ibid.

greeted Harding's letter, and, in a "much excited" mood, Kirby adjourned the more than two thousand tariff congressmen. 20

At the press table of the Southern Tariff Congress, reporters from traditionally conservative southern newspapers penned their late evening dispatches to their home offices. A large delegation from Texas, headed by Louis J. Wortham of the Fort Worth Star-Telegram and Peter Molyneaux of the Southern Weekly, Texas Tax Journal, and Texas Trade Review, gave especially widespread coverage to the tariff congress. Henry Binge Crozier of the Dallas News; Edmunds Travis of the Austin American; and Bryon C. Utrecht of the Fort Worth Star-Telegram also gave reports on the triumph of the tariff issue in the South. 21

Albert Phenix, a faithful reporter for Richard H. Edmonds and William Wadley Yonge of the Baltimore Manufacturers Record, ardently reported the shift of the industrial and commercial South and editorialized that "the meeting marked a new era in the economic history of the south Writing while the closing day of the congress is yet to come, it is already

20 Ida Darden to author, January 6, 1966.

21 R. H. Shuffler to author, January 8, 1966.

evident that a highly important and revolutionary step had been taken by the south." 22

Richard H. Edmonds, who along with Henry W. Grady had helped to foster the "New South" idea in the closing decades of the nineteenth century, was present at the congress, as were representatives from the Atlanta Constitution, from the Charleston News and Courier, and from the Louisville Courier-Journal. So impressed were Edmonds and Phenix by the gathering of southern industrial and agricultural representatives that they suggested to Arnold that another tariff congress be held in Atlanta, Georgia, the center of the South's railroad and distribution system, as soon as possible.

In essence, very little was accomplished at the association's first tariff congress. Speakers demanded tariff rates on southern products sufficient to meet foreign competition, but specific products and schedules were never named. A campaign was outlined to set up committees to provide rates, schedules, import-export data, and other information to be used in securing favorable rates for the South in the next tariff bill, but few of the committees were appointed. Reso-

22 Baltimore Manufacturers Record, October 14, 1920.

lutions were reported to the congress demanding that tariff levies "be so framed and administered as to fairly distribute the burdens and the benefits of such taxation without discrimination against any industry or . . . any section of our common country." ²³ Copies of these resolutions were sent to southern representatives in Congress. Positions and titles in the association given to businessmen were honorary titles, and Arnold, Muse, and Darden continued to do the actual work of the association.

The association's claim that it represented southern "peanut farmers" and "cotton growers" was not justified by attendance at the New Orleans tariff congress. Cotton mills in the Carolinas and business interests in Virginia, Georgia, Alabama, Tennessee, Louisiana, and Texas sent representative delegations, but agents of farm organizations were not present. ²⁴ In selecting individuals to attend the congress as guests of the association, Kirby passed over representatives of state and regional farmers' leagues, bureaus, and associations. Instead, he invited Ike Pryor, then president of the Texas and Southwestern Cattle Raisers Association; Charles H. Allen,

²³ Ibid.

²⁴ See Kirby to Louis J. Wortham, October 7, 1920, Kirby Papers.

president of the Farmers Sugar Company of Defiance, Ohio; Walter H. Aldridge, president of the Texas Gulf Sulphur Company; Al M. McFaddin, who represented banking interests in Victoria, Texas; J. E. Rhodes of New Orleans, secretary-manager of the Southern Pine Association; and G. D. Ulrich, vice-president and general manager of the Sugarland Industries in Texas. Kirby described the delegates from the various southern states as "big men" who were all "serious-minded . . . intimately connected with industry." ²⁵ The New Orleans tariff congress gave inadequate and incomplete expression to the viewpoint of the rank and file of the small southern farmer in 1920.

The Southern Tariff Association's claim that it spoke for southern agriculture at the congress can be discounted, but the meeting did give expression to southern business interests. Kirby and Arnold were representative of the sentiments of the majority of the membership, and, to them, the meeting was a success. The convention gave eleven thousand dollars in actual cash donations and other sizable sums were pledged to the work of the association. ²⁶

²⁵ Ibid.

²⁶ Kirby to R. H. Martin, October 22, 1920, Kirby Papers. The money came from contributions from "public spirited citizens" including J. T. Pryor, J. M. West, Al M. McFaddin, J. E. Rhodes, J. B. Moore, George W. Collier, H. Wilkinson, Buckner

The financial windfall assured the continuation of the association's work. The presence of state governors, United States senators, representatives, state legislators, agents of leading industries of the South, and the avowed support of a candidate for the presidency lent an aura of intensity and dignity to the meeting. The almost spontaneous support in conservative southern newspapers guaranteed the association free and sympathetic publicity. To Kirby, Arnold, Muse, and Ida Darden, this was proof of the "need" for their work, and they plunged ahead with their plans.

The association established offices in Washington, D. C., so that facts bearing upon cost of production and marketing of southern products could be kept constantly before Congress. The offices in Washington were in the charge of an executive committee of the tariff congress, to be appointed at a later date by the president of the association. Kirby asked Al M. McFaddin of Victoria to accept the chairmanship of the executive committee and Buckner Chipley of New Orleans to serve as a member. Chipley accepted, but McFaddin refused the appoint-

Chipley, and Kirby. Memberships at \$100 each were sold, and Kirby also asked a few "patriotic citizens to subscribe for ten memberships at \$100 each," promising a "100 per cent dividend on your contribution." Ibid.

ment because of pressing business activities. ²⁷ The task of the executive committee was to encourage Congress to set tariff rates "so that the southern producers cannot only make a living, but a fair profit." ²⁸ Initially, Arnold went to Washington to establish offices there while Vance Muse and Ida Darden set up a southern regional headquarters on the eighth floor of the First National Bank Building in Fort Worth.

Of more immediate concern to John H. Kirby and a substantial number of Texas Democrats was the upcoming national election of November 2, 1920. To a large number of conservative southern Democrats, the tariff plank of the 1920 party platform was far from satisfactory. It seemed to indicate the Democratic attitude that the principle of a high protective tariff was unconstitutional. With their own candidate, Governor James M. Cox of Ohio, pledged against the "maximum" protective principle, many conservative, business-minded southern leaders looked to Republican leadership for the legislation they desired. It was not unusual to find, therefore, that on the eve of the national election, some of the most

²⁷ Kirby to Al M. McFaddin, October 22, 1920, ibid.

²⁸ Washington Evening Star, October 12, 1920.

active agitation on behalf of restoration of protection and duties came from that section of the country which hitherto had been most strongly opposed to the principle of protection — the South. The Southern Tariff Association became the voice of that agitation.

While recognizing the southern discontent, Senator Miles Poindexter, chairman of the Republican Senate Campaign Committee, attributed the desire for a protective tariff to an even wider base. Not only did it come from southern agricultural and industrial sources, he said, but also from "the lemon growers of California; lumber producers of the Pacific Northwest; wool and meat producers of the Rocky Mountain states; and the new industries developed by the war, the miners of tungsten and magnesite" 29

In Texas, John H. Kirby led a large group of conservatives into the Republican camp. In 1920 these Democrats, openly against the tariff platform of the national committee, voted for Warren G. Harding. As one of them said, "only this year I went far enough to express my views by voting for Harding." 30 Kirby expressed his satisfaction at the outcome of the national contest by declaring that, "I wonder how your friend in the

29 New York Times, September 16, 1920.

30 Marion Sansom to Kirby, November 8, 1920, Kirby Papers.

White House feels since hearing from the American people on November 2nd upon his 'solemn referendum'." 31

When queried about his "recent flirtation with the Republican party" in the national election, Kirby replied, "I merely registered a protest against the apostasy of those presently in control of the Democratic Party by casting my vote for the Republican presidential electors. Some four or five millions of other Democrats throughout the Republic seem to have done the same thing." 32

Indeed, the "flirtation" with the Republican party went deep in Texas. For the first time since Reconstruction, a Republican candidate, Judge Henry M. Wurzbach of San Antonio, was elected from the Fourteenth Congressional District. Wurzbach himself told representatives of the association that the arguments that they gave in behalf of a protective tariff were "exactly the same arguments that I used in my campaign for Congress," and promised them he would do everything in his power to secure protection for southern and "all other American products." 33 Future progress lay in Republican principles, declared the Austin Statesman, especially since the Republicans were historically the party of protection and pros-

31 Kirby to Thomas W. Hardwick, November 9, 1920, ibid.

32 Kirby to Louis J. Wortham, November 24, 1920, ibid.

33 Quoted in San Antonio Express, December 4, 1920.

perity. 34

This mutuality of Republican principles and southern interests was underscored in correspondence between Governor John M. Parker of Louisiana and Governor Calvin Coolidge of Massachusetts. Corresponding in the fall of 1920, Governor Coolidge referred to the policy of the Southern Tariff Association as "one of the needs of the country This is a national policy and should be applied alike to all portions of the country." 35

Expressing the long-felt desire of southern business leaders to unite with northern ideas of business, industry, and money, Governor Parker replied, "Let us try to work together. Whenever Louisiana can help Massachusetts, you can count on her hearty support, and I am confident that your good people realize now that Louisiana is a part of the United States." 36

To Governor Parker, Kirby, and other business leaders of the South, their section stood in 1920 as it did at the close of the Civil War:

Her devastated industries are as badly trampled under foot by the discriminating

34 Austin Statesman, November 7, 1920. The editorial for this particular Sunday edition, following Harding's landslide victory, was entitled "The Parties and the Future."

35 Quoted in New York Times, September 16, 1920.

36 Quoted ibid., September 26, 1920.

agencies of government as they were by the mailed hoof of the northern army in Sherman's march through Georgia. Freeing the slaves was no greater disaster to the industrial welfare of the South than turning loose the provisions of the tariff act which protects the manufacturer and forces the producer to come in competition with every country on the globe. ³⁷

As Edward Atkinson, William D. Kelley, Francis W. Dawson, Henry Watterson, and Henry W. Grady helped to economically redeem the South in the decades after the Civil War, so did John H. Kirby, Ike T. Pryor, John M. Parker, Albert C. Ritchie, Louis J. Wortham, and Richard H. Edmonds seek to redeem the prostrated South in 1920. Just as industrialization was thought to be the answer in 1877, a revitalization of industry though the tariff was proposed in 1920. One unique feature was added to the latter doctrine; the farmer came under the protection of the tariff.

The Southern Tariff Association embodied these principles and sought to reweave the industrial and agricultural fabric of the South. The association served as a forum, non-partisan in character, where "questions that affect the progress and prosperity of the South were discussed" ³⁸ The association solicited the cooperation and assistance of all

³⁷ Quoted in the Fort Worth Star-Telegram, November 23, 1920.

³⁸ Ibid.

southern governors, members of Congress, commissioners of agriculture, chambers of commerce, and industrial organizations in the South in solving the tariff issue.

It was obvious to Kirby and Arnold that a revision of the tariff law was high upon the legislative agenda of the new Republican Congress, and they sensed the need to move quickly. The "lame duck" session of the Sixty-Sixth Congress, spurred by pressures from the election campaign and their constituents, had already moved to adopt an emergency measure.

Sensing the groundswell of tariff opinion in the Midwest and the East, Kirby, acting upon the advice of Richard H. Edmonds and Arnold, called a congress of tariff interests to meet in Atlanta, Georgia, for January 27-29, 1921.

The Atlanta meeting had been discussed at the October, 1920, convention in New Orleans, and Arnold had been sent to Atlanta to confer with area business and industrial leaders. Arnold's report, coupled with the "favorable climate" in other sections of the country, convinced Kirby to go ahead with financing the Atlanta tariff congress.

To publicize the event, a press committee, composed of publishers and editors of newspapers and magazines, was organized. Louis J. Wortham of Fort Worth, Texas, and Richard H. Edmonds of Baltimore, Maryland, were appointed vice-chairmen. James A. Arnold was sent again to Atlanta to co-ordinate

activities with the Atlanta Chamber of Commerce.

The Atlanta congress was planned as a "monster meeting" for the association. Representatives of southern producers, southern industries, chambers of commerce, boards of trade, and both southern agricultural and trade associations were invited. Delegates were also present from many state bankers' associations, state development associations, trade publications, women's clubs, commercial clubs, and other lines of organized industrial activity in the South.

To ensure the success of the congress, attempts were made to secure sympathetic speakers of national reputation. A letter was sent to President-elect Warren G. Harding, inviting him to come as a guest of the South, "and to assure you a warm welcome and with best wishes of the Southern people for a peaceful, happy, and prosperous administration." 39

Harding was unable to attend the Atlanta meeting, but in a letter expressing his disappointment, he declared the meeting to be an event of national importance while praising the "representative citizenship of the Southern states . . ." attending the congress. 40

39 Petition to President-elect Warren G. Harding from sixteen southern governors, December 16, 1920, Kirby Papers.

40 Warren G. Harding to Governor W. P. Hobby, January 4, 1921, ibid.

These were the southern citizens Harding wanted to know and be better known by because it was one of his "cherished ambitions to be an instrument in having the citizenship of the North and South come into that complete concord of union and that thoroughly established mutual confidence which will surely make for greater American development and attending glory." ⁴¹

While the President-elect could not come, his running mate from Massachusetts, Governor Calvin Coolidge, could. With arrangements being made by the Home Market Club of Boston, Coolidge consented to be the main tariff speaker at Atlanta. There was some question about the expenses of Governor and Mrs. Coolidge, but it was quickly resolved by the association. ⁴²

Besides Coolidge, the association engaged ex-Senator Richard T. McLauren of South Carolina; Governor John M. Parker of Louisiana; James W. Good, chairman of the House Appropriations Committee; James T. McLeary of Minnesota; C. M. Huston of Chattanooga; Louis J. Wortham of Fort Worth; Mrs. Charles A. Farwell of New Orleans; and ex-Governor E. G. Catts of

⁴¹ Ibid.

⁴² Governor Coolidge would not come unless all expenses were paid for Mrs. Coolidge and himself. These arrangements were handled for the association by Thomas O. Marvin. See Kirby to J. A. Arnold, January 11, 1921, ibid.

Florida to speak to the delegates. Richard H. Edmonds suggested to Kirby that Dr. T. Poole Maynard be given a place on the program, and he was heartily endorsed by the mineral interests of the association.⁴³ Kirby wanted Joseph Weldon Bailey, then in Dallas, Texas, to come to Atlanta to give "one of your great speeches on this subject," but the ex-Senator could not make the trip.⁴⁴

The Atlanta congress of the association did not turn out to be the "monster meeting" envisioned by Kirby and Arnold, but it did solidify the Georgia press and Congressional members behind the principles of the association. Governor Hugh M. Dorsey of Georgia officially opened the congress and then absented himself from convention proceedings. Some ten members of the Georgia Congressional representation were present in general attendance, but only William D. Upshaw of the Fifth Congressional District actively participated in committee affairs.

The most important work of the congress centered around the future and the organizational plans of the association itself. It was decided to maintain the Washington office under the supervision of J. A. Arnold and Vance Muse. Arnold

⁴³ T. J. B. Kellier to Kirby, January 21, 1921, ibid.
See also Kirby to J. A. Arnold, January 11, 1921, ibid.

⁴⁴ Kirby to Joseph W. Bailey, December 24, 1920, ibid.

was selected chairman of the tariff schedules committee and Muse was made manager of the Washington office. ⁴⁵ It was intended for them to be the vanguard of an executive committee which would maintain permanent quarters in Washington until all tariff legislation had been disposed of.

The plan of organization called for a committee of three or five from each state, appointed by the president of the association. This committee was to submit a declaration of principles to every commercial club, bankers' association, press association, women's organization, and similar, organized groups in the South. ⁴⁶ Because industrial interests dominated the congress, almost no effort was made to contact farm organizations in the South. Businessmen made up the majority of the hundred-plus delegates at the Atlanta meeting, and they preferred to work through their own organizations. They decided to form "tariff clubs" in the various chamber of commerce societies, in local boards of trade, and among associations of live stock breeders, pine and lumber producers, and peanut and cottonseed crushers. The association did not try to organize "tariff clubs" in farmers cooperatives, leagues, and alliances, nor did they solicit funds or opinions from these groups. In a move to solicit political support, state officers were named

⁴⁵ Ibid.

⁴⁶ Ibid.

to head various standing committees. It was hoped that the governor of each state would head the chairmanship of each division, but only governors in Texas, Louisiana, Maryland, and Florida ever did.

Louisiana furnished the model organization for the state divisions. Organized immediately after the New Orleans congress, it received the warm support of Louisiana's leading citizens. Governor John M. Parker sponsored and approved local congresses held by the Louisiana division, as did every member of his administration. The Railroad Commission, headed by Commissioners Shelby Taylor, John T. Michel, and Huey P. Long, vigorously endorsed the declaration of principles of the association. ⁴⁷

Both Senators from Louisiana, Joseph E. Ransdell and Edwin Broussard, frequently attended tariff meetings and congresses and spoke in behalf of the association. Of the eight members of the United States House of Representatives, all agreed to be listed as members of the association, and Whitnell P. Martin of the Third District and Henry G. Dupre of the Second District energetically supported the association in Congress and in the national press. ⁴⁸ In the next emer-

⁴⁷ J. A. Arnold to Kirby, February 10, 1921, ibid.

⁴⁸ Whitnell P. Martin to Kirby, April 2, 1921, ibid.

agency session of Congress, Martin was given an appointment on the important Ways and Means Committee, and rendered particularly effective service to the association.

The president of the Southern Tariff Association's Louisiana division was Charles de B. Claiborne, a prominent New Orleans banker and member of the Board of Trade. The chairman of the executive committee, George H. Terriberry, doubled as president of the New Orleans Association of Commerce, as, indeed, most of the association's officers had dual roles in local business and commercial organizations. 49

The Louisiana division of the association listed some ninety-nine organizations as contributors. The majority of these were chamber of commerce societies which represented every major city and town within the state. Besides these industrial representatives, associations representing numerous agricultural pursuits were common. The cottonseed crushers, dairymen, holstein breeders, live stock agencies, and pine and lumber producers each had representatives of their association who spoke for the needs of their specific industry at congressional and executive meetings. 50

49 Petition entitled "Call for Tariff Congress," attached to letter from J. A. Arnold to Kirby, February 10, 1921, ibid.

50 Ibid.

The inherent weaknesses of the association's organization at the state level lay in the failure of its members to reconcile its public aims with its private interests. The avowed purpose of the association was to equalize the cost of production, and that is what its diverse membership did not want. Above all, the association professed that tariff levies "should be so laid as not to discriminate against any industry or any section of the country." ⁵¹ But, in violation of this principle, the Louisiana division would not allow funds raised in that state, for example, to be used to alleviate the tariff condition of the Alabama iron industry.

Although Governor Parker of Louisiana might agree with Governor Coolidge of Massachusetts that Louisiana would enthusiastically support New England manufactures, the New Orleans Chamber of Commerce and Board of Trade were unwilling to do so. The Board of Trade was willing to support the association's move to increase the import duty on cane sugar from Cuba, but it would not support the association's endorsement of a tariff on the importation of cod fish for the benefit of the Massachusetts fishing industry.

Within the state itself, agricultural producers and manu-

⁵¹ Resolutions adopted at the Southern Tariff Congress at Atlanta, Georgia, January 29, 1921, ibid.

facturing interests were willing to support representatives before Congressional committees when their schedules came up for consideration, but their interest and financial support waned once duties beneficial to their industry were secured. Industries using metal were particularly reluctant to support levies for the benefit of the mining industry since it increased their own cost of production. In short, trade organizations, commercial clubs, and agricultural associations would not subordinate their immediate goals to a higher combination of national interests. The tariff goals of manufacturing, agriculture, and the mineral industry would not fuse at any level, and while all spoke freely of a "New South" based upon an "All-American" tariff, they were disinclined to make the sacrifices necessary to attain it.

Although Louisiana was quick to organize a state division of the association, other states did not as rapidly follow suit. After the Atlanta congress, J. A. Arnold canvassed Alabama, Georgia, Tennessee, Arkansas, Florida, and South Carolina in an attempt to set up similar arrangements. He was largely unsuccessful. Except in Florida and South Carolina, the state divisions languished as soon as Arnold or Muse left. It was hoped to set up state divisions in each of the eighteen states covered by the association, but Arnold later modified these goals to include a committee of governors representing

Louisiana, Florida, Arkansas, Mississippi, Alabama, Texas, and South Carolina which would go to Washington and petition Congress on behalf of the association's principles. ⁵²

The organization of the Texas division presented a particular problem to the association. Kirby insisted that Wiley Blair, a close friend and president of the large chain of Blair-Hughes wholesale grocery warehouses, be made president of the Texas division. Arnold, worried by the health and inactivity of Blair, suggested that he make William Massie, head of the Fort Worth National Bank, the director of the Texas division. In a compromise measure, it was decided to make Blair the titular head of the division and to give Massie the actual power by naming him to be chairman of the executive committee. ⁵³ Immediately upon being named president of the Texas division of the association, Blair called a Texas congress to be held on April 4, 1921, in Dallas, and in issuing the invitations, excluded William Massie from the list. ⁵⁴ Massie, irritated by the rejection, withdrew his financial and political support from the meeting. As a result, the majority of the leading livestock and banking interests boycotted the Dallas meeting, and jealousies prevented any forthcoming fi-

⁵² J. A. Arnold to Wiley Blair, February 22, 1921, ibid.

⁵³ Ibid.

⁵⁴ Ibid.

nancial or other constructive help from the Texas division.

The initial attempt of the Southern Tariff Association to effectively organize sentiment in the South for their tariff policy through state tariff divisions and tariff congresses was a failure. After the New Orleans congress, both Arnold and Kirby realized the only support they could expect would come from the business community, and the organizational plan adopted at the Atlanta convention was based upon this knowledge. After the Atlanta meeting, the Southern Tariff Association became a business-sponsored spokesman for the tariff views of its members.

Business and commercial interests were the heaviest contributors at the Atlanta gathering. The National Association of Window Glass Manufacturers gave \$2,000 to the association in order to make it aware of "the danger confronting the American window glass industry" because of competition from Belgian glass manufacturing firms which could import boxes of glass "at \$2.00 to \$3.00 per box cheaper than American manufacturers can produce it with our present wage schedules." ⁵⁵ Similar contributions came from the Louisiana Sugar and Rice Exchange; Myles Salt Company of New Orleans; and from individual businessmen representing vegetable oil producers, live

⁵⁵ Frank Kell to Kirby, February 15, 1921, ibid.

stock associations, banking associations, and other forms of organized business activity in the South. ⁵⁶

Financial support given the Southern Tariff Association by special interest groups in the South and the existence of a few business-oriented state tariff divisions did not justify the association's belief that its doctrine dominated the stream of southern tariff thought in 1920. Their license to speak for the agricultural community can be discounted, but their claim to speak for a self-conscious and united southern business point of view cannot.

Based upon expressions of sentiment and support from fellow business associates, Kirby and Arnold decided to use the tariff association as a pressure tactic to influence forthcoming tariff legislation.

⁵⁶ Charles de B. Claiborne to Kirby, February 16, 1921; Paul A. Ewert to Kirby, February 15, 1921; and Kirby to F. W. Salmen, February 15, 1921, ibid.

CHAPTER III
THE ASSOCIATION FIGHTS FOR AN EMERGENCY TARIFF

In January, 1921, John H. Kirby received an invitation to appear before the Ways and Means Committee of the House of Representatives in order to give the views of southern industries on the pending tariff bill. The committee, in anticipation of the coming change of administration, had begun hearings on an emergency tariff measure. Kirby appeared briefly before the committee, gave a broad outline of the aims of the Southern Tariff Association and its plea for equal protection to agriculture, and then proceeded on to Atlanta for the opening of the tariff congress. ¹

After the Atlanta meeting, Representative Joseph W. Fordney of Michigan, chairman of the House Ways and Means Committee, requested that a committee from the Southern Tariff Association appear before that body and present the South's requirements regarding the tariff schedules in an emergency tar-

¹ Kirby to J. A. Arnold, January 14, 1921, Kirby Papers.

iff bill. 2

The "lame duck" session of the Sixty-Sixth Congress pressed an emergency measure which would satisfy agricultural demands for high duties on meat and major farm staples, and Fordney, upon Coolidge's advice, called upon the association to represent southern tariff sentiment. The association, through its Washington office, immediately furnished briefs showing proposed tariff schedules for southern industries to this committee, the Finance Committee of the Senate, and to all southern Congressmen.

The hearings before the Ways and Means Committee were little more than a sounding board for sympathetic interests. The majority members of the committee decided to use the Payne-Aldrich tariff schedules of 1909 as a base, and, desirous of passing the bill before Wilson left office, they held few meetings. Only selected organizations which to the majority members represented growing tariff sentiment in the South and West were even notified or invited to the closed sessions. These included the American Farm Bureau Federation, National Grange, National Dairy Association, and Southern Tariff Association. Speaking in broad generalities and exaggerating

2 Copy of Report of Southern Tariff Congress, Atlanta, Georgia, January 27-29, 1921, ibid.

their economic decline and benefits to be derived from higher duties, these organizations which were called to present agricultural tariff opinion succeeded in having duties on agricultural products increased above the 1909 level. The resultant rates reported out of committee were the highest in tariff history up to that time.

In House debates which preceded final voting upon the bill, the Southern Tariff Association's influence came to be felt. Supporters of the association such as Fordney, Claude B. Hudspeth and Thomas L. Blanton of Texas, Whitnell P. Martin and Ladislav Lazaro of Louisiana, and Frank Clark of Florida effectively argued for passage of the act.³ It was Representative Tom Blanton of Texas, an active supporter of the association, who called for the final vote on the first emergency tariff bill.⁴

These representatives were avid supporters of the policies of the Southern Tariff Association, and debated for the association in favor of the emergency bill. Representative Martin of Louisiana credited the association with "creating a sentiment for protective legislation and urging Southern members

³ Congressional Record, 66 Cong., 3 Sess., 626-65.

⁴ Ibid.

of Congress to see that Southern industries and products are accorded fair treatment in the framing of the tariff bill . . . " 5

In House debates Lazaro and Blanton freely used statistics furnished them by Arnold's office, and Hudspeth used material furnished him by the New Orleans congress. ⁶ Not only had the association created a deep interest in the South for its work, Martin said it had also "created such a sentiment as to influence southern Democrats to forsake the mistaken policy of free-trade." ⁷

One evidence of the association's effective work in influencing southern Representatives in the House was the extent to which anti-tariff spokesmen reacted against southern support for the tariff. Arguing against the first Fordney Emergency Tariff Act and much disturbed by the exact motives of a Republican House which proposed to impose temporary duties upon agricultural products for a period of only ten months, Representative Anthony J. Griffin of New York asked:

Has the great Republican Party reached the parting of the ways and come to the conclusion that it is high time to cater to the cotton States of the South? Perhaps their

⁵ Quoted in Baltimore Manufacturers Record, March 31, 1921.

⁶ Congressional Record, 66 Cong., 3 Sess., 629-31, 659.

⁷ Whitnell P. Martin to Kirby, April 2, 1921, Kirby Papers.

success in one of the districts of Texas (Judge Henry M. Wurzbach of the Fourteenth District) and in some of the States of the South has inspired the belief that there is a chance for the further conquests below the Mason-Dixon line. If the South is going to be fooled by this sop to their staple industry, I shall be much deceived. 8

Noting that all other previous tariff legislation coming from the Republican party had been fixed to suit the needs of the manufacturing and industrial centers, Representative Griffin publicly questioned why the Republican party was giving belated attention to the needs of the agricultural and industrial South. Warning supporters of the Southern Tariff Association and his southern friends of Republican motives, he urged:

Do not be fooled by the tempting fact that is dangled before your eyes. The South has always stood for free trade or at most a tariff for revenue only. There is hardly a word in this bill for the comfort of the manufacturer. The omission is purposely made, my friends, in order to lull you to sleep. Wait until the Republican Party brings out its new tariff bill in the next House. Then you will find your manufacturing friends amply taken care of, and you, unfortunately having been led into this cul-de-sac, will find yourselves estopped from registering any protest against the exorbitant concessions

8 Congressional Record, 66 Cong., 3 Sess., 626.

to the manufacturer. You will find that your forces have been broken into and you will have no unity to combat the incursion. 9

Speaking on December 22, 1920, Representative Griffin prophetically warned the agricultural states of the South of the dangers of committing themselves to a policy of high and even ruthless protection. But the Southern Tariff Association and its representatives, heeding the obvious popularity of their stand and noting a further decline in prices in 1920 and 1921, did not listen.

On December 22, 1920, the first Fordney Emergency Tariff Act was passed by the House of Representatives by a vote of 194 to 85. The bill then proceeded to the Senate where, because of the greater influence exercised by states in the West, it was quickly passed.

The initial impact of the association's "All-American" tariff policy upon the South and its representatives in Congress is shown by an analysis of the vote by which this act originally passed the House of Representatives. Out of 113 Democrats who were present and voted, 71 voted against the bill and 42 voted for the bill. Including those who were paired for and against the bill among the Democratic membership, the vote stood ninety-four against the bill and forty-eight for

9 Ibid.

it, thus showing that more than 33 per cent of the Democratic membership cast their vote in favor of this emergency measure. 10

Louisiana with a membership of 8 Representatives, cast 7 votes for the bill; Virginia, with a Democratic membership of 9, cast 7 votes for the bill; Georgia, with a membership of 12, cast 5 votes for the bill; Arkansas, with a membership of 7, cast 3 votes for the bill; Florida, with a membership of 4, cast 2 votes for the bill; and Mississippi, Tennessee, Alabama, and North Carolina each cast one vote for the bill. 11 The remaining twelve Democratic votes came in most part from the western states.

Differences in rates on this first emergency bill between the House and Senate were quickly settled by a joint conference, and on February 23, 1921, the bill was presented to President Wilson. 12 On March 3, 1921, his last day in office, Woodrow Wilson vetoed the emergency tariff measure. In his

10 Figures are quoted in Baltimore Manufacturers Record, March 31, 1921.

11 Ibid. See also Congressional Record, 66 Cong., 3 Sess., 669.

12 Since rates of this first emergency measure were later incorporated into the measure that passed on May 27, 1921, a comparison of those requested by the Southern Tariff Association and reported in the first Fordney Emergency Tariff Bill will not be given on this page. This analogy is given in Chapter III, Chart II, page 66.

COMPARISON OF RATES REQUESTED BY SOUTHERN TARIFF
ASSOCIATION AND RATES REPORTED IN EMERGENCY TARIFF ACT

PRODUCT RATES REQUESTED BY SOUTHERN TARIFF ASSOCIATION		RATES REPORTED IN EMERGENCY TARIFF ACT
1. Wheat	35¢ per bus.	35¢ per bus.
2. Wheat flour and semolina	\$1.75 per bbl.	20 per cent ad valorem
3. Peanuts	5¢ per lb.	3¢ per lb.
4. Potatoes	3¢ per lb.	.425¢ per lb.
5. Onions	40¢ per bus.	40¢ per bus. of 57 lbs.
6. Rice (Rough)	2¢ per lb.	1 3/4¢ per lb.
7. Lemons	2¢ per lb.	2¢ per lb.
8. Oils:		
Peanut	6¢ per lb.	26¢ per gallon
Cottonseed	5¢ per lb.	20¢ per gallon
Coconut	5¢ per lb.	20¢ per gallon
Soya bean	5¢ per lb.	20¢ per gallon
Olive	5¢ per lb.	40¢ per gallon
9. Cattle	30 per cent ad valorem	30 per cent ad valorem
10 Meats	3 1/2¢ per lb.	2¢ per lb.
11 Cotton	20¢ per lb.	7¢ per lb. of 1-3/4 staple
12 Wool (Unwashed)	15¢ per lb.	15¢ per lb.
13 Sugar	1-71/100¢ per lb.	1-16/100¢ per lb.
14 Butter, and substitutes therefor:	6¢ per lb.	6¢ per lb.
15 Cheese, and substitutes therefor:	23 per cent ad valorem	23 per cent ad valorem
16 Milk:		
Fresh	2¢ per gal.	2¢ per gal.
Cream	5¢ per gal.	5¢ per gal.
Condensed	2¢ per lb.	2¢ per lb.
17 Tobacco:		
Wrapper unstemmed,	\$2.85 per lb.	\$2.35 per lb.
Filler unstemmed,	\$2.85 per lb.	\$2.35 per lb.

veto message, the President warned farmers that they needed new markets and not tariff protection for their products. ¹³ The House sustained his veto.

The veto did not surprise members of the association. Their plans had been laid well in advance. On the same date, Arnold confided to Kirby that, "I talked with Chairman Fordney late yesterday afternoon, and worked out a circular, copy enclosed. He will call a special session of the Ways and Means Committee to hear the Southern Tariff Association to discuss tariff legislation just as soon as the (Harding) administration outlines its program." ¹⁴

Arnold anticipated that it would require at least twelve months times to pass the permanent tariff bill, and that another interim measure would "be put through. There would, of course, be some changes in schedules, but no hearings would be held by the Ways and Means Committee, except the one given us." ¹⁵

Thus by March, 1921, Arnold asserted, the new Republican administration had recognized the Southern Tariff Association as the spokesman for southern agriculture and industry. ¹⁶

260. ¹³ Arthur S. Link, The American Epoch (New York, 1959),

¹⁴ J. A. Arnold to Kirby, March 3, 1921, Kirby Papers.

¹⁵ Ibid.

¹⁶ Kirby to Frank Kell, March 11, 1921, ibid.

Meanwhile, President Warren Harding signified the impatience of the new regime by calling a special session of the newly-elected Sixty-Seventh Congress on March 4, 1921. Seeking to restore rates that Wilson had undone, the Republican-dominated Congress passed another emergency tariff bill on May 27, 1921. The act was almost an exact duplicate of the first Fordney Emergency Act debated in the House in December, 1920, and vetoed by Woodrow Wilson on March 3, 1921.

The Emergency Tariff Act of May 27, 1921, placed high duties on wheat, corn, meat, wool, sugar, and 23 other agricultural commodities. Duties were increased on textile products, and protection was provided dyestuffs and the chemical industry from foreign competition. A special clause was included authorizing a restrictive "dumping duty" against countries seeking to unload surplus products in the United States.¹⁷

The effect of the Southern Tariff Association upon the Emergency Act of 1921 may be determined by a comparison of rates requested upon southern agricultural products and the rates that were reported in the act itself.¹⁸

Of the twenty-eight agricultural items reported in the

¹⁷ For a resumé of the Emergency Tariff Act, see F. W. Taussig, The Tariff History of the United States (New York, 1964), 452.

¹⁸ Figures taken from Report to the Membership: Southern Tariff Association, July 5, 1921, Kirby Papers; and Congressional Record, 67 Cong., 1 Sess., 7545.

emergency tariff, all but three were grown in the South, and the others contributed heavily to the South's economy.¹⁹

The association was particularly successful in getting vegetable oils, peanuts, cattle, fresh and frozen meats, wool and mohair, wrapper tobacco, dairy products, onions, cotton, and chemical dyes upon the dutiable list. But despite its pleas before Congressional committees, tariff congresses, and pressure upon individual Congressmen, the association failed to have hides, saddles and harness, eggs and poultry, honey and beeswax, turpentine and resin, and a great variety of mineral products protected.

In its appearances before the House Ways and Means Committee and also the Senate Finance Committee, the representatives from the chemical dye industry in North and South Carolina were particularly successful. In briefs filed before these committees, E. P. Wharton, Francis P. Garvan, and J. A. Arnold argued that a high tariff had for its purpose "the making of this country absolutely independent of foreign dyes" and ". . . an embargo . . . so that foreign dyes could not be imported into the United States . . . and that, in addition, the provisions of the Sherman antitrust law preventing trusts

¹⁹ The non-southern products were flaxseed, beans, and olives. See Congressional Record, 67 Cong., 1 Sess., 7545.

and monopolies should not be enforced against those engaged in the manufacture of domestic dyes." 20 Arguing that the industry was an infant one created by the war, the dye manufacturers found sympathetic and protectionist listeners on these committees.

In its efforts to secure protective rates on live stock products — hides, cattle, fresh and frozen meats — the association enjoyed somewhat less success. Ably supported by the American Live Stock Association with Kirby's good friend, Ike T. Pryor of San Antonio as president; the Texas and Southwestern Cattle Raisers' Association; the Southern Cattlemen's Association, the Arizona Cattle Growers Association; and the New Mexico Cattle and Horse Growers' Association, the Southern Tariff Association convinced the House Committee of the necessity for duties on all these products except hides.

In many ways, the Southern Tariff Association overreached

20 Tariff Schedules for the Products of 57 Southern Industries as Endorsed by the Southern Tariff Association, April 18-19, 1921, Kirby Papers; quoted in Congressional Record, 67 Cong., 1 Sess., 7548. See also Congressional Record, 67 Cong., 1 Sess., 1254. It is interesting to note that Francis P. Garvan, president of the Chemical Foundation, was for a considerable period during World War I, the Alien Property Custodian, and it was under his administration that the Chemical Foundation was organized, and the sale made to it of confiscated dye patents. Garvan was also president of the American Dye Institute, an association of dyestuff manufacturers, and a supporter of the Southern Tariff Association.

itself when it asked for a duty on hides. Except from 1897 until 1909, hides had been on the free list, and even to the traditionally protectionist Republican party, hides had always been "free." The association argued for duties because "hides today are not worth the labor of skinning and warehouses are filled with foreign hides." ²¹ It insisted that the duty would provide a beneficial rise in the price of hides, while opponents contended this would only increase consumer costs. The association's case was weakened by the fact that the previous year, over twenty-five million dollars of hides had been exported while only \$200,000 had been imported. ²²

The seventeen Republican members of the Ways and Means Committee voted fourteen-to-three not to report hides to the House on the emergency tariff. Under existing House rules, this meant hides could not be discussed on the floor. Although omitted from the emergency measure and excluded from House debate, Arnold vowed that "the East's writing this tariff bill and raw material will get a poor show all down the line. The Western Republicans are up in arms and declare they will not vote for a Bill that protects the manufacturer and leaves

²¹ J. A. Arnold to Kirby, June 12, 1921, Kirby Papers.

²² Figures quoted in New York Times, August 11, 1922.

the farmer free. It is their influence that we hope to use in restoring this measure." 23

In asking for high rates upon vegetable oils, the association had to contend with "the soap people who are out in a page 'ad' in New York papers setting forth the terrible things that will happen if vegetable oil is placed on the dutiable list. It is their answer to our petition. It is signed by Proctor and Gamble; Armour & Co.; Colgate and about forty others." 24

The association's response to this opposition was a petition signed by enough Congressmen to force the committee to reopen the hearing on hides and vegetable oils. Such a petition was presented to Chairman Fordney on May 26, 1921, by a committee of fifty Congressmen headed by Henry Wurzbach of Texas. Signed by some 175 Congressmen (149 Republicans and 26 Democrats), it asked that hides and vegetable oils be placed on the dutiable list. Of the twenty-six Democrats who signed, most were from Georgia, Texas, Louisiana, and Florida. No Congressmen from Mississippi, North Carolina, South Carolina, or Alabama signed the petition. It contained the names of

23 J. A. Arnold to Kirby, June 12, 1921, Kirby Papers.

24 J. A. Arnold to Kirby, July 15, 1921, ibid.

Wurzbach, Morgan G. Sanders, Joseph J. Mansfield, C. B. Huds-
peth, and Tom L. Blanton of the Texas delegation. Representa-
tives from Texas who refused to sign the petition, headed by
John N. Garner, Eugene Black, Sam Rayburn, and Tom Connally,
issued a separate statement condemning the association. ²⁵

Kirby hailed the petition as a "victory for raw material
and a document of national consequence as it announces the
policy of the present Congress on tariff legislation and for
the first time in the history of the nation, the southern farmer
and miner are placed on a parity with the manufacturer." ²⁶

The Southern Tariff Association's petition forced the
committee to add duties on vegetable oils, but the Republican
members voted nine to eight to exclude hides from the dutiable
list.

By placing hides on the free list, the Republicans on
the committee defeated the association's stand on one of its
primary products. These members had before them the 1920
party platform declaring for a protective tariff, the public
statements of President Harding supporting the southern position, ²⁷
pleas from almost every major live stock organization in the

²⁵ Figures quoted in Bulletin No. 7, Southern Tariff Association, May 31, 1921, ibid.

²⁶ Ibid.

²⁷ For public statements by Warren G. Harding urging
the committee to adopt an "All-American" tariff policy in

country, copies of the most recent Southern Tariff Advocate, and the petition circulated by the association and signed by a majority of the Republican members of Congress. But against this array of pledges, reasons, and influence the committee narrowly voted not to tax hides. To Arnold, this meant that "most all the Southern products covered by our organization are going to have hard sledding" in the permanent bill. 28

The reasons for the Republican rejection of hides, Arnold charged, was "the leather industry with their powerful lobby . . . " backed by Representative Nicholas Longworth of Ohio was "leading the opposition." 29 Arnold observed that "the Republican Party is dividing into two economic factions. One, headed by Fordney, who wants protection on all products and all sections alike; the other, headed by Longworth, who is a free raw material Republican. The Longworth following is, of course, the manufacturers and the big business type" 30

Blaming "eastern interests" and Republican "stand-patters" for the partial failure of the association's program in the

response to the association's petition, see New York Times, October 12, 1920; ibid., July 19, 1921; and ibid., January 11, 1922.

28 J. A. Arnold to Kirby, May 16, 1921, Kirby Papers.

29 J. A. Arnold to Kirby, June 12, 1921, July 15, 1921, ibid.

30 J. A. Arnold to Kirby, May 16, 1921, ibid.

Emergency Tariff Act of 1921, Arnold and the Washington staff turned their attention to the permanent bill.

CHAPTER IV
THE FORDNEY-McCUMBER ACT OF 1922

Even while the temporary tariff of 1921 was being pushed through Congress, the second session of the old Sixty-Sixth Congress began hearings on a more permanent measure in January, 1921. In the special session of the Sixty-Seventh Congress called in the spring of 1921, Chairman Joseph W. Fordney reconvened the House Ways and Means Committee, and hearings on the permanent bill continued.

Since the interim measure of May 27 had met with such popular response, Fordney decided not to hold more public meetings, but to hold secret sessions instead. The majority Republican members, using the Fordney Emergency Act and the old Payne-Aldrich bill as a base, reconciled tariff schedules according to Republican demands. Fordney advised Arnold that when the bill was formulated, he would give the industries represented by the Southern Tariff Association "a chance to look it over and seek such revision as in our judgement would be helpful to Southern industries. If we are accorded so unusual a privilege we ought to be able to render substantial

service." 1

Arnold, laboring jointly with Chairman Fordney, issued a circular calling upon all members of the Southern Tariff Association to meet in Washington, D. C., in April. Each industry represented in the association was called upon to appoint a committee of one or more of the "strongest men in your industry to speak authoritatively and positively to the Congress of the United States on tariff legislation and clearly define the tariff policies desired by the wealth creating and conserving forces of the South." 2

Representatives of the affiliated industries met at the National Hotel in Washington, D. C., on April 18 and 19, 1921. Judge R. B. Creager, Republican National Committeeman from Texas, arranged for Kirby to meet with President Warren G. Harding and for a delegation to call on the President on the twenty-first. 3

These representatives of the association drew up tariff

1 Kirby to George W. Armstrong, March 10, 1921, Kirby Papers. See also Washington Herald, April 21, 1921; Arnold to Kirby, March 2, 1921, and Arnold to Kirby, March 3, 1921, Kirby Papers, to substantiate the "unusual privilege" of appearing in secret session before the Ways and Means Committee accorded the Southern Tariff Association.

2 Circular attached to letter from Arnold to Kirby, March 3, 1921, Kirby Papers.

3 Arnold to Kirby, March 11, 1921, ibid. See also Washington Herald, April 21, 1921.

schedules for the products of its fifty-seven southern industries, and also presented a memorial to the House Ways and Means Committee which listed these rates. (See Chart II).

Speaking for the association, Kirby presented the list of tariff schedules for southern products before the House Ways and Means Committee. Chairman Fordney promised that tariff protection would be given to southern agricultural and manufacturing products in the forthcoming permanent tariff bill.⁴ Fordney specifically gave assurance that cotton and hides would be protected. In the twelve month period ending in December, 1920, the United States imported 299,994,378 pounds of cotton valued at \$138,743,702, while during the same period some 3,179,313,336 pounds were exported at a value of \$1,136,408,916.⁵ Since these imports were only a fragment of the total produced and exported by the United States, the imposition of an import duty made no difference upon the market price of cotton in the United States. The same was true of hides. The reasons for the association's stand on many of its schedules was not economic, but political as well as personal, and are discussed in Chapter V.⁵ Fordney added that "it is our purpose to give protection to everything the South produces."⁶

⁴ Washington Herald, April 21, 1921.

⁵ Figures quoted in United States Bureau of Foreign and Domestic Commerce, Monthly Summary, 1920 (Washington, 1921), 13, 37.

⁶ Quoted in Washington Herald, April 21, 1921.

CHART II
PROPOSED TARIFF DUTIES PRESENTED TO
WAYS AND MEANS COMMITTEE BY
SOUTHERN TARIFF ASSOCIATION, APRIL 18-19, 1921

PRODUCT	DUTY
Vegetable oils	
Cocoanut oil	5 ¢ per lb.
Copra (cocoanut meats)	3 ¢ " "
Olive oil (edible)	5 ¢ " "
Olive oil (non-edible)	4 ¢ " "
Cottonseed oil (crude)	5 ¢ " "
Cottonseed oil (refined)	6 ¢ " "
Soyabean oil (crude)	5 ¢ " "
Chinese nut oil	5 ¢ " "
Peanuts	
Shelled and unshelled	4 ¢ " "
Peanut oil (crude)	5 ¢ " "
Peanut oil (refined)	6 ¢ " "
Peanut butter	5 ¢ " "
Other peanut products (confections, salted peanuts, etc.)	5 ¢ " "
Cattle (all ages and classes)	30 % ad valorem
Dressed or frozen meats	4 ¢ per lb.
Hides	15 ¢ " "
Eggs	12 ¢ per dozen
Poultry, live	4 ¢ per lb.
Poultry, dead	7 ¢ " "
Sugar	1-71/100 ¢ per lb.
Molasses, syrups	1-95/100 ¢ per gal.
Rice (rough)	2 ¢ per lb.
Rice (milled)	1-3/4 ¢ per lb.
Potatoes	25 ¢ per 60 lb. bushel, or .425 ¢ per lb.
Tobacco	
Wrapper, unstemmed	\$2.85 per lb.
Filler, unstemmed	35 ¢ per lb.
Butter, and substitutes therefor	6 ¢ per lb.
Cheese, and substitutes therefor	23 % ad valorem
Milk, fresh	2 ¢ per gal.
cream	5 ¢ " "
condensed	2 ¢ per lb.
sugar of milk	5 ¢ " "

CHART II CONTINUED

PRODUCT	DUTY
Honey	5 ¢ per lb.
Beeswax	10 ¢ per lb.
Onions	40 ¢ per bus. of 57 lbs.
Cotton	20 ¢ per lb. of 1-3/8" staple
Turpentine, rosin, and camphor	25 % ad valorem
Wheat and flour	Fixed at a duty of 5 to 1: i.e., the duty on a barrel of flour to be 5 times the duty on a bushel of wheat.

NOTE: The association endorsed schedules on citrus fruits proposed by the Florida Citrus Exchange; and schedules on sheep, wool, and mohair as proposed by the National Mohair Association, Sheep and Goat Raisers of Texas, New Mexico Wool Growers Association, and the Arizona Wool Growers Association.

His statement followed Kirby's before the committee urging protection for the South.

A delegation of twenty-six representatives of the association called on President Harding the morning of April 21. They asked him to address a tariff congress to be held at Columbia, South Carolina, and to praise the administration's present tariff policy. One of the members of the delegation, George I. Thurmond, president of the National Sheep and Goat Raiser's Association, even went so far as to promise the President that previous Democratic party strongholds in the South would become "doubtful states" because of the wise tariff policy now being pursued by the Republican administration. The best propaganda that the Republicans could put out, declared Thurmond, "is a tariff bill protecting Southern interests." ⁷ Declining the speaking invitation, Harding replied that it was his intention to give "equal protection to every part of this country and every industry." ⁸

It was almost inevitable that the political activity of the Southern Tariff Association, particularly Kirby's speech before the Ways and Means Committee, would draw political reaction. From its beginning in September, 1920, the association had been labeled a Republican front organization by critics

⁷ Ibid.

⁸ Ibid.

within the Democratic party, and, as the glare of national publicity focused upon the organization, Democratic attacks increased.

The chief opponent of the Southern Tariff Association in the House was Congressman John Nance Garner of Texas, the second ranking member of the Ways and Means Committee and also the effective leader of minority opposition in the House. Garner was immediately suspicious of the motives of the association, and accused it of trying to foist the Republican party upon the South. The association, Garner alleged, was using the tariff issue to send Kirby or someone else in the organization to the Senate, rather than help the South.

Garner based his apprehensions upon growing restlessness in Texas over the upcoming Senatorial election of 1922. In the race for the Democratic nomination for the United States Senate in Texas in 1922 there were at least six candidates, all of them prominent, experienced in politics, and well known throughout the state.⁹ The issues were also almost equally divided between prohibition, reform, and the Ku Klux Klan. While five of the aspirants for the Democratic nomination an-

⁹ The candidates were Senator Charles A. Culberson; James E. Ferguson; Robert Lee Henry of Waco; Earle B. Mayfield of Bosque County; Clarence Ousley of the Fort Worth Record; and Allen F. Thomas of Dallas. For a discussion of the campaign see Seth S. McKay, Texas Politics, 1906-1944 (Lubbock, Texas, 1952), 109-23. See also Charles C. Alexander, The Ku Klux

nounced their candidacy and laid plans for their campaigns, a quiet movement was begun for what its promoters hoped might be formidable opposition to the Democratic nominee. The opposition would take the form of a fusion ticket, and the nominee was John Henry Kirby of Houston.

At least three widely divergent political factions stood ready to back a fusion ticket: members of the Texas Republican party, James E. Ferguson's American party, and some prominent men of the former Bailey faction.¹⁰ Their ideal was Kirby, one of the South's leading businessmen, and, because of his stand with the Southern Tariff Association, a figure of national prominence. As a corollary, the leaders of the fusion ticket hoped that the tariff issue, which heretofore had had comparatively little weight in Texas politics, could be the major issue in the 1922 Senatorial campaign.

The movement ended as quietly as it had begun because

Klan in the Southwest (Lexington, 1965), 121-25.

¹⁰ See Dallas Journal, April 7, 1921, and Fort Worth Star-Telegram, May 1, 1921, for stories concerning Kirby as a "fusion" candidate in the 1922 Senatorial race in Texas. Kirby was the choice of the commercial associations as a candidate because "The business men are hoping some really big man would run, and I have heard many of them say that they did wish you would consent to do so." Beulah Sterling Given to Kirby, April 30, 1921, Kirby Papers.

¹¹ Their hope was based upon Judge Henry Wurzback's successful use of the tariff in his 1920 election in the Fourteenth District, and the sentiment and influence that the Southern Tariff Association had created by its use on the national level. See Dallas Journal, April 7, 1921.

Kirby refused to accept the nomination. "I cannot conceive of a condition that would influence me to run for any office," Kirby declared, adding, "I do not want to get into politics and have no ambition to hold office." ¹² Instead, Kirby threw his support to Clarence Ousley, scholarly editor of the Fort Worth Record, long-time friend of Senator Bailey, and a strong supporter of the association. ¹³

Kirby's refusal to run in the senatorial campaign of 1922 and the subsequent defeat of the association-sponsored candidate, Clarence Ousley, did much to alleviate Garner's suspicions concerning the motives of the Southern Tariff Association. Still, Garner and a large group of Democrats in Congress were angered at the association's stand on the tariff. Garner accused the association of "damaging and misrepresenting the South," ¹⁴ and with Claude Kitchin of North Carolina was disturbed at a number of the concessions the association appeared willing to make to the western and eastern interests in order to place southern agricultural products on the dutiable list. To them the association did not represent the southern farmer

¹² Kirby to Beulah Sterling Given, May 7, 1921, Kirby Papers.

¹³ Clarence Ousley used the tariff and other national issues in conducting his campaign. He declared against the "free raw materials of the Democratic party," and advocated a tariff on cotton and wool. See Fort Worth Record, July 19, 1922, and McKay, Texas Politics, 114.

¹⁴ Arnold to Kirby, May 3, 1921, Kirby Papers.

at all, but rather a small group of businessmen engaged in "pressure politics." Garner was alarmed by the number of Congressmen who took the association's stand at face value and supported their stand in Congress.

Garner was not a free-trader. He was willing to place southern products on the dutiable list, but, unlike the association, he believed hides and vegetable oils should go on the dutiable list without making concessions to eastern manufacturers, and he deeply resented the interference of the Southern Tariff Association in attempting to fix duties and schedules. ¹⁵

Earlier, when Kirby appeared before the Ways and Means Committee, Garner asked him how he would vote, if he were a Congressman, on a tariff bill which afforded 100 per cent protection to the products of the South. Kirby's reply, which greatly peeved Garner, was that he would try to "secure the same degree of protection for every section" of the country since he believed in "equality before the law." ¹⁶ This was exactly the kind of "misrepresentation" of the South's interests that Garner feared, and he accused Kirby of "faulty judgment . . . and a dangerous position for the party to take . .

¹⁵ Ibid.

¹⁶ Quoted in Fort Worth Star-Telegram, May 1, 1921.

" on the impending tariff bill. ¹⁷

Garner's strategy was to force Democrats wherever possible, to withdraw support from the association's activities. Using the official records of the association as a check list, Garner, Kitchin, and other Democratic Congressmen contacted prominent Democrats associated with Kirby's group and warned them of its activities.

The first response to Garner's pressure came from state governors. Governor Hugh M. Dorsey of Georgia, one of the sixteen governors listed as honorary vice-presidents of the association, publicly denied that he was an officer in the Southern Tariff Association. ¹⁸ Dorsey declared that any connection with the association was "news to me," and that "I am not in sympathy with their movement, didn't attend any of their meetings, nor participate in any discussion they had on any subject." ¹⁹

Warned that the reaction might spread to other quarters,

¹⁷ Arnold to Kirby, May 3, 1921, Kirby Papers. For a summary of Garner's views on the tariff, see Bascom N. Timmons, Garner of Texas (New York, 1948), 88-100.

¹⁸ Macon (Georgia) Telegrapher, May 25, 1921. In January, 1921, Dorsey signed a petition sponsored by the Southern Tariff Association which urged President-elect Harding to attend the Atlanta tariff congress. After the meeting, Kirby elevated these sixteen signatories to positions as honorary vice-presidents of the association without asking their permission. It was the latter move that Dorsey was protesting.

¹⁹ Quoted in Macon Telegrapher, May 25, 1921.

Arnold wrote Kirby that "it looks a little like a move to pull the Governors away from us and you may hear more of it in the Senate." 20

The association found more political opposition when speakers were asked to address tariff congresses. In a congress scheduled for Greensboro, North Carolina, in August, 1921, the governor of Arizona refused to address the meeting. Senator F. M. Simmons gave out a statement to the press saying that he was opposed to the Southern Tariff Congress and considered it detrimental to southern interests. 21 Representative Claude Kitchin wired E. P. Wharton, president of the North Carolina state division of the association, that the congress was a Republican trick, and to stay away from the meeting. 22 When political leaders on the state and national level rebelled against them, the leaders of the Southern Tariff Association turned increasingly to support from business interests.

The tariff congress at Greensboro, North Carolina, held on August 13, 1921, was a failure in terms of attendance and finances. Less than 250 delegates, principally "manufacturers, bankers, and merchants" in and around the city attended the meeting, and the association lost \$1,500 in sponsoring the

20 Arnold to Kirby, June 10, 1921, Kirby Papers.

21 Arnold to Kirby, August 9, 1921, ibid. Also see Raleigh (North Carolina) News Observer, August 7, 1921.

22 Raleigh (North Carolina) News Observer, August 7, 1921.

congress. ²³ Nevertheless, a delegation representing the state division of the association and headed by E. P. Wharton and A. B. High of Greensboro journeyed to Washington to appear before the Senate Finance Committee.

The Ways and Means Committee finished hearings on the permanent tariff bill on June 29, 1921, and the bill was presented to the House of Representatives for debate. The rates reported by the House committee generally favored the association's schedules presented at the April 18-19 hearing, and because few duties were changed on the House floor, both Arnold and Kirby regarded their work in the lower house as largely successful. ²⁴

The committee promised to increase the duties on hides, vegetable oils, eggs, cotton and cotton wastes, sugar, and even crude oils. Delegations from the Southern Tariff Association were glibly assured by Chairman Joseph W. Fordney that "it is our purpose to give protection to everything that the South produces . . ." and "we are glad that the South has grasped the benefits to come from a protective tariff." ²⁵

²³ Arnold to Kirby, August 15, 1921, Kirby Papers. See also Hearings Before the Committee on Finance United States Senate on the Proposed Tariff Act of 1921, printed in Senate Documents, 67 Cong., 2 Sess., No. 108, 763-75.

²⁴ These rates are given in Chapter IV, Chart II, 79-80.

²⁵ Quoted in Washington Herald, April 21, 1921, and New York Times, August 18, 1921.

Although most of the association's schedules were duly reported to the House floor, two were not. Fordney did not keep his promise to include hides and eggs on the dutiable list. When questioned by Representative Thomas L. Blanton of Texas, a supporter of the association and its stand on hides, as to why they were not included on the list, Fordney replied, "my friend, I never kick against the majority. I abide by the majority."²⁶ Both hides and eggs were voted off the list by the majority Republican members just prior to submission to the House.

Arnold was also disappointed at the lower rates reported by the House committee. Where the association suggested twenty cents per pound as the duty on cotton, the committee reported five cents per pound to the House. Slightly lower rates were also given to peanuts, vegetable oils, tobacco, and sugar.

The exclusion of eggs and hides from the dutiable list and the lower rates upon other southern products in the House bill did not concern Arnold since he was convinced that the Senate would restore hides and eggs to the schedules as well as raise duties above the figures proposed by the House.²⁷ On July 21, 1921, the permanent measure went to the Senate.

²⁶ Congressional Record, 67 Cong., 1 Sess., 3840.

²⁷ This had been true in the tariff acts of 1883, 1890, 1894, 1897, and 1913. See Taussig, Tariff History, 232, 256, 289, 327, 373, and 415-17.

It was in the Senate that the association anticipated its greatest success. Known for its sympathy to vested interests and reinforced by a wave of newly elected western "protectionist" Senators, the upper house was the place where the fight for protection for southern products might be won. In the Senate, the Southern Tariff Association could count upon effective support from the West as well as the South. 28

From Texas, Senator Morris Sheppard supported tariffs on hides and vegetable oils, and warmly endorsed resolutions offered by the association. In return, resolutions were offered at a June meeting of the association in Fort Worth, Texas, approving Sheppard's vote for the emergency tariff, and thanking him for "seeking equality in tariff legislation for Texas Producers." 29

Senator Sheppard also supported the association's schedules for blackstrap molasses, coal-tar dyes and chemicals,

28 Western representation was small in the House, and proportionately less influential. In the Senate, Senator Frank R. Gooding of Idaho successfully organized a "tariff bloc" in the winter of 1921-1922 which consisted of twenty-five Republican Senators primarily from agricultural states in the West. This "bloc" publicly endorsed the schedules proposed by the Southern Tariff Association. It was this support that Arnold counted upon. Gooding promised Arnold his support in secret meetings in the fall of 1921, and the liaison was made public in the spring of 1922. See New York Times, April 3, 1922.

29 Kirby to Morris Sheppard, June 6, June 8, June 9, 1921, Kirby Papers.

peanuts, sugar, and wool. ³⁰ On the Senate floor, Sheppard read an editorial from the Fort Worth (Texas) Star-Telegram "on the subject of the proper tariff policy toward the South." ³¹ The editorial said that "in the interest of the South," Congress should follow the lead of the Southern Tariff Association which:

endorsed the schedules filed by the western tariff bloc with the Senate Finance Committee . . . with exception to the bloc rate on hides, which is 2 cents green, and 6 cents dried. We regard 4 cents per pound on green hides the minimum rate that should be given . . . Important southern items not included on the western tariff bloc and on which tariff duties have been requested by the tariff association are peanuts, pecans, sugar, graphite, manganese, and petroleum The greatest obstacle which stands in the way of obtaining proper recognition for southern products is the attitude of most of the Democratic Congressmen and Senators on this matter. ³²

By far the most influential speaker in behalf of the association's view was Senator Gooding, the leader of the "tariff bloc" of twenty-five Republican Senators and also a strong advocate of the "All-American" tariff. ³³ In the winter of 1921-1922, Gooding arranged for a delegation representing the

³⁰ See Congressional Record, 67 Cong., 2 Sess., 4702, 5736, 8648, 10710, 10972-73, 10987-88, 10990-91, 11026-27, 11503.

³¹ Ibid. 67 Cong., 1 Sess., 3942.

³² Ibid.

³³ New York Times, April 3, 1922.

Southern Tariff Association and headed by Kirby to appear before the Senate Finance Committee and to call upon the President. Gooding presented the delegation to Harding, and Kirby asked the President to use his influence toward obtaining adequate protection on southern products. Kirby further asked the President to endorse the schedules urged by southern producers, and Harding somewhat vaguely promised to "give the same protection to the South as well as to the North, to the farmer as well as the laborer." ³⁴

It was on the Senate floor that Gooding gave the most effective representation to the association's policies. Charging that the Underwood-Simmons bill passed by the Democratic party gave protection to "practically every manufacturing institution in this country" while putting farm machinery on the free list, thereby insulting the American farmer's intelligence since "we never have imported any foreign farming machinery," Gooding declared the Democratic party had cheated farmers of the benefits of protection. ³⁵ He called the traditional free trade policy of the Democrats "a relic of slavery," and said that "there is a growing sentiment in the South for protection." The protectionist movement, declared the Idaho Senator, had been created by "the activities of the Southern Tariff

³⁴ Ibid., January 11, 1922.

³⁵ Congressional Record, 67 Cong., 2 Sess., 5605.

Association." ³⁶ That these activities manifested a considerable backing, Gooding stated, was evidenced by petitions to Congressmen signed by 100,000 southerners favoring duties on their products. ³⁷

The Idaho Senator then called upon the association to support his protectionist policies, and arranged for meetings between the association and the Republican tariff bloc in the Senate. Commenting upon one such meeting, Gooding said that the Southern Tariff Association "asked for a meeting with a number of Republican Senators who have been urging proper recognition and protection for the agricultural industries of the country. A very interesting communication addressed to those Senators at that meeting was read by Mr. Woodall, of Texas." ³⁸

Ed Woodall headed the schedule committee of the association, and in their meeting with the senatorial tariff bloc, he argued for extended protection to southern products. The emergency tariff, Woodall contended, "saved whole sections of the United States and prevented great numbers of agricultural producing units from going under the sheriff's hammer." ³⁹

³⁶ Ibid.

³⁷ Ibid. See also ibid., 11343. These petitions were signed in early August, 1922, and presented to the Senate on August 15, 1922, by Gooding.

³⁸ Ibid., 5606.

³⁹ Ibid., 5607.

Praising the emergency measure as the stimulant that agriculture needed, Woodall proposed to bring the permanent tariff bill in the Senate into closer harmony with the association's principles. "There is not," he asserted, "adequate protection for certain products of vital importance to sound and general national prosperity, and particularly to the South. We seize the opportunity to present for your consideration the corrections that we believe to be desirable." ⁴⁰ The corrections centered around duties on dried eggs, cotton, peanuts, hides and leather goods, sugar, and crude oils.

Pointing to the increasing trend toward restricting immigration, the association charged:

We regard it as economic lunacy to erect barriers against the immigration of pauper labor and at the same time to permit the products of such labor to compete with goods produced under American standards in a free market. The country can be swamped no less by an influx of cheap agricultural products from the Orient than by the entrance of Oriental labor. The latter is prohibited by law and the former should be. ⁴¹

Warning that the Southern Tariff Association "spoke for the South," Woodall advised the Republican Senators that:

We hold no commission from the electorate

⁴⁰ Ibid.

⁴¹ Ibid.

but we do speak for the enlightened business judgment of the South, which may rapidly become a political pronouncement, when we say that if the pending tariff legislation gives just and fair tariff protection to southern products the prosperity resulting will be an object lesson in the value of the protective principle. 42

Woodall's implication was clearly that the lesson would be so convincing to southern businessmen and farmers that they would cast votes for Republicans in following elections.

In order to demonstrate southern sympathy for duties on southern products, Senator Gooding introduced a resolution forwarded to him by J. A. Arnold which called for "a tariff on vegetable oils, peanuts, live stock, hides, meats, wool, grain, poultry, dairy products, and all agricultural, pastoral, and mineral products" 43 The resolution was signed by the editors of 381 southern newspapers, of which 317 were from Texas, 17 from Georgia, 32 from Arkansas, 3 from Louisiana, 5 from Missouri, and 1 from North Carolina. 44

Senator Gooding also introduced resolutions given him by Arnold from the Sheep and Goat Raisers' Association, the Virginia Peanut Growers' Association, and one from the Texas Banker's Association — all affiliates of the Southern Tariff

42 Ibid., 1154.

43 Ibid.

44 Besides the editors' names, the resolution also gave the names and addresses of their newspapers. See ibid., 11545.

Association — and which advocated protection for their particular products and for protection for the South in general.

On the Senate floor Gooding argued for protection on every southern product from broom corn and dried eggs to asbestos and manganese.⁴⁵ When not engaged in debates on the floor of the Senate, Gooding actively organized his protectionist forces in numerous conferences, meeting, and skull sessions.

Returning from one such meeting between "Senators Gooding of Idaho, Capper of Kansas, McNary of Oregon, and Watson of Indiana; and also representatives from twelve national farm organizations," Arnold reported that "Senator Gooding spent almost half the time explaining and commending the work of the Southern Tariff Association and urged them all to 'join in our

⁴⁵ For Senator Frank R. Gooding's remarks on southern products and for protection as a policy for the South, see *ibid.*, 67 Cong., 1 Sess., 1254-56, 4398, 4431-38, 4853, 4694, 5522-23; *ibid.*, 67 Cong., 2 Sess., 5874, 5886-87, 7400, 7452, 10089, 10156, and 11343. For his remarks on specific southern products, see *ibid.*, 67 Cong., 2 Sess., broom corn, 8524; cotton, 8524, 10336; dried eggs, 11515; peanuts, 5269; rice, 5269, 10090-91; soya beans, 5269, 11515, 11616, 10124-25, 10129, 10131, 10155-56, 10160, and 10616; vegetable oils, 10148, 10151, 10154-56, 10158-61, 11515, 11543; asbestos, 11273, 11276-77; cattle and fresh meats, 9553; citrus fruits, 11574; hides, leather and shoes, 11118-20, 11124, 11126-30, 11611; manganese, 8187, 11553; sugar, 10413, 10980, 11034-35, 11062, 11064-66, 11567; and wool, 7035-37, 10091-93, 10535-39, 10595-99, 10610-13, and 10623-31.

activities." 46

As a Senator, Gooding was the recipient of statistical information compiled by governmental bureaus which he passed on to the association, which, in turn, gave out this information through its new service. In one such case, Gooding sent figures compiled by the Bureau of Foreign and Domestic Commerce giving importation figures indicating a decrease in long staple cotton, coconut, cottonseed oils, wool, and cattle after the Emergency Tariff bill was in effect. Expressing relief at the decrease in the imports, Gooding added "these figures to my mind tell a wonderful story, and if you can make use of them I should be glad to have you do so at your meeting." 47

The Southern Tariff Association was also supported on the Senate floor by Senator Charles L. McNary of Oregon. An avid reader and strong backer of the association's publication, Senator McNary asked that "some very interesting matter appearing in the Southern Tariff Advocate . . . " be printed in the Congressional Record in "eight-point type . . . because it embraces useful information which I think should be preserved." 48

46 J. A. Arnold to Kirby, August 29, 1921, Kirby Papers.

47 Frank R. Gooding to Kirby, August 13, 1921, ibid.

48 Congressional Record, 67 Cong., 2 Sess., 12889.

The "useful information" contained in the Advocate included an explanation of Senator Oscar W. Underwood's views on the tariff contrasted with those of Senator Gooding; an endorsement by thirty-two farm organizations for the McCumber-Fordney bill; an outline of minority leader Claude Kitchen's position of the Democratic party on a low tariff; and a statement by southern Commissioners of Agriculture favoring a duty on farm products. It also contained an endorsement by the Texas State Bankers' Association of the policy of the association which was filed with the Senate Finance Committee. This resolution was signed by Commissioners of Agriculture in South Carolina, Virginia, Maryland, North Carolina, Louisiana, Tennessee, and Commissioners in Georgia, Florida, Texas, and Kentucky. ⁴⁹

Both Senators from Louisiana, Joseph E. Ransdell and Edwin S. Broussard, not only gave support to the association on Capitol Hill, but also served as officers in Louisiana's state division of the Southern Tariff Association. ⁵⁰ Both Broussard and Ransdell were active in directing the policies of the

⁴⁹ Ibid., 12891.

⁵⁰ See Petition entitled Call for Tariff Congress, February 10, 1921, attached to letter from J. A. Arnold to Kirby, February 10, 1921, Kirby Papers, which lists Senators Broussard and Ransdell in the Louisiana division of the association; and Whitnell P. Martin to Kirby, April 2, 1921, Kirby Papers.

association in its work in Louisiana, and frequently attended and spoke at association-sponsored tariff congresses. In the Senate, Broussard ably defended the association's demands for duties on rice, sugar, blackstrap molasses, chemical wood pulp, and vegetable oils. 51

Because of his work on the tariff, Broussard later was appointed to the Tariff Commission as a "protectionist" Democrat, and was able to see that rates which affected association-endorsed products were either left unchanged or revised upward. 52

Florida's elected representatives warmly supported the tariff policies of the Southern Tariff Association. A very genuine sentiment seemed to exist in Florida in favor of increased duties upon certain state products, such as potash, citrus fruits, tomatoes, coal-tar dyes and chemicals, and toys. Florida's two Senators, Park Trammell and Duncan W. Fletcher, had previously urged protectionist rates for their products, but were largely unsuccessful in having these rate schedules

51 For Senator Broussard's remarks in defense of duties on these products, see Congressional Record, 67 Cong., 2 Sess., rice, 5376, 6249-56, 9764, 10086-90, 10098; sugar, 5376, 6039, 6782, 9563; blackstrap molasses, 8646-48, 8694-8701, 8707, 11325-28; chemical wood pulp, 10918; vegetable oils, 19127.

52 New York Times, October 13, 1929; William E. Leuchtenberg, Perils of Prosperity, 1914-1932 (New York, 1952), 110; Taussig, Tariff History, 478-84, 522-25.

incorporated into the Emergency Act of 1921.

Florida's Congressmen were also deeply troubled by the division in Congress over current revisions of the tax policies. Tax legislation introduced in the spring of 1921 continued the estate and inheritance taxes at high wartime rates with a provision giving a substantial refund to taxpayers in states imposing a like tax. Since Florida had neither state income nor inheritance taxes, its legislature opposed any such refund. 53

As proponents of the gospel of wealth, both Kirby and Arnold had always opposed extension of internal taxation by the federal government as an unwarranted restriction upon the nation's investment capital. In Florida they saw an excellent opportunity to exploit their beliefs, and also to consolidate support for the association. Therefore, in the spring of 1922, Arnold started a subsidiary organization of the

53 The Southern Tariff Association also received support from Florida's Representatives, including the daughter of William Jennings Bryan, Ruth Bryan Owen. In a letter to Kirby, Arnold confided that "she appears to have more liberal views than her father and worst of all, I understand she takes a drink." Arnold to Kirby, October 5, 1928, Kirby Papers.

Ruth Bryan Owen supported the association's stand on the tariff issue in her 1928 campaign in the Fourth Congressional District of Florida, signed numerous association petitions, and cooperated with their stand against the inheritance tax. See Ruth Bryan Owen to Frank Kerr, September 19, 1928, Arnold to Kirby, October 5, 1928, November 23, 1928, and December 27, 1928, ibid.

Southern Tariff Association in Florida, the American Bankers League, whose purpose was to "promote wise revenue legislation, and particularly the repeal of the Federal inheritance or estate tax" ⁵⁴ which provided for the refund. During the battles over tax revision in the twenties, this and other association-supported organizations gave firm and influential support to Andrew Mellon's tax plans throughout Florida and the South. ⁵⁵

By endorsing Florida's tax stand through the American Bankers League, which later became the American Taxpayers League, Arnold and the association gained substantial and generous support throughout the state for their tariff stand.

In the Senate, both of the Senators from Florida gave important backing to the association's demands for protection on out-of-state products such as hides, long staple cotton,

⁵⁴ Congressional Record, 71 Cong., 2 Sess., 993.

⁵⁵ Because of a protest by the older and more reputable organization known as the American Bankers Association in 1925, Arnold changed the name to the American Taxpayers League. The Taxpayers League seems to have lived a robust existence until 1941 when Arnold, then operating in Chicago, changed its name to the Western Tax Council. See Congressional Record, 71 Cong., 2 Sess., 993-94; Senate Resolution 20, 71 Cong., 1 Sess., parts 2 and 3 of printed hearings; James A. Arnold, The Desire to Own (Washington, D. C., 1938), 4; New York Times, November 1, 1929; ibid., March 21, 1924; ibid., September 27, 1923; ibid., January 1, 1924; ibid., January 10, 1924; ibid., August 18, 1924; ibid., August 4, 1924; ibid., October 30, 1924; and ibid., November 7, 1924.

peanuts, iron and steel, oils, wool, and sugar. ⁵⁶ Florida's stand favoring the association came at a time when Congressional debates seemed to be turning against the association's stand for an "All-American" tariff policy, and possibly convinced many northern Senators of the validity of the association's "non-partisan" tariff argument. Eventually the Florida State Division under Lorenzo A. Wilson became the most active division of the association, thereby replacing Louisiana. The association's influence remained strong there until 1930.

From the Southwest, Senator Andrews A. Jones of New Mexico subscribed to the Advocate and also assisted the association in its fight to have hides and cotton placed on the dutiable list. ⁵⁷ His colleague, Senator Holm Q. Bursum, was out-

⁵⁶ For Senator Duncan W. Fletcher's remarks supporting the association's policies, see Congressional Record, 67 Cong., 1 Sess., 1071072, 1098, 1104, 1110, 1113, 1115, 1117-18, 2071. For his remarks on specific commodities, see 67 Cong., 2 Sess., asbestos, 11274-75, 11280-81; carbon and graphite, 7470, 7473, 7557; citrus fruits, 11573-76; coal tar dyes and chemicals, 11499; cotton, 10189-90; iron and steel, 7707, 7717, 7721, 7723-30, 7861, 7878-79; magnesite, 7864-69, 7871, 11553; oils, 6891; potash, 6516, 11078; sugar, 10988-91, 11027-29; tomatoes, 11438; toys, 11288, and wool, 10865.

For Senator Park Trammell's remarks supporting the association's tariff policy and rate schedules, see ibid., 10028, 11229, 11514; citrus fruits, 11574-75; hides, 11115; long staple cotton, 11576-77, 12974-75; peanuts, 10105, 10112; and potash, 11093. See also ibid., 67 Cong., 1 Sess., 1181, 1306.

⁵⁷ For Senator Jones' remarks on protection as a tariff policy for the Southwest and arguments for a duty on hides and cotton, see ibid., 67 Cong., 1 Sess., 1120, 1293-94, 1306, 2573, 5518, 5644, 7545.

spoken in his support for the agricultural schedules underwritten by the associated agricultural organizations. 58

Bursum's support for the association centered in its battle for duties on hides, mohair, sheep and goat skins, and cattle and fresh meats. 59

From Georgia, Senator William J. Harris, speaking on the anniversary date of Henry W. Grady's death, recited the "New South" speech of the native Georgia industrial prophet, and likened the revitalization of the South through the tariff to the awakening during Grady's era. 60 In a previous speech to the association's Atlanta congress, Harris had also quoted Grady's closing lines:

Those opposed eyes,
Which like the meteors of a troubled heaven,
All of one nature, of one substance bred,
Did lately meet in the intestine shock,
Shall now, in mutual well beseeeming ranks,
March all one way. 61

The "one way" on the tariff, Harris indicated, was the

58 Ibid., 1295-96, and 4477. See also ibid., 67 Cong., 2 Sess., 2275 and 8447.

59 For Senator Bursum's remarks on specific products, see ibid., hides and leather, 11116-17, 11119, 11122, 1124-25, and 11611; cattle and fresh meats, 9543-44, 9494; asbestos, 11273; coal tar dyes and chemical embargo, 10281-82; manganese, 8176, 8180; and wool, 10093, 11583.

60 Ibid., 1666.

61 As quoted in copy of Report of Southern Tariff Congress, Atlanta, Georgia, January 27-29, 1921, in Kirby Papers; and also quoted in Congressional Record, 67 Cong., 1 Sess., 1668.

non-partisan, equal protection stand taken by the Southern Tariff Association. Harris heartily endorsed the association's stand with the agricultural bloc, and also argued for their rates on cotton. ⁶²

If the Southern Tariff Association received support from the senior Senator from Georgia, William J. Harris, it found a solid opponent in the newly-elected junior Senator from Georgia, Thomas E. Watson. Watson was some sixty-six years of age, in ill health, and had been absent from Washington for nearly thirty years. The triumph of Tom Watson in the Georgia Senatorial race of 1920 meant the triumph of old Populist doctrines, and it also meant a stand against "the United States Steel Corporation, the American Legion, Pennsylvania coal mine operators, and all tariff duties of any description or amount." ⁶³ Watson's suspicions of the association were increased when he saw it meet with President Harding, whose administration he regarded as "replete with oracles, maxims, proverbs, safe generalities and orthodox truisms." ⁶⁴ The

⁶² See Congressional Record, 67 Cong., 1 Sess., 3355, 3189-90, and 6739.

⁶³ C. Vann Woodward, Tom Watson, Agrarian Rebel (New York, 1398), 480. For Watson's general remarks on the tariff, see Congressional Record, 67 Cong., 2 Sess., 9545-46. For his remarks on specific products, see ibid., cotton, 6126; ferromanganese, 8557; iron and steel, 7719; wool, 10796; and wrapper tobacco, 1615.

⁶⁴ Quoted in Woodward, Tom Watson, 475.

Southern Tariff Association met stiff resistance in the old Populist fighter.

The association also came under attack from Senator James A. Reed of Missouri. Reed was among those who initially suggested an organization was needed to express southern tariff sentiment, but he broke with the Southern Tariff Association when he found it did not represent southern agricultural sentiment. On August 18, 1921, Arnold appeared before the Senate Finance Committee to explain the purpose of the Southern Tariff Association in proposing high duties upon southern products. Senators Howard Sutherland from West Virginia, Boies Penrose from Pennsylvania, and Gooding from Idaho, all members of the committee, asked Arnold leading questions to which he had a ready response. But Senator Reed, who with Senator F. M. Simmons of North Carolina represented minority opinion on the committee, was not as sympathetic.

"Do you claim that you represent the sentiment of the South?" on the tariff question, Senator Reed asked. Yes, Arnold declared, the association was a "true reflection of it." Reed reminded Arnold that "nine men out of ten in the South are against a high protective tariff and always have been." ⁶⁵

⁶⁵ Hearings Before the Committee on Finance United States Senate on the Proposed Tariff Act of 1921, printed in Senate Documents, 67 Cong., 2 Sess., No. 108, 769.

Who then, Reed questioned, did the association represent, and what were its motives?

SENATOR REED: How many people were at your (Greensboro) conversation?

ARNOLD: . . . About 250. Our congress has delegates who are sent to these meetings.

SENATOR REED: Delegates from whom?

ARNOLD: . . . from 57 different industries.

SENATOR REED: Fifty-seven industries. Do you claim that any one of these organizations represents the whole industry?

ARNOLD: They are authorized spokesmen of that industry, as near as I can get at it.

SENATOR REED: Let us see about that. Don't you know that, as a matter of fact, a few men in an industry join an organization, and the organization then sends the men down to a convention, and that is the way your convention is made up?

ARNOLD: Yes.

SENATOR REED: It is not made up of delegates assembled at public meetings. ⁶⁶

Arnold later admitted that the delegates were appointed by "chambers of commerce, industrial organizations, boards of trade, and civic associations." ⁶⁷

Then Senator George P. McLean of Connecticut began to question Arnold.

SENATOR MCLEAN: The chamber of commerce and the industrial organizations, did they have anything in the nature of a referendum? What interest did they represent, what proportion of the people?

⁶⁶ Ibid., 770.

⁶⁷ Ibid., 772.

ARNOLD: Yes, our organization undertakes to represent, and I think does at least reflect the organized element of the South; that is, those industries and those organizations who are concerned in the development, progress, and welfare of the South.

Senator McLean asked about the representation of agricultural interests at association-sponsored tariff meetings. Arnold said their interests were spoken for by state commissioners of agriculture. To McLean and Reed, these state officers did not speak for "farmers' unions and granges." Arnold evasively admitted that no farmers' organization had signed any of the resolutions sent to Congress or the committee.

SENATOR REED: Do you know who is at the head of the farmer organizations of the United States?

ARNOLD: I have not the information with me.

SENATOR REED: He lives in Atlanta, Georgia. Was he at your (Atlanta) meeting, and did he join for a high tariff?

ARNOLD: (no response) ⁶⁸

Senator Reed accused Arnold of ignorance as to the true realities of the tariff, and of being a representative of manufacturing interests. To Senator Reed's way of thinking, "I do not know of a manufacturer anywhere who does not want all the protection he can get." ⁶⁹

⁶⁸ Ibid., 774. The reference was to the head of the Farmers League and Cooperative Association (no name available).

⁶⁹ Ibid., 775.

Arnold's evasive and confused answers to Senator Reed's direct line of questioning caused A. B. High and E. P. Wharton of North Carolina to discontinue any affiliation with the Southern Tariff Association. While they were in favor of a protective tariff and desired representation in national tariff organizations which espoused their views, they did not want to be associated with an agency which could not defend its position or theirs. The appearance before the Senate Finance Committee seriously undermined Arnold's influence, and he never again made a personal appearance in a tariff hearing.

On January 11, 1922, the Senate Finance Committee brought to a close hearings on the permanent tariff bill. Republican members of the committee met in closed sessions to rewrite the bill. While the Republicans met to consider the bill as a whole, the Senate floor vigorously debated tariff schedules already reported out of committee.

These debates exasperated members of the Finance Committee, who were astonished at repeated objections to the schedules. The committee had framed the bill in the long established way, just as rates had been fixed under the McKinley, Dingley, and Payne-Aldrich bills. The outcry in the papers and on the Senate floor completely baffled the bill's two chief supporters, Senators Reed Smoot of Utah and Porter J. McCumber of North Dakota. Again and again Smoot and McCumber reproached

the Democrats and dissident Republicans for contesting the rate schedules passed by a major committee and for finding fault with the method adopted for writing the new tariff. ⁷⁰

The minority Democrats and insurgent Republicans, however, used the Senate floor to stall for time until support for their "tariff revolt" could be mobilized. Led by Senators Irvine L. Lenroot of Wisconsin, William E. Borah of Idaho, Robert M. LaFollette of Wisconsin, Pat Harrison of Mississippi, James A. Reed of Missouri, and F. M. Simmons of North Carolina, they sought to bring tariff rates within what they considered reasonable limits.

On July 11, 1922, fourteen Republicans, at least three of whom were usually stand-patters, voted with the Democrats to smash the first of ten cotton schedule rates, and then defeated an amendment extending for a year the embargo on foreign-made dyes. ⁷¹ Angrily, Arnold and the association intimated to Senator Lenroot that if the cotton and dye schedules were not left alone, reprisals would be made by lowering specific Wisconsin agricultural rates when that portion of the

⁷⁰ The debates by the small but vocal minority were more than political "window-dressing", and drew support from eastern newspapers. See New York Times, January 13, 1922; ibid., March 20, 1922; ibid., May 2, 1922; ibid., July 13, 1922; and ibid., July 20, 1922.

⁷¹ Congressional Record, 67 Cong., 2 Sess., 10166.

bill reached the Senate. ⁷² Lenroot, obviously vexed by the warnings, used the Senate floor to air Arnold's threats. Visibly disgusted at the sharp issues between the old protectionists, such as Lenroot, and the new, such as Arnold, the New York Times questioned "How can a good high protective tariff be made, except on the principle of ca' me, ca' thee? The agricultural bloc would have to submit to a diminuation of its share of the swag if it didn't give cotton people their share." ⁷³

The editorials of the New York Times seemed to reflect, more and more, the growing public sentiment against the tariff bill. After a particularly bitter tirade between Senator Samuel M. Shortridge of California and Lenroot, on June 10, 1922, the Times charged that "protection has gone mad." ⁷⁴ To the Times, it served no sane purpose to tax cotton wastes if only 500 pounds were imported a year compared to an export crop worth over \$4,250,000. ⁷⁵

Senator Shortridge, a member of the tariff bloc, argued that the tariff should be used to create monopolies and an embargo. ⁷⁶ Republican Senators from the Midwest, disturbed

⁷² New York Times, July 20, 1922.

⁷³ Ibid. The Southern Tariff Association wanted rates higher than those suggested by the agricultural bloc.

⁷⁴ Ibid., June 11, 1922.

⁷⁵ Ibid.

⁷⁶ See New York Times, June 11, 1922. The embargo would

by the implications of his argument, cried out in protest. An interest spectator at the Senate hearings, Representative Thomas L. Blanton of Texas, also became distressed and wrote Kirby that:

While we are . . . going to be strong enough to retain and force into the tariff bill an equalizing duty on all farm and ranch products . . . the duty prescribed therein on several hundred manufactured articles is so unprecedented and unconsciously high as to make prohibitive needed imports and to create unheard of monopolies enriching a favored few at the expense of all the people 77

At a Washington meeting of the association in January, the news media lampooned the southerners' protective schedules. Editorials, contesting the economic wisdom of an import duty on cotton, cottonseed oil, hides, and peanuts, wondered if the reason might be southern prestige because "not a South Carolina peanut must be left without protection, each Florida orange must have its 'rate' — specific or ad valorem — if possible both - in the new bill. Louisiana sugar cane, out of mere self-respect, will refuse to grow unless the tariff makers give it the fertilizer of a protecting schedule." 78

Privately, Kirby worried because of the prolonged debate

be upon toys, dyestuffs, lemons, and coal tar products.

77 Thomas L. Blanton to Kirby, July 11, 1921, Kirby Papers.

78 New York Times, January 13, 1922.

over the tariff bill. He confessed to Arnold that "You . . . indicate that this tariff fight is to be protracted for a longer period than I anticipated. I thought the work would be completed not later than September 1st (1921), whereas your forecast indicates it may hang on throughout the year." 79

Arnold's forecast proved to be correct, and as the fight in the Senate continued, the influence of the association, existing as it did on frequent congresses and upon the enthusiasm of its supporters, had neither the stable backing nor finances for the long battle. Tangible results were few, and with the press beginning to question the validity of the association's stand, most of its support simply vanished. 80 In fact, as the debate in the Senate continued, Arnold and Kirby soon lamented the fact that it was "good politics to condemn our organization." 81 Senator Thaddeus H. Caraway of Arkansas proposed an investigation of men and organizations, including the Southern Tariff Association, who were lobbying for the new tariff bill. He had in mind Senators Jones of

79 Kirby to Arnold, June 11, 1921, Kirby Papers. See also Kirby to Arnold, July 19, 1921, ibid.

80 For an example of its declining influence in Louisiana, see New Orleans Times-Picayune, July 7, 1921.

81 Arnold to Kirby, September 3, 1921, Kirby Papers.

New Mexico and Gooding of Idaho as well as Edgerton of the National Association of Manufacturers and Arnold of the Southern Tariff Association. ⁸² While no investigation was held, representatives of the association trying to solicit funds in North Carolina ran into heavy opposition. Contributors, Arnold found, "had been notified by Democratic leaders that the activities of the Southern Tariff Association are offensive to the Democratic party and any affiliation that the . . . people will have with us will be resented by Democrats in the Senate." ⁸³

With such an explicit warning many commercial interests withdrew support, and turned to the newly created State Manufacturers' Associations to perform the same service for them. ⁸⁴ Other individuals refused to contribute because "I am going to trust the Republicans this time to look after this matter without pay." ⁸⁵

On April 11, 1922, the six Republican Senators who comprised the majority element of the Finance Committee submitted

⁸² New York Times, July 30, 1921. See also Congressional Record, 67 Cong., 2 Sess., 5604.

⁸³ Arnold to Kirby, September 3, 1921, Kirby Papers.

⁸⁴ William Butterworth to Kirby, September 17, 1921, ibid., for evidence of this organization's increasing encroachment in Southern Tariff Association functions.

⁸⁵ Joseph F. Green to Kirby, December 13, 1921, ibid.

the permanent tariff bill as a whole to the Senate. It was passed by the Senate on August 19. As Arnold expected, the Senate had restored duties upon hides, eggs, and generally increased duties above figures proposed by the House.⁸⁶ After a series of compromises in a conference committee of the two Houses, the Fordney-McCumber Tariff Bill became law on September 19, 1922.

The passage of the permanent tariff act in the fall of 1922 signalled the end of the association's influence as a lobbyist organization. The conference committee threw out duties on cattle, potash, crude oil, and cotton. The Senate had put a duty on long staple cotton, of which some slight production was undertaken in irrigated parts of Texas and Arizona, but it was overthrown by the House. After long and bitter debate, hides also remained on the free list.

Duties on other agricultural items were generally higher than 1909 rates. Wheat became dutiable at 30 cents a bushel, corn at 15 cents a bushel, and eggs, acorns, lemons, nuts, prunes, vegetable oils, and peanuts were also taxed. Sugar and wool were taxed at 2.206 cents and wool at "31 cents per pound of clean content."⁸⁷

⁸⁶ The Senate put the duty on hides at 15 per cent ad valorem. See New York Times, March 20, 1922.

⁸⁷ Taussig, Tariff History, 459.

All rates in the 1922 act were far above those of previous tariff bills. A large number of specific agricultural products were listed in the bill but the net effect of its total came to little. The duties on sugar and wool, however, meant an actual tax, but the total of the other agricultural duties were insignificant.⁸⁸ Agricultural rates, when given, were due more to the influence of organizations such as the National Grange, National Farm Bureau, National Dairy Association, National Wool Growers' Association, and National Poultry Association rather than the Southern Tariff Association. The products and the industries that the association fought hardest for — hides, cattle, cotton, and the dye industry — were not taxed.

The association's influence in the 1922 act lies in other directions. Congressmen who defended and sympathized with the association's stand committed themselves to a policy of high and even ruthless protection. For the first time, manufacturing sections gave high protection to agricultural products, and they expected protection for their articles in return. Congressmen who signed the association's resolutions, attended tariff meetings, and petitioned tariff hearings on behalf of

⁸⁸ See ibid., 457, for a discussion of the effect of the duties on sugar and wool on the market price.

its industries could not easily oppose these extreme rates on manufacturing. Democrats in the Sixty-Seventh Congress were hopelessly outnumbered, and the Southern Tariff Association cut even more deeply into their slender, dissident minority. Thus, the association helped to remove moderate influence in the Congress.

Congressmen supported the association because they were aligned with special interest groups or else they believed the propaganda published by the organization. The tariff was a misunderstood and inexact issue in 1922, and in the midst of confusion, the association's "All-American" policy appealed to many people. The magnitude of the tariff confusion permeated all levels of government. In the House, Chairman Fordney dumbfounded a New York Times reporter by explaining that "ninetenths" of the tariff duty "is paid by the foreigner,"⁸⁹ while in the upper House, Senator Gooding stated that the chief problem of the United States was overproduction, and "the remedy is to exclude both immigrants and imports."⁹⁰ President Harding explained "We should adopt a protective tariff of such a character as will help the struggling industries of Europe to get on their feet," and that the blessings of a protective

89 Quoted in New York Times, July 19, 1921.

90 Quoted ibid., July 31, 1922.

tariff should be "in widest commonalty spread." ⁹¹ Some statements were intended to be misleading as well as confusing. Kirby stated that the 1921 emergency act kept "the wolf from our door," and restored farm prices in 1922. He also credited it with upholding wages and prices while also benefitting the general welfare of the public. ⁹² The desire for protection was more myth than reality in 1921 and 1922, and many Congressmen believed in it without looking too closely at economic reality.

During the passage of the permanent bill, the Southern Tariff Association functioned as a lobbyist organization, and Arnold as a purveyor of information. He paid A. M. Loomis, secretary of the National Dairy Union, \$100 per month to supply him with information and make contacts. ⁹³ Through the association's claim as a representative of southern agriculture, Arnold sat in on numerous farm bloc meetings and was made privy to the demands of the bloc. These he passed on to such people as Charles Eyanson of the Connecticut Manufacturers Association, Judge E. C. Laffey, counsel for General Mot-

⁹¹ Quoted in Leuchtenburg, Perils of Prosperity, 110; New York Times, January 13, 1922.

⁹² New York Times, November 8, 1929.

⁹³ See Hearings Before the Subcommittee to Investigate Activities of Lobbying Associations and Lobbyists in and around Washington, D. C., United States Judiciary Committee 71 Cong., 2 Sess., Parts I-IV.

ors and Du Pont interests, Joseph R. Grundy of the Pennsylvania Manufacturers Association, John E. Edgerton of the National Association of Manufacturers, and officers of the American Tariff League. As a dealer in information, Arnold also served well certain industries within the Southern Tariff Association, particularly the cottonseed crushers and oil mills. The duty of this product was computed at 38 per cent of the ad valorem rate under paragraph fifty-five of the 1922 act, and it kept out imports from Egypt.⁹⁴ While these imports were only a fraction of the industry and did not affect the overall price of oil in the United States, crushers and oil mill associations were interested in prohibiting these imports in order to increase their monopoly on the industry. Arnold was paid \$2,500 annually by these oil interests in Chicago to lobby for a high tariff in the 1922 bill.⁹⁵

Arnold also received liberal compensation from the Du Pont concern to lobby for prohibitive duties on coal tar products and dyestuffs.⁹⁶ The Du Pont chemical industry was unpopular immediately after the war,⁹⁷ and used agents such as

⁹⁴ Comparison of Rates of Duty in the Pending Tariff Bill of 1929 with the Present (1922) Law, printed in House Documents, 71 Cong., 1 Sess., No. 44, 3.

⁹⁵ This is explained in Chapter V, page 131.

⁹⁶ See Chapter V, 132; George Seldes, 1000 Americans (New York, 1947), 293-97; and Taussig, Tariff History, 472.

⁹⁷ The Du Pont chemical company attempted to form large

Arnold to attend executive sessions of the Ways and Means and Finance Committees, provide guidance in framing schedules, and keep its representatives informed on Congressional thinking.

New rates on these products in the Fordney-McCumber Act were extremely high. In the 1922 bill, the rates became forty per cent ad valorem plus seven cents per pound on intermediate products for dyestuffs, and forty-five per cent ad valorem plus seven cents per pound on finished coal tar dyes.⁹⁸ The combination of specific and ad valorem duties was used to make sure both the cheaper and more valuable product would be saddled with a high duty. These rates prevented Du Pont concerns from having to compete with German dyestuffs produced by more efficient and refined large-scale methods.

On September 21, 1922, the Fordney-McCumber Tariff Act passed Congress, and with its passage, the Southern Tariff Association lapsed into a twilight period. From 1923 until 1929, the association existed mostly on paper, and its only

combinations within the coal tar and dyestuffs industry after the war and its attempts to fix prohibitive rates upon these imports to further its monopoly was looked upon with suspicion and hostility by some members of Congress and the public. See Taussig, Tariff History, 472.

⁹⁸ Tariff Act of 1922, printed in House Documents, 67 Cong., 2 Sess., No. 114, 3-4, 76.

activity was to solicit funds and send a delegation to protest the use of the flexible provision in adjusting rates downward. 99

Since there was no tariff legislation before Congress from September 22, 1922, until 1929, Arnold created other organizations to replace the tariff association. As noted earlier, he started the American Bankers League in Florida in 1923. Because of a protest from the older, more established American Bankers Association, Arnold changed its name to the American Taxpayers League in 1925. The league took up the fight for Secretary of the Treasury Andrew Mellon's tax policies during the middle twenties, and enjoyed more success than did the tariff association. In 1923, Arnold, Muse, and Darden initiated plans for a western tariff association, but it failed after national leaders boycotted a large tariff meeting in Denver, Colorado, in October, 1923. Arnold and Kirby also started a National Council of State Legislators in 1924 to supplement the league's program to secure a repeal of federal

99 The flexible provision, designed to make the act more "scientific," authorized the President to raise or lower duties, not to exceed fifty per cent, in order to equalize the differences in the costs of production in the United States and competing foreign countries. The flexible provision was used by Harding and Coolidge thirty-seven times, and rates were raised in "the 32 cases." See Leuchtenburg, Perils of Prosperity, 110.

inheritance and estate taxes. They briefly revived the tariff association when the Democratic party's national convention came to Houston, Texas, in 1928, and again in the tariff battle of 1929 and 1930, but the revival was only temporary. 100

During the tariff debates of 1921-1922, more and more association affairs fell into the hands of Arnold and the Washington staff. By early 1922, John H. Kirby began to neglect congresses for business activities, and the association reverted to Arnold's control. By the spring of 1922, Kirby no longer attempted to retain control of association affairs, and he referred all important questions to Arnold in Washington.

Kirby remained the titular head of the association until 1930, but, except for brief revivals in 1928 and 1929, was largely inactive. However, he continued his relationship with Arnold, Muse, and Darden through the American Taxpayers League and the National Council of State Legislators. Kirby turned largely to political affairs, and utilizing the Council of State Legislators, tried to mobilize southern state officials to oppose a federal inheritance tax and to support Republican

100 Kirby maintained that the Houston platform of the Democratic party embodied his tariff laws, and asserted that the association was successful in getting its principle of a "competitive tariff" into the 1928 Democratic party platform. See New York Times, November 1, 1929; ibid., April 26, 1928; ibid., June 25, 1928; ibid., June 26, 1928; ibid., June 27, 1928; and Houston Post, June 25, 1928.

programs in the South. In 1928, Horace A. Mann, manager of Hoover's southern campaign, sought to utilize the council to further the Republican drive in that section. Working with Kirby and Muse, Mann sought to use sympathetic state officials of the council to form a Southern Republican Council whose purpose was to "kick the Negro out of the party in the South and whiten the Republican party. Our plan is to equalize by blackening the Democratic party." ¹⁰¹ The Republican council was active, but ineffective, during the 1928 campaign in Florida, Georgia, Texas and Louisiana.

Kirby and Arnold also sought to embarrass John N. Garner by preventing his re-election to the House of Representatives in 1928. Arnold and R. B. Creager, Republican National Committeeman from Texas, attempted to persuade C. C. Belcher a Democrat, to enter the Fifteenth Congressional District contest. Belcher refused, and Arnold, Kirby, and Muse gave important financial aid to Garner's primary opponent, Sidney Hardin. After Hardin's defeat in a hotly disputed election, Kirby again turned his attention to national affairs.

Kirby was active in the Democratic party's national convention in Houston in 1928, and in November, 1929, through John J. Raskob, he attempted to enlist Franklin D. Roosevelt in

101 Quoted in New York Times, November 13, 1929.

a movement sponsored by the taxpayers league to effect the repeal of federal inheritance taxes. ¹⁰² Rebuked by Raskob and Roosevelt, Kirby continued his activities in the taxpayers league and council of state legislators until the 1929 Senate investigation.

In 1929, a subcommittee of the Senate Judiciary Committee investigated the association as a lobbyist organization. Named after its chairman, Senator Thaddeus Caraway of Arkansas, this committee charged the tariff association with lobbying for a high tariff. Arnold's operations within the association were labeled as "reprehensible," and he personally was described as having "no seeming sense of self-respect" and "utterly without regard for veracity." ¹⁰³ Since the association had allied itself so closely with the Republican party, the New York Times called it "one step in securing the hold of the Republican party upon States in that part of the country." ¹⁰⁴

Although the Caraway Committee's report contains minor inaccuracies, it presents a realistic picture of the association. ¹⁰⁵ Like its counterparts in the North and Midwest, the

¹⁰² Ibid., November 7, 1929.

¹⁰³ Senate Report No. 43, 71 Cong., 2 Sess., Part IV.

¹⁰⁴ New York Times, November 8, 1929.

¹⁰⁵ The Caraway Committee was inaccurate in saying that John H. Kirby was from Dallas, Texas, when he was from Houston. It assessed Kirby's role as "negligible," but the association's records indicate Kirby was more active than the committee's

Southern Tariff Association provides an interesting study of a lobbyist organization of the twenties.

records, drawn from the Washington office, indicated. The committee said that the association had neither constitution nor by-laws, yet the Audit Report, Southern Tariff Association, October 21, 1924, in the Kirby Papers, gives by-laws for handling funds. See Senate Report No. 43, 71 Cong., 2 Sess., Part IV; and Congressional Record, 71 Cong., 2 Sess., 993-95.

CHAPTER V FINANCING THE ASSOCIATION

The activities of the Southern Tariff Association depended directly upon funds available for its work. Many measures were ineffectively carried out and other enterprises were quietly abandoned because of the lack of funds. Kirby admitted that many "plans were only tentative and dependent upon our ability to finance further activities," while Arnold conceded that "the uncertainty in receipts and expense of getting funds decreases our efficiency at least one half." ¹ Despite the uncertainty and cost of securing funds, the association managed to collect nearly \$1,600,000 in contributions from September, 1920, until its final demise in 1930. ²

Most of the income was brought in during periods in which there was pending tariff legislation, and was secured through

¹ Kirby to Ida Darden, October 20, 1921, Kirby Papers; Arnold to Kirby, April 28, 1921, *ibid.*

² Figure is based upon Audit Report, Southern Tariff Association, October 31, 1924, *ibid.*; Senate Report No. 43, 71 Cong., 2 Sess., Part IV; and financial records scattered throughout Kirby Papers.

pledges made at tariff congresses, personal solicitation through the use of field agents, letters sent through the mail, and by contributions from wealthy persons and estates. Because of the inadequate records and the multiple activities of the association, it is impossible to break down income into years and categories, but a few specific examples might serve to point up typical sources of revenue.

When questioned as to how the association secured operating funds, Arnold bluntly admitted that he "got money wherever I could get it." ³ The records of the association prove his point.

The chief source of income came from individual membership subscriptions and corporate donations to the tariff cause. Memberships to individuals were sold on a \$10-\$100 basis, while firms were requested to donate a specific amount based generally upon their proposed tariff benefits. The finance committee of the association, usually over Kirby's signature, sent letters with drafts attached recommending a particular industry to pay a specified amount.

In the case of the sulphur industry, for example, the finance committee assessed it \$5,000 a year, and three companies,

³ Quoted in New York Times, November 8, 1929.

Texas Gulf Sulphur, the Freeport Sulphur Company, and Iowa Limestone and Sulphur Company, each contributed one-third of the amount. ⁴

As president of the Southern Pine Association, Kirby "took the liberty of committing Southern lumbermen to a contribution of \$5,000" annually which he intended to collect by having "selected a few leaders of our industry from whom I am asking a contribution of from \$250.00 to \$500.00." ⁵ Kirby's appeal was directed toward a select group of some 200 lumbermen, whose response was by no means reluctant. One contributor, upon receipt of the form letter, replied that "if you are still short, we will double it." ⁶ Other industries, such as the window glass manufacturers, cattle industry, and dye industry, willingly contributed to the association's work. The Brownsville Window Glass Manufacturing Company of Brownsville, Pennsylvania, contributed \$2,000 a year, while Colonel Ike Pryor bound the Southwestern Live Stock Association to nearly \$5,000 a year.

Although these and other segments of the association gave considerable support, many industries did not. Writing

⁴ Walter H. Aldridge, President, Texas Gulf Sulphur Company, to Kirby, February 14, 1921, and Kirby to F. C. Riemann, November 1, 1920, Kirby Papers.

⁵ Kirby to Southern Pine Association Members, February 7, 1921, ibid.

⁶ Edward Hines to Kirby, February 14, 1921, ibid.

to W. S. Phillips of the Brownsville, Pennsylvania, window glass firm, Kirby lamented the fact that "other industries have not done so well and we are still lacking in funds." ⁷ The failure of rice and sugar associations in Louisiana to give substantial amounts in spite of their earlier interest caused Arnold to drop many of his activities in the area. Writing to Kirby from New Orleans, Arnold complained that it would "take a dollar to get a dollar" out of Louisiana industries. ⁸

As the tariff issue neared resolution in the spring of 1922, Kirby found that mail solicitations over his signature were no longer effective. Either because of unfavorable publicity, political suspicion concerning the association's motives, or slackening of the tariff issue in Congress, business and industry refused to vote funds for the association's work. Kirby continued to solicit for the association until 1929, but with visibly decreasing effectiveness.

Contributions and memberships were also solicited by field agents who canvassed the southern states. At first, the association relied upon its own officials, Kirby, Arnold, Vance Muse, and Ida Darden, to collect funds, but as the scope and size of the association increased, Arnold employed professional canvas-

⁷ Kirby to W. S. Phillips, February 25, 1921, ibid.

⁸ Arnold to Kirby, April 10, 1922, ibid.

sers to supplement income. C. C. Bennett, W. W. Webb, W. L. Rockwell, Prager Miller, and L. B. Jackson were examples of these agents who worked on a "50-50 basis." Speaking of one such agent, Arnold admitted, "I do not know Mr. Wilmot, in fact never met him, but he seems to be willing to take a chance and I think we will have to get him on a commission basis for soliciting funds if we get anywhere." 9

Using these methods of collection, the association received over \$103,486.95 from May 1, 1923, through October 31, 1924, and usually averaged over \$200,000.00 a year from 1921 through 1923. 10

After 1923, the funds of the Southern Tariff Association and the American Taxpayers League became so intertwined that it becomes difficult to separate revenues of the two organizations. Commenting upon this fact, W. D. Royston, a certified public accountant who audited the association's Houston records, observed that "the affairs of the two are so intermingled that it is impossible to determine their true status without taking the two as a whole." 11 The Caraway Committee, formed

9 Arnold to Kirby, August 26, 1921, ibid.

10 Audit Report, Southern Tariff Association, October 31, 1924, 11, ibid. The figure of \$200,000.00 is an estimate based upon the 1920-1923 financial records of the association, found in Kirby Papers.

11 Ibid., 4.

in the Senate in 1929 to investigate lobbying activities and lobbyists around Washington, D. C., concluded that "when the funds of the Tariff Association are low and those of the Tax-payers League are relatively abundant, the latter are drawn upon to meet the expenses of the first-named institution and vice versa, the account being adjusted later." 12

After the passage of the Fordney-McCumber Tariff Act in September, 1922, contributions to the association and the league changed significantly. While there was tariff legislation pending before Congress, organizations such as the sulphur companies, peanut and cotton growing associations, and lumbering, mineral, farming, and ranching associations generally supported the association with sizable contributions. With no tariff legislation and only the battle over the use of the flexible provision of the Fordney-McCumber Act to stir up excitement from 1924 until 1929, the association averaged an income of only \$50,000.00 a year. 13 Stimulated by the tax battles of the mid-twenties, however, league revenues increased to nearly \$250,000.00 a year.

From 1920 until 1922, most of the association's funds came from numerous small, diversified, affiliated industries. After

12 Senate Report No. 43, 71 Cong., 2 Sess., Part IV, 2.

13 Figures quoted in New York Times, November 1, 1929.

1922, these smaller contributors were replaced by subscribers representing larger companies and estates.

Under the names of the two organizations, Arnold and his workers collected for the years ending August 31, 1926, 1927, 1928, and 1929, the sums of \$217,638.77, \$246,118.64, \$240,400.06, and \$156,416.68, respectively, or a total of \$860,574.15. ¹⁴ Some of the more liberal annual contributors were: ¹⁵

Governor of Florida, 1929 only	\$2,050.75
Stone and Webster, Boston	2,000.00
Armour and Company, Chicago	1,500.00
Henry Veeder, Chicago	1,500.00
Insull Properties, Chicago	1,500.00
Otis and Company, Cleveland	1,250.00
Aluminum Company of America, Pittsburg	1,000.00
W. L. Mellon, Pittsburg	1,000.00

In addition, the following individuals or firms each gave one thousand dollars to the association from 1926 until 1929. ¹⁶

Westinghouse Air Brake Company, Pittsburg
O. P. and M. J. Van Swearingen, Cleveland
George S. Davison, Pittsburg
William Wrigley Jr., Chicago
Estate of P. A. B. Widener, Philadelphia
Crane Company, Chicago
Byllesby Engineering and Management
Corporation, Chicago
Colgate-Palmolive-Peet Company, Chicago

¹⁴ Figures quoted in Congressional Record, 71 Cong., 2 Sess., 993.

¹⁵ Ibid., 994.

¹⁶ Ibid.

Continental Illinois Bank and Trust
Company, Chicago
H. B. Rust, Pittsburg
Armstrong Cork Company, Pittsburg
Yount-Lee Oil Company, Beaumont, Texas
W. P. H. McFadden, Beaumont

There is also evidence to indicate that John J. Raskob, Lammont du Pont, Pierre du Pont, and Alfred P. Sloan contributed approximately \$5,000, \$3,000, \$5,000, and \$1,000, respectively, to affairs of the association and league annually after 1925. ¹⁷

While it is true that the Southern Tariff Association managed to secure large revenues in contributions and memberships, it is also true that it never managed to operate in the black. By the very nature of its work, the association spent to the limit, and as revenues increased, so did activities. As an organization which operated "for the public welfare," the association was never designed to be a profit making structure. By a combination of high expenses, bad accounting procedures, and unnecessary expenses, the association, from 1920 until 1923, usually operated at an annual deficit of around \$28,200. ¹⁸

¹⁷ See Seldes, 1000 Americans, 293-97; Report of Special Committee to Investigate Lobbying Activities, U. S. Senate, Digest of Data, 74 Cong., 2 Sess., and New York Times, November 7, 1929.

¹⁸ Figure obtained from Audit Report, Southern Tariff Association, October 31, 1924, Kirby Papers. The deficit was only a "paper" liability consisting almost entirely of salaries owed Arnold and expenses owed Kirby.

In expenses, the association spent approximately \$5,000 per month, of which \$1,000 was spent in securing contributions and "field organization work," \$1,500 was used for publicity, and \$2,500 for office expenses. ¹⁹ Included under office expenses were the salaries of Arnold and his office workers. The association agreed to pay Arnold a salary of \$1,000 per month plus traveling expenses, but it was seldom paid. As of October 31, 1924, the association owed Arnold 17 months back salary plus some \$7,878.68 in expense monies. ²⁰

Besides these expenses, the association usually advanced large sums to field agents in the form of salaries, travel expenses, and commissions. From May 1, 1923, until October 31, 1924, some \$40,807.90 was advanced for these expenses, with the major portions going to the following individuals: ²¹

¹⁹ Figures quoted in Arnold to Kirby, April 28, 1921, ibid.

²⁰ Figures quoted in Audit Report, Southern Tariff Association, October 31, 1924, ibid., 9. Senator John G. Blaine of Wisconsin, a member of the Caraway Committee, accused Arnold of keeping monies he had solicited in the association's name for himself instead of reporting them to Kirby or other officers. Blaine told Arnold the money "went into your own pockets." Arnold denied the charge. See Hearings Before the Subcommittee to Investigate Activities of Lobbying Associations and Lobbyists in and Around Washington, D. C., United States Senate Judiciary Committee, 71 Cong., 2 Sess., part IV; and New York Times, November 6, 1929.

²¹ Audit Report, Southern Tariff Association, October 31, 1924, ibid., 19. Arnold frequently accused Muse of padding his expense account, and made him refund \$250 to the association in 1921, and \$200 in 1922.

C. C. Bennett	\$ 8,467.51
Vance Muse	15,156.65
L. B. Jackson	1,796.00
W. L. Rockwell	2,252.14
W. F. Myrick	2,432.50
G. T. McElderry	3,608.00
J. A. Arnold	1,506.50
J. H. Mills	1,250.00

The association found that a tariff congress in a major city usually cost as much as \$11,458.60 and as little as \$490.16 to finance, depending upon the support given by local organizations, and that the pledges derived from the congresses, were sometimes little more than "stage money." ²²

Other expenditures appeared throughout the financial records of the association. In 1924, a memo of expenses appears compensating "a party to Ashville and return" for \$250.00. ²³ The association paid the expenses incurred in meetings of commissioners of agriculture in Florida in 1922, and for the expenses of a delegation of these same commissioners to Washington for an appearance before a Congressional committee. ²⁴

The association also hired special representatives to look out for its interests in the nation's capital. A. M. Loomis,

²² Complaining of the reluctance of firms and individuals to pay their pledges made at these local tariff congresses, Arnold wrote Kirby that "we have . . . found there is quite a difference between a conversation and a check." Arnold to Kirby, September 15, 1921, Kirby Papers.

²³ Audit Report, Southern Tariff Association, October 31, 1924, ibid., 16.

²⁴ Congressional Record, 71 Cong., 2 Sess., 994.

secretary of the National Dairy Union, was paid \$100 per month by the association for his work in maintaining contacts between members of the House and the Senate for the association. ²⁵ Some ex-Congressional representatives such as Joseph H. Eagle and Joseph Weldon Bailey were sometimes utilized for particular "jobs" in Washington. ²⁶

Besides mounting expenses and decreasing revenues, the Southern Tariff Association also suffered from lax accounting procedures. When auditing the association's records in 1924, W. D. Royston observed that funds collected for the association had not "passed through the hands of the Treasurer," and advised that he had been unable to find "any evidence of action by the Executive Committee authorizing such a change from the regular procedure." ²⁷ Royston concluded that "the results of the examination discloses the fact that the accounting affairs of the association have not had proper supervision.", and stated "the impossibility of a satisfactory audit of the affairs of the Association." ²⁸

²⁵ New York Times, November 8, 1929.

²⁶ Representative Eagle retired from Congress on March 4, 1921, and Kirby wanted to hire him as a full-time representative of the association for "about \$1,000.00 per month," but Arnold avoided making the contact. See Joe H. Eagle to Kirby, March 1, 1921, and Kirby to Vance Muse, February 23, 1921, Kirby Papers.

²⁷ Audit Report, Southern Tariff Association, October 31, 1924, ibid., 2, 3.

²⁸ Ibid., 4, 5.

While Arnold allowed his books in Washington to be audited annually, all evidences of his financial transactions were thereafter either stored or else destroyed, and only the auditor's report was preserved. His auditor, a certified public accountant, was convicted and sentenced for issuing a fraudulent certificate which stated the solvency of a corporation whose books he had examined. 29

The Caraway Committee accused the association of collecting funds, not for the public welfare, but for private uses. While the committee branded the association's operations as unethical, charges were never referred to the Justice Department as violating a specific law. The committee carefully examined Arnold's income tax statements, but did not find any irregularities under existing regulations.

The Caraway Committee's report and adverse publicity in eastern newspapers ended Arnold's waning influence in Washington. The investigation spurred a series of proposed laws to curb lobbyist activities and to control their influence, but the only legislative result was a bill requiring lobbyists in Washington to register. Senator Hiram Bingham of Connecticut was officially censured by the Senate for his employment of Charles Eyanson, but since Senator Gooding was dead, nothing

29 Congressional Record, 71 Cong., 2 Sess., 993.

was done involving his employment of Arnold as a tariff lobbyist.

After the Senate report, Arnold resigned as secretary of the tariff association, but Kirby, at a hastily called conference in Washington, refused to accept the resignation. Arnold remained with the association until 1931, when Kirby and Muse broke with him over his handling of association finances. Arnold left Washington in 1931 and went to Chicago, Illinois, where he continued the work of the taxpayers league. Ida Darden joined him in 1932. The Southern Tariff Association, more a convenience than a reality since 1922, ended with the split between Kirby and Arnold. Its name was not revived.

In 1941, Arnold changed the name of the taxpayers league to the Western Tax Council, whose purpose was to fight the sixteenth (income tax) amendment. Arnold died in Chicago in 1948.

Along with Joseph R. Grundy of the Pennsylvania Manufacturers Association and Charles L. Eyanson of the Connecticut Manufacturers Association, Arnold was known as the characteristic lobbyist of the twenties. His name became a symbol for injurious lobbying, and, as late as 1937, he was referred to by Fiorello La Guardia as "the evil Arnold."

CHART III
TYPICAL ANNUAL CONTRIBUTIONS TO
SOUTHERN TARIFF ASSOCIATION-
AMERICAN TAXPAYERS LEAGUE 1926-1929*

NAME OF CONTRIBUTOR	AMOUNT	CITY
Lee, Higginson & Co.	\$ 250.00	Chicago, Illinois
Estate of Henry Failing	200.00	Portland, Oregon
The Nash Motors Co.	500.00	Kenosha, Wisconsin
The Pure Oil Co.	500.00	Chicago, Illinois
Fenner and Beane	100.00	New Orleans, Louisiana
Chrysler Corp.	100.00	Bernadillo, New Mexico
Joseph R. Grundy	10.00	Bristol, Pennsylvania
The Crosley Radio Corp.	100.00	Cincinatti, Ohio
K. C. South. Ry. Co.	250.00	New York, New York
Old Colony Trust Co.	500.00	Boston, Massachusetts
Pennsylvania Mutual Life Insurance Co.	500.00	Philadelphia, Penn.
Theo. Hamm Brewing Co.	100.00	St. Paul, Minnesota
Pet Milk Co.	100.00	St. Louis, Missouri
Maytag Co.	250.00	Newton, Iowa
John W. Blodgett	500.00	Grand Rapids, Michigan
Kellogg Co.	300.00	Battle Creek, Michigan
Edison Electric of Boston Illuminating Co.	500.00	Boston, Massachusetts
Quaker Oats	300.00	Chicago, Illinois
State of Florida (Governor)	2,050.75	Tallahassee, Florida
Timken Roller Bearing Co.	400.00	Canton, Ohio
Southern Pacific Land Co.	750.00	San Francisco, Calif.
The Hoover Co.	500.00	North Canton, Ohio

* Data taken from Congressional Record, 71 Cong., 2 Sess., 995-96.

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Manuscripts and Manuscript Collections

The major portion of this work has been drawn from the selected records of the Southern Tariff Association covering the period 1920 through 1928. These records included four volumes of copies of correspondence, letters and telegrams, between the parties involved in association affairs during this period. In addition, memorial petitions to Congress, tariff congress reports, annual activity reports, audit statements, and selected newspaper clippings are found scattered throughout the records. Over 1800 documents are contained in these files, and not only were they rewarding in researching important economic and political details of this study, but in revealing the internal organization and politics of business groups of the times.

These records are a part of the John H. Kirby Papers, a manuscript collection of the Texas Gulf Coast Historical Association which is housed in the M. D. Anderson Library, University of Houston, Houston, Texas.

Government Publications

The 1929 investigation of the Southern Tariff Association as a lobbyist organization is found in Hearings Before A Subcommittee of the Committee on the Judiciary, United States Senate, 71 Congress, 2 Session, pursuant to Senate Resolution 20, in four volumes, Washington, 1931. The subcommittee furnished the Senate with periodic reports which consisted mainly of angry discussions of particularly notorious or free-spending lobbyists or associations. The report presented to the Senate on the Southern Tariff Association and James A. Arnold is contained in Senate Report No. 43, 71 Congress, 2 Session, part 4, Washington, 1931. Although substantially correct, this report contains slight errors and some misrepresentations. These errors are discussed in chapter four of this study. The investigation dragged on for nearly two years, and the subcommittee never submitted a final report.

The Congressional Record for December, 1920, through December, 1931, furnished useful background material on the tariff issue of the decade. Arguments for both a protective and competitive tariff are given in great detail, as are valuable statistics, political views, and voting records.

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Newspapers

The Houston newspapers during this period were not particularly helpful as to the detailed story of the association's operations. Both the Houston Post and Houston Chronicle were general in coverage, dwelling mainly on the colorful personality of John Henry Kirby. The Baltimore Manufacturers Record and the Fort Worth Star-Telegram furnished detailed coverage on the association's tariff congresses, political actions, and hearings before Congressional committees. The pages of the New York Times not only carried

valuable details about the careers of James A. Arnold, Vance Muse, and John Henry Kirby, but also gave editorials offering insights into the running tariff debate in Congress.

SECONDARY MATERIALS

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Duane F. Guy's "The Influence of Agriculture on the Tariff Act of 1930" unpublished PhD. thesis, Kansas University, 1964, traces the origins of the 1930 tariff act to the Emergency Act of 1921 and the Fordney-McCumber Bill of 1922, and is helpful in assessing the importance of agricultural influences throughout tariff legislation of the decade.

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twenties, the National Association of Manufacturers, is given in James W. Prothro's The Dollar Decade: A Study of Business Ideas in the 1920's. Baton Rouge, 1954, while E. E. Schattschneider's Politics, Pressures and the Tariff. New York, 1935, gives a hostile account of the influence of lobbyists and lobby organizations upon the process of tariff making.

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