

## Dollars for Dixie

Organized in 1933, the Southern States Industrial Council's (SSIC) adherence to the South as a unique political and economic entity limited its members' ability to forge political coalitions against the New Deal. The SSIC's commitment to regional preferences, however, transformed and incorporated conservative thought in the post-World War II era, ultimately complementing the emerging conservative movement in the 1940s and 1950s. In response to New Dealers' attempts to remake the southern economy, the New South industrialists – heirs of C. Vann Woodward's "new men" of the New South – effectively fused cultural traditionalism and free market economics into a brand of southern free enterprise that shaped the region's reputation and political culture. *Dollars for Dixie* demonstrates how the South emerged from this refashioning and became a key player in the modern conservative movement, with new ideas regarding free market capitalism, conservative fiscal policy, and limited bureaucracy.

Katherine Rye Jewell is Assistant Professor of History at Fitchburg State University.

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# Dollars for Dixie

## *Business and the Transformation of Conservatism in the Twentieth Century*

KATHERINE RYE JEWELL

*Fitchburg State University*



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*For Mrs. B. K. Hall*

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## Preface

The Lebanon Woolen Mill employed generations of my family. Founded in 1906 in middle Tennessee, it lured residents of surrounding Wilson County, who traveled to the larger town in search of work when times got hard. My great-grandfather was one of those. He lost his hand in his mobile steam-powered sawmill in 1921 and moved the Jewell family from a nearby rural hamlet to seek employment in Lebanon. My grandfather dropped out of high school in 1931 to help the family make ends meet. He found a job in the mill's spinning room, where raw wool became yarn for the blankets produced at the plant on the outskirts of Lebanon's town center. In the 1940s, my great-aunt Bettye Kate became the mill's office manager, a job she held for more than forty years. My father did his stints as a mill employee: at age twelve he mowed Howard K. Edgerton's lawn, who was then the mill's president and the founders' son and nephew; during summers in high school and while a student at Vanderbilt University he ran rewinder machines and hauled bales of wool.

Lebanon changed dramatically over these years, despite the mill's continued presence in the town's economic life. More plants came to the city, including Luxe Timepieces and Hartmann Luggage. Grateful for Luxe's decision to locate a plant there, city officials allowed the company to set up production in the high school gymnasium while awaiting completion of a permanent plant. Yet the service economy began to rival industry as the main source of employment in middle Tennessee, as elsewhere in the South. As a child in the 1980s and 1990s, I watched Lebanon transform, its town square atrophy, and business activity move to the big box stores and fast food chains near the interstate highway exit. As



a student at Vanderbilt, one of my professors, David Carlton, told me of John Edgerton, one of the brothers who founded the Lebanon Woolen Mill. Edgerton, whose nephew's lawn my father had mowed, served not only as president of the National Association of Manufacturers (NAM) in the 1920s but also founded an organization that promoted the South's industrial economy and conservative economic policy: the Southern States Industrial Council (SSIC). I thus became interested in how the mill and its founders had disappeared from local memory. Lebanon's local economic history jumps from the once famed Mule Day to the outlet mall by I-40; few testaments to its industrial past remain.

The statue of a local Civil War general anchors the crumbling central square, which is populated by antique markets and empty storefronts, a hollow echo of the square's past civic activity and commerce. This quintessential square, featured as Miranda Lambert's backdrop in her 2007 country music video, "Famous in a Small Town," evokes images of simpler times and places, but it masks the economic transformation and continued challenges faced by Lebanon and places like it.<sup>1</sup>

The family that in 1906 established one of Lebanon's most prominent businesses, the Lebanon Woolen Mill, and ran it for more than seventy years, the Edgertons, is no longer famous in this (now large) town. John Edgerton had surveyed his native South for opportune sites for investment. Native North Carolinians, he and his brother chose Lebanon because of its access to wool. While running the mill, John emerged as a spokesman for welfare capitalism, mill-village paternalism, and anti-unionism, and he became NAM president in 1922.<sup>2</sup>

<sup>1</sup> Miranda Lambert, "Famous in a Small Town," *Crazy Ex-Girlfriend*, Columbia Nashville, 2007. Music Video. Dir., Travis Howard (Sony BMG Entertainment, 2007). YouTube video, 4:01, posted by mirandalambertVEVO, [www.youtube.com/watch?v=xjy6EuMPGA](http://www.youtube.com/watch?v=xjy6EuMPGA).

<sup>2</sup> George Tindall, *The Emergence of the New South, 1913-1945* (Baton Rouge: Louisiana State University Press, 1967) 71, 109. Edgerton served on the Food Administration under Herbert Hoover in World War I and as chairman for the European Relief Committee's Tennessee chapter; Edgerton communicated with Hoover during his tenure as Secretary of Commerce regarding economic conditions. As president of NAM, Edgerton coordinated several committees to work with the government regarding business and industry. When Hoover became president, Edgerton contributed to the Reconstruction Finance Conference and sat on the National Re-Employment Committee. John Edgerton to Herbert Hoover, 19 March 1921; Herbert Hoover to John Edgerton, 24 September 1926; Box 185, Commerce Papers, Herbert Hoover Papers, Herbert Hoover Presidential Library, West Branch, IA (Hereafter cited as Hoover Papers; Hoover Library). See also materials related to Edgerton in Hoover Presidential Papers-Secretary's File, Box 543; President's Personal File, Box 80; Campaign & Transition Correspondence, Box 20. Angela K. Smith, "John Emmett Edgerton," *Tennessee Encyclopedia of History and Culture Online*, University of Tennessee Knoxville, 2010, <http://tennesseencyclopedia.net>.

No statue of the mill's founder resides in the city square next to that of the Civil War general. The woolen mill is quiet. It is the site of an occasional wedding or business venture, devoid of the whirring machines that shaped the lives of so many. Few Lebanon residents remember that such a mill ever existed, let alone those county boosters and mill owners who built it, promising to use the profits to construct a hospital, improve public health, and process the area's raw materials. The sheep, which grazed the surrounding rocky hills that were unsuitable for cash crops and large-scale agriculture, no longer dot the landscape or provide the wool the factory once spun and wove into blankets. The town's southern identity is defined less by the industrial life that had dominated for a century than by the Cracker Barrel country store (the sign of which features a real person, "Uncle" Hershel, who was one of my grandfather's fishing buddies).

Today, in the early twenty-first century, Lebanon, a community of around 25,000 residents, is a bedroom town for commuters to booming Nashville and is also the destination for residents of the surrounding hills who come to shop at the large Wal-Mart or to work in the town's remaining manufacturing establishments. The area's most prominent products are not the woolen blankets, suitcases, or gears that used to be churned out from local mills. Instead, Lebanon's most visible exports are the roadside Cracker Barrel restaurants.<sup>3</sup>

In 1969, a group of Lebanon businessmen founded Cracker Barrel. Decorated with antiques and old photos, the restaurants boast home-style cooking and, in adjoining stores, sell kitschy knick-knacks, most of which are "Made in China." Cracker Barrel's corporate headquarters reside on Hartmann Drive in Lebanon, named for Hartmann Luggage, which has since closed its area manufacturing facilities and been acquired by Samsonite, leaving only an outlet store selling the leather goods. Cracker Barrel stores sell a different version of the South's economic history, eliding the manufacturing that shaped communities like the restaurant chain's home base.<sup>4</sup>

<sup>3</sup> Towns like Lebanon and cities like nearby Nashville have, for more than a century, lured rural migrants, and linked the industrial capitalism of urban spaces to the agricultural countryside. See Louis Kyriakouides, *The Social Origins of the Urban South: Race, Gender, and Migration in Nashville and Middle Tennessee, 1890–1930* (Chapel Hill: University of North Carolina Press, 2003).

<sup>4</sup> For the service economy's rise in the South, particularly Wal-Mart, and its links to the southern and Ozark culture, see Bethany Moreton, *To Serve God and Wal-Mart: The Making of Christian Free Enterprise* (Cambridge, MA: Harvard University Press, 2009). Recent scholars have examined the mythical South, particularly its commodification, but questions regarding southern identity have been a frequent topic among southern historians and regional observers for some time. W. J. Cash, *The Mind of the South* (reprt.,

The marketing of ambiguously regional nostalgia has not solved the town's mixed manufacturing fortunes. Multinational corporations move in and out from the industrial parks at the edge of town, lured by short-term tax breaks, cheap labor, and an antiunion climate. In 2009, Dell Computer sold its recently built plant in the area after having received \$800,000 in tax breaks to locate there. Lebanon's economic patterns are shaped more by shifts in global capital and markets than by the developmental strategies of homegrown industrial elites. Workers at the Dell plant received management and production directives from distant corporate managers. Lebanon's identity as a southern town is more a matter of nostalgia than of economic structure and business ownership.<sup>5</sup>

This book thus has two origins. First, it emerged from my inquiry into how economic changes transformed the city of Lebanon, and my family's livelihoods with it. Yet this book is about more than the influence of this one town; it is about the role that New South industrialists played in reshaping southern politics and notions of regional identity in the New Deal and post-World War II eras. And so, second, this book is driven by an intellectual question that developed as I pursued my research on the SSIC. How does an organization, which begins as an entity to *protect* southern business from national economic norms, become an *advocate* of national values and in the process reenvision the region's place and significance within the nation?

I first wrote about the SSIC in a seminar paper for Lou Ferleger in 2004. I am indebted to Lou for his guidance, encouragement, and support. Lou has an uncanny ability to identify the crux of a problem or

1941, Garden City: Doubleday, 1954); John Egerton, *Americanization of Dixie: The Southernization of America* (New York: Harper's Magazine Press, 1974); Fifteen Southerners, *Why The South Will Survive* (Athens: University of Georgia Press, 1981); Dewey Grantham, *The South in Modern America: A Region at Odds* (New York: Harper Collins Publishers, 1994); John Shelton Reed, *Minding the South* (Columbia: University of Missouri Press, 2003); James C. Cobb, *Away Down South: A History of Southern Identity* (New York: Oxford University Press, 2005); Karen Cox, *Dreaming of Dixie: How the South Was Created in American Popular Culture* (Chapel Hill: University of North Carolina Press, 2011). Recent books have examined southern foodways. Scholars note how Cracker Barrel promotes racialized and cultural notions of regional fare. See Angela Jill Cooley, *To Live and Dine in Dixie: The Evolution of Urban Food Culture in the Jim Crow South* (Athens: University of Georgia Press, 2015); Marcie Cohen Ferris, *The Edible South: The Power of Food in an American Region* (Chapel Hill: University of North Carolina Press, 2014); David Shields, *Southern Provisions: The Creation and Survival of a Cuisine* (Chicago: University of Chicago Press, 2015).

<sup>5</sup> "Dell Sells Tennessee Remanufacturing to GENCO" Press Release, Dell Computers, 16 July 2009. [www.dell.com/learn/us/en/uscorp1/secure/2009-07-16-dell-sells-tennessee-remanufacturing](http://www.dell.com/learn/us/en/uscorp1/secure/2009-07-16-dell-sells-tennessee-remanufacturing).

*Preface*

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argument, and I have benefited tremendously from his insights. Bruce Schulman tolerated my bad music binges when I had the office next to his, which alone should be testament to his patience and kindness, but I am most grateful for his generosity, advice, and mentorship, all of which shaped me as a scholar and a person. Some of my fondest memories of the weeks I spent at the Tennessee State Library were the evenings with my undergraduate professor, David Carlton, at Bongo Java discussing freight rates and smokestacks. Not only did David set me on the path to study the SSIC; he has inspired me consistently to pursue rigor and depth in my scholarship and teaching, and I am lucky to be able to call him a friend. Hugh Davis Graham moved me to add a History to my already-declared Anthropology major. I am honored to have had him as an advisor, and he is missed.

I am grateful to many for guidance and scholarly and personal advice. I'm indebted to the other members of my dissertation committee, Jon Roberts and Sarah Phillips, whose comments and questions sharpened my thinking and directed the revisions that would culminate in this book. I received invaluable mentoring, both personal and professional, from Nina Silber, Julian Zelizer, Robyn Metcalfe, John Thornton, and Linda Heywood.

This project would not have been possible without the patient advice of series editor David Moltke-Hansen. I'm grateful to the series editors, to Lew Bateman for his guidance through the publication process, and to the anonymous readers whose thoughtful comments guided my additional research and writing.

The History Department at Boston University provided travel and dissertation completion funding for the foundational research that would lead to this book. I also received tremendous assistance from the archives and libraries consulted throughout this project, including the Tennessee State Library and Archives and the archivists there, Shaun Hayes at the American Heritage Center at the University of Wyoming, the librarians at the University of Alabama, University of Virginia, Vanderbilt, UNC-Chapel Hill, the Birmingham Public Library, and the other facilities I frequented and contacted in the process of this research.

I received invaluable editorial assistance from Sarah Gallick, Carolyn Richardson, and Mary Hansen. Several people read the entire manuscript, or individual chapters, at various stages and listened as I parsed various arguments, passages, and ideas along the way. My thanks especially to Ellen Wald, Joe Jewell, and Kristen Miller. I have benefited from the advice and support of others who have read chapters

at various stages of this project, including Elizabeth Tandy Shermer, Michael Bowen, Katie Cramer Brownell, Thomas Underwood, Jay Langdale, III, David Svolba, Scott Huffard, Daniel Burge, Lisa Hurley, David Mislin, David Atkinson, Lily Geismer, Julia Azari, and Patricia Arend. In the case of conference papers I presented on this topic, commenters provided insightful advice that shaped the revisions. Among them were Gavin Wright, Richard Follett, Kari Frederickson, Joseph Crespino, and Sven Beckert. I am also grateful to the scholars affiliated with OSSECS (formerly SIP), who have guided me professionally and offered camaraderie and advice along the way. Jane Xiang and Audrey Girouard helped me hone the data and evaluate the geographic contours of SSIC membership.

Scholarly projects are indeed the makings of a village, and mine has some marvelous residents, including Stephen Perkins-Argueta, D. J. Cash, Anne Blaschke, Zack Smith, Francois Lalonde, Scott Marr, and at Fitchburg State, Christine Dee, Ben Lieberman, Rod Christy, Sean Goodlett, Eric Budd, Paul Weizer, Kisha Tracy, and many others.

But of course, we do not live for books alone, although perhaps in my family they constitute a rather large portion of our waking hours. I have grown up surrounded by big questions, intellectual and artistic curiosity, and discussions around the dinner table regarding titles, plots, writing techniques, and the pursuit of craft and story. The instigators of these are my parents, Carla and Joe, who also treated me as an equal in political debates from the time I could talk, and I owe everything to them. I look forward to seeing the continued growth of three other works that I produced while writing this book. Leo arrived shortly after completing chapter three of the dissertation, Oona just weeks after submitting my manuscript for review, and Niamh was so kind as to be a week late so I could finish my index. And to the one who fixes things, asks me hard questions, and is my companion and true love, Conor – you're simply the best.

## Abbreviations

AAA	Agricultural Adjustment Act
ACMA	American Cotton Manufacturers Association
AFL	American Federation of Labor
CIO	Congress of Industrial Organizations
CTI	Cotton Textile Institute
FEE	Foundation for Economic Education
FEPC	Fair Employment Practices Commission
FLSA	Fair Labor Standards Act of 1938
GATT	General Agreement on Trade and Tariffs
ICC	Interstate Commerce Commission
NAFTA	North Atlantic Free Trade Agreement
NAM	National Association of Manufacturers
NIRA	National Industrial Recovery Act of 1933
NLB	National Labor Board (under the NIRA)
NLRA	National Labor Relations Act of 1935, also referred to as the Wagner Act
NLRB	National Labor Relations Board
NRA	National Recovery Administration
SCHW	Southern Conference for Human Welfare
SGC	Southern Governors Conference
SSIC	Southern States Industrial Council
SWPC	Smaller War Plants Corporation
TVA	Tennessee Valley Authority
UMW	United Mine Workers
USBIC	United States Business and Industrial Council
UTW	United Textile Workers
WPA	Works Progress Administration