ADDRESS
BY THE
HONORABLE CORDELL HULL
SECRETARY OF STATE
UPON RECEIVING THE
WOODROW WILSON MEDAL

NEW YORK CITY, APRIL 5, 1937

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ADDRESS BY THE HONORABLE CORDELL HULL, UPON RECEIVING THE WOODROW WILSON MEDAL

MR. CHAIRMAN, LADIES AND GENTLEMEN: I was deeply moved when I was informed that the directors of the Woodrow Wilson Foundation had decided to confer upon me the foundation's medal, and to cite my efforts to bring about a lowering of international economic barriers as the reason for the award. I accept the honor with heartfelt gratitude. It evokes in me many memories of the long years during which the problem of improvement in the economic relations among the nations has been of absorbing interest to me.

Among these memories, none is more vivid than that of the eighth day of January 1918, on which the ideal of economic peace among the nations received the formal championship of one of the greatest statesmen our country has ever produced. It was on that day that Woodrow Wilson laid before the world his historic peace program, point 3 of which called for "the removal, so far as possible, of all economic barriers and the establishment of an equality of trade conditions among all nations consenting to the peace and associating themselves for its maintenance."

I well recall the gratification and joy which this clear-sighted appeal to constructive statesmanship aroused in those of us who, like myself, had watched the developments of the war years with a heart growing ever heavier and more despondent.

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1 Delivered by the Honorable Cordell Hull, Secretary of State, upon receiving the Woodrow Wilson Medal, awarded by the Woodrow Wilson Foundation, at the Biltmore Hotel, New York City, Apr. 5, 1937, at 9:30 p.m.

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President Wilson’s call was addressed alike to our friends and to our foes in the stupendous conflict in which nearly the whole civilized world was engaged at that time. On both sides of the battle front, plans had been perfected for an indefinite continuation of warfare in the sphere of economic relations after the cessation of armed hostilities. The politico-military alliances, the lines of which had been drawn so sharply for the all-embracing purposes of the war, were to be perpetuated in the form of economic alliances. The world was to continue to be divided into hostile camps, with economic obstacles and the multiforms forms of inequality and discrimination in commercial treatment as the weapons of warfare. It was against this “war after the war” that President Wilson raised his powerful voice.

The emotional welter which dominated the transition to political peace obscured in some measure the clarity of vision which Wilson sought to inject into the task of rebuilding the war-shattered world. It is true that the victorious Allies discarded, at the Paris Peace Conference, most of the basic ideas of a special economic alliance upon the creation of which they had agreed among themselves in 1916. So much was salvaged for sound statesmanship. But in the treaties of peace provisions were inscribed which subjected Germany and her allies to unequal treatment in commercial matters for varying periods. It was not until the beginning of 1925 that equality in commercial matters was restored as between the victors and the vanquished in the World War.

Unfortunately, this latter development, so heartening in itself, served as a signal for an increase, rather than decrease, of trade barriers. During the early post-war years, tariffs and other obstacles to international commerce were rising in nearly all countries whose freedom of action was untrammeled in this respect by the treaties of peace. As the defeated coun-
tries of central Europe reacquired freedom in commercial matters, they, too, plunged into the race for extremes of restrictive action.

So widespread and so alarming did this race become that enlightened statesmen in many countries began to exert their influence in the direction of some effort to halt its headlong career. Before the end of 1925, a movement was launched on a world scale for the liberation of international trade from the excesses of the ever-growing restrictions which threatened it more and more with complete stranguation. This movement culminated in the convocation of a World Economic Conference, which met at Geneva in 1927.

The Conference surveyed the sorry plight into which international economic relations were being plunged deeper and deeper. It recommended to the governments the imperative need of reversing the direction of their policy and action in the sphere of commerce.

For a short time thereafter the outlook brightened sufficiently to arouse hope. There was a noticeable retardation of restrictive action and even some movement in the opposite direction. But this improvement was all too soon overwhelmed by a new and sharp reversal of trend, to which our country, unfortunately, made the largest single contribution.

Immediately following our national election of 1928, the dominant political and economic forces in this country embarked upon a drastic upward revision of our tariff rates and an extension of other trade restrictions. This process was continued through the year 1929 and the early part of 1930. It served as a signal which unleashed the forces of extreme protectionism all over the world.

The years which followed, the years of ever-spreadining and ever-deepening depression, were characterized by an uninterrupted growth of barriers to trade. The exigencies of the unprecedented economic upheaval—panic, desperation, short-sighted attempts at defending narrowly
conceived national interests, retaliation and counterretaliation—all these combined to create as tangled a network of trade restrictions, and as large a measure of discrimination in commercial policy, as the world has ever seen in times of peace.

That “war after the war”, which had smoldered ominously during the first decade of renewed political peace, finally burst upon us in all its fury. It differed from the pattern of international economic hostility which had been devised in the days of the world conflict in that it did not involve the creation of mutually hostile economic alliances. But its scope was even more widespread and its destructiveness far more deadly.

Opinions may diverge as to the extent to which failure to adopt sane and constructive policies in the economic relations among the nations was responsible for the onslaught of the great depression. Personally, I am convinced that it was the most important single cause of the holocaust. However that may be, once the depression had assumed the scope and the character which it did assume, the conclusion became inescapable that there was no hope of full and lasting recovery unless peace succeeded war in international economic relations.

It was acting upon this conclusion that our Nation, after the lapse of more than a decade, assumed once more the responsibility for providing its fair share of leadership in a world movement for economic peace—as an essential foundation of international political stability, as well as of economic well-being within nations. We placed on our statute books the Trade Agreements Act of 1934 and inaugurated, under the authority of that act, a comprehensive program of negotiation for the purpose of rebuilding our foreign commerce and international trade in general through a liberalization of commercial policy everywhere. We made a standing offer to each and every nation to go as far as may be practicable and mutually profitable in reducing in its favor our barriers to trade and to extend to it full equality of treatment in commercial matters—provided it was willing to deal with us in the same spirit and to act toward us in the same manner.

For nearly 3 years we have pursued this policy with vigor and sincerity. The response of others to our initiative has been most gratifying. We have concluded 16 trade agreements. The mutual benefits conferred by these agreements—through reciprocal relaxation of trade barriers, through removal of discriminations, and through expansion of trade—are a matter of public record.

Equally of public record are many other manifestations of improvement in international economic relations. Responsible statesmen and leaders of business and of public opinion in many countries are more and more giving utterance to the idea that the removal of excessive trade barriers and the establishment of fair dealing and of equality of treatment in international commercial relations are indispensable to the welfare of all nations. The representatives of the 21 American republics, meeting at Buenos Aires last December, were unanimous and emphatic in recommending to their governments the imperative need of reducing barriers to trade and of abolishing unfair and discriminatory practices in commercial relations. Instances of efforts to translate these realizations into concrete action multiply in many quarters.

As 10 years ago, there is again a brightening of outlook and a new hope. Unfortunately, there are also today in the world other and discordant tendencies.

The problem of removal of trade barriers is much more difficult than it was in 1927. The years of the depression created obstructions to trade and brought about impairment of friendliness and fair dealing in commercial relations
of such scope and destructiveness as would not have appeared possible even a short time ago. As a result, the volume of international commerce has been drastically curtailed, and a large portion of what remained has been arbitrarily diverted away from channels of economic advantage. The task of correcting these artificial shifts and of repairing the damages of the economic war is, indeed, one of enormous magnitude.

Moreover, the situation today is complicated by many new factors, some of them constituting direct repercussions of the long period of intense economic hostility. During the past few years there has been, in many parts of the world, an alarming deterioration of all essential international relationships. Solemn obligations among nations have been set aside with a light heart. International law has been breached and flouted.

Animosities and resentment in the sphere of commercial and financial relations, and economic aggression and retaliation which they have provoked, must bear an important share of responsibility for the depth of economic distress into which some nations have been plunged. Out of such distress springs temptation to seek a greater measure of self-sufficiency by force of arms.

We have witnessed the spectacle of some nations, already in the throes of economic poverty, straining their meager resources for the creation of unprecedented armaments. We have seen other nations drawn into the suicidal race. The construction of armaments on so vast a scale gives the impression of intensive economic activity. But that activity is like the unhealthy flush of fever. It destroys rather than builds. It sows the seeds of disaster, either in the form of a military explosion or of an economic collapse.

There is only one way to avert this impending doom. It is for the nations which today bend their major effort toward prepara-

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