

Paving the Way for Progress: The Governorship of Austin Peay



Photograph courtesy of Tennessee State Library and Archives.

As late as the early 1920s, Tennessee had largely failed to move into the modern era, waging a constant, and often bitter, battle between continuity and change. Decades of waste and inefficiency created by the broken and sprawling state government had thrown Tennessee into a headlong financial tailspin, accruing over three million dollars in debt. The Nashville bureaucracy was characterized by cronyism, retarding the growth of the highway system that was desperately needed in a state that had only 244 miles of paved state roads and few bridges. While education had been improved slightly by such governors as James B. Frazier and Malcolm Patterson, Tennessee continued to lag far behind national standards. Few rural legislators thought it affordable, thanks in large part to the state's antiquated tax system which continued to place an unfair burden on these communities, to establish elementary schools in every county. Moreover, the gap in training and pay between rural and city teachers was forever widening, creating an unbalanced education system. To address these issues, Tennesseans would elect the son of a Confederate Civil War Veteran, Austin Peay. As governor of Tennessee from 1923 until 1927, Peay worked to reorganize and reform the state government and its policies, establish working road and education systems, and pave the way for the modern era in Tennessee by designating Reelfoot Lake a state wildlife preserve and setting into motion the creation of the Great Smoky Mountains National Park.

Although born and educated in Kentucky, Peay moved to Clarksville, Tennessee, after his marriage to Sally Hurst in 1895.¹ After six years of maintaining a successful law practice in Clarksville, Peay was elected to the Tennessee House of Representatives, where he served two terms.² Peay's two terms in state government allowed him to gain valuable political experience while serving as the chairman of the Democratic state executive committee. In 1908, Peay managed the gubernatorial campaign of the victorious Malcolm Patterson. Perhaps most importantly for his future political career, Peay returned to his law practice after 1908, avoiding the controversy of Prohibition.³ Although Peay's first race for the governorship in 1918 proved

unsuccessful, with the state's worsening financial situation and the backing of progressive businessmen, Peay ran again for governor in 1922, this time emerging victorious. That Peay was to many dull and stiff, dressing in black and lecturing those who came to see him on the state's dire situation, did not hurt him; for the people of Tennessee, it was the right time for reform.⁴

In his inaugural address of January 16, 1923, Peay asserted that the people of Tennessee were "tired of selfish wrangling and small politics."⁵ Peay's first step in reforming the state came at the government level. The governor's first legislative address called for the "reorganization of the administrative system looking to economy and efficiency."⁶ He asserted that "our government is functioning through 64 organizations. There are 37 boards, and 27 departments. A number of these are collecting and disbursing state revenues. They work under independent control, and without coordination."⁷ This waste and inefficiency, a leading cause the state's outstanding debt, was corrected by Peay's Administrative Reorganization Act of 1923. Related governmental activities were combined into eight departments, each headed by individuals who reported directly to the governor. Not only did this new system eliminate waste and cronyism while setting the state on the path to reform, it placed greater power in the hands of the governor, making Peay the most powerful governor in decades.

In his first term as governor, Peay not only tackled governmental reorganization, he sought to create ways to eradicate the state debt. While the Administrative Reorganization Act of 1923 furthered this cause by finally forcing the state government to live within its means, Peay also worked tirelessly to create a complete state budget.⁸ Moreover, Peay worked to fix Tennessee's antiquated tax system. Tennessee's tax system remained dependent on the property tax for revenue, a practice held over from earlier times when "most taxable wealth was in land."⁹ The state had failed to modernize, refusing to tax business and industry equally. According to Peay, Tennessee's landowners were being taxed unfairly, and Tennessee's producers "who feed and clothe humanity are unduly feeling the grip of government, and its weight is resting too heavily upon them."¹⁰ Increasingly the champion of the rural community, Peay reduced land taxes while taxing business profits for the first time in the state's history. Through these and similar measures, Peay was not only able to eradicate the state debt, but his measures eventually created a surplus in state funds of over one million dollars.

Elected to a second term in 1925, Peay continued to address his campaign promises, one of which was the creation of a more extensive state road network. One of the eight consolidated government departments became the Highway Department. Before its reorganization, the department that oversaw road construction had been headed by three representatives, one from each of Tennessee's three grand divisions. Seeking personal interest and gain over the welfare of the state, these individuals created paved roadways and internal improvements that generally only benefited their local interests. However, Peay recognized that the automobile was "a recent thing but it has revolutionized transportation and it will never be discarded."¹¹ However, even into his governorship, Tennessee lacked an adequate road network to support automobile traffic extensively. A largely civilian led, and government supported, movement, the Good Roads

Movement, was created in an effort to accomplish this goal. Instead of using bonds, which he feared would cause the state further financial trouble, Peay instituted a statewide gasoline tax of two cents per gallon, although this was later increased to three cents. Peay also created a tax on automobile registrations. In this way, the individuals who used the roads paid for their construction.¹² By the time of his death in 1927, good road mileage in Tennessee had increased from 244 miles to over 4,000 miles of paved state roads, ushering in greater trade and, eventually, tourism.

In his legislative message on January 6, 1925, Peay asserted that “children must be educated. Poverty is no crime in this country... The American child needs no inheritance of wealth, nor station to reach success in life. He does need, and he is entitled to be free from the handicap of ignorance.”¹³ By 1925, many counties lacked even elementary education, not to mention secondary education. The disparities between the city and rural schools were vast. While roughly 21% of teachers in Tennessee’s cities held professional certificates, only 5% of rural teachers did so. Moreover, rural teachers earned approximately \$460 less per annum than did their city counterparts.¹⁴ In an effort to curb such disparities, the General Education Law of 1925 was passed. This law provided state funding that helped create an eight month school term. Also, teacher pay was equalized and licensing became standardized. Peay also felt it pertinent that each county have an elementary school. Although rural legislators initially balked at the idea, finding it too expensive, Peay accomplished this goal by passing a tobacco tax, a tax upon sold tobacco products, not the farmers themselves. Peay also increased funding for the University of Tennessee and encouraged the growth of the agricultural sciences within the state.

Interestingly, one of the few blots on Peay’s gubernatorial record is associated with education, a field he strove to enhance. In 1925, the Tennessee legislature passed the Butler Bill, outlawing the teaching of any creation theory that did not subscribe to the divine creation. Specifically meant to bar the teaching of evolution, the bill proved to be very controversial. Although initially reluctant to sign the bill, Peay did so, fearing that a veto would endanger his education bill. Peay offered that “after a careful examination, I can find nothing of consequence in the books now being taught in our schools with which this bill will interfere in the slightest manner.”¹⁵ Stoking the fires of controversy was the small town of Dayton, Tennessee. In an attempt to draw publicity to the town, a local teacher, John T. Scopes, agreed to go on trial for teaching from a biology book containing the theory of evolution. That the entire case was somewhat of a ruse, with Scopes being found guilty but only being fined \$100, the minimum fine for the case, seemed to matter little. The spectacle that the Monkey Trial caused showed the battle raging in Tennessee between continuity and change and created a backwards stigma that the state has never fully escaped.



Photograph courtesy of Austin Peay State University.

It was also at this time that many individuals began to worry that industrialization was threatening the country's natural resources and beauty.¹⁶ A nature-lover himself, Peay worked to establish Reelfoot Lake as a state wildlife preserve. Peay saw Reelfoot Lake as natural asset, asserting that it was "ideally adapted to a fish hatchery and game preserve."¹⁷ A frequent visitor to the Smoky Mountains, Peay believed that Tennesseans "should avail the present opportunity for the establishment of a State park and the beginning of a comprehensive reforestation in the Smoky Mountains."¹⁸ In 1925, the state purchased the logged over Little River tract, and in 1927, one of Peay's final acts as governor was to support the passage of one million dollars in bonds to purchase land for what would become the Great Smoky Mountains National Park.

Elected to three consecutive terms, the first individual in Tennessee to hold this distinction since the Civil War, Austin Peay died in 1927 while working to improve the lives of Tennesseans. Having worked diligently in service to the people of Tennessee, Peay left a legacy that is important to this day. Through his governmental and financial reforms, Peay pulled the state out of debt in the years leading up to the Great Depression. By pushing for the creation of a system of state roads, Peay helped to put into place a travel network that would one day bring millions of tourists to Tennessee, many of them visiting Reelfoot Lake and the and the scenic Great Smoky Mountains National Park. Perhaps most importantly for Peay, his education initiatives helped to revolutionize the way Tennesseans learned, bringing about the complete transition from a seasonal one-room school house to a full term public school system. Colleges in Tennessee owe much to Peay as well, and many of them honor the former governor by naming buildings, if not schools, after the governor. Consistently ranked as one of Tennessee's best governors, Peay's influence upon the state can be seen even in the most remote mountain areas, areas Peay believed were full of "sublime and inspiring grandeur."¹⁹

¹ *Who Was Austin Peay*, based on *Austin Peay- A Brief Biography* by T.H. Alexander, www.apsu.com.

² *Ibid.*

³ Class lecture, March 31, 2008. Dr. Stephen Ash.

⁴ *Ibid.*

⁵ Stephen Ash, ed., *Messages of the Governors of Tennessee*, vol. 10, Tennessee Historical Commission, 1990; Austin Peay's Inaugural Address of January 16, 1923, p. 97.

⁶ *Ibid.*, Austin Peay's Legislative Address of January 17, 1923, p. 101.

⁷ *Ibid.*, p. 102.

⁸ Class lecture, March 31, 2008, Dr. Stephen Ash.

⁹ *Ibid.*

¹⁰ Austin Peay's Inaugural Address of January 16, 1923, p. 99.

¹¹ Austin Peay's Legislative Address of January 6, 1925, p. 131.

¹² Carole Stanford Bucy, *Tennessee Through Time: The Later Years*, (Utah: Gibbs Smith, 2008).

¹³ Austin Peay's Legislative Address of January 6, 1925.

¹⁴ *Ibid.*, p. 142.

¹⁵ Austin Peay's Special Message of March 2, 1925, p. 172.

¹⁶ Class lecture, March 31, 2008, Dr. Stephen Ash.

¹⁷ Austin Peay's Legislative Address of January 6, 1925, p. 146.

¹⁸ *Ibid.*, p. 147.

¹⁹ *Ibid.*