

THE SOUTH—

Amid Natural Plenty, It Knows Great Want

IF THE citizens of Georgia, the Carolinas, Louisiana and Florida could afford it, they would each year eat 8½ billion eggs more than they do. If the citizens of the South had the money, they could absorb an additional 2½ billion dollars of American goods annually. The expansion of agricultural and industrial production to meet this demand would keep the United States on a crest of prosperity for 10 and perhaps 20 years.

Southern performance, however, is very different from the promise inherent in the South. To clarify the needs and problems of the region, President Roosevelt gathered in Washington last July a group of 22 southerners under the chairmanship of Lowell Mellett, Director of the National Emergency Council. In a letter to this group, the President expressed his "conviction that the South presents right now the nation's number one economic problem."

Through Director Mellett last week, the group was on record with an admission that in the South there were "factors . . . hurtful not only to their section but to the country as a whole." Making his final *Report to the President on the Economic Conditions of the South*, Director Mellett outlined a curious situation: "The paradox of the South is that while it is blessed by nature with immense wealth, its people as a whole are the poorest in the country."

CRESCENT: By definition of Director Mellett and his advisory group, the South is "a huge crescent" composed of 13 states: Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Tennessee, Kentucky, Arkansas, Louisiana, Texas and Oklahoma. The region's population is 36,000,000 persons; its area is 840,000 square miles. In land and people, the South is about one-fourth of the nation.

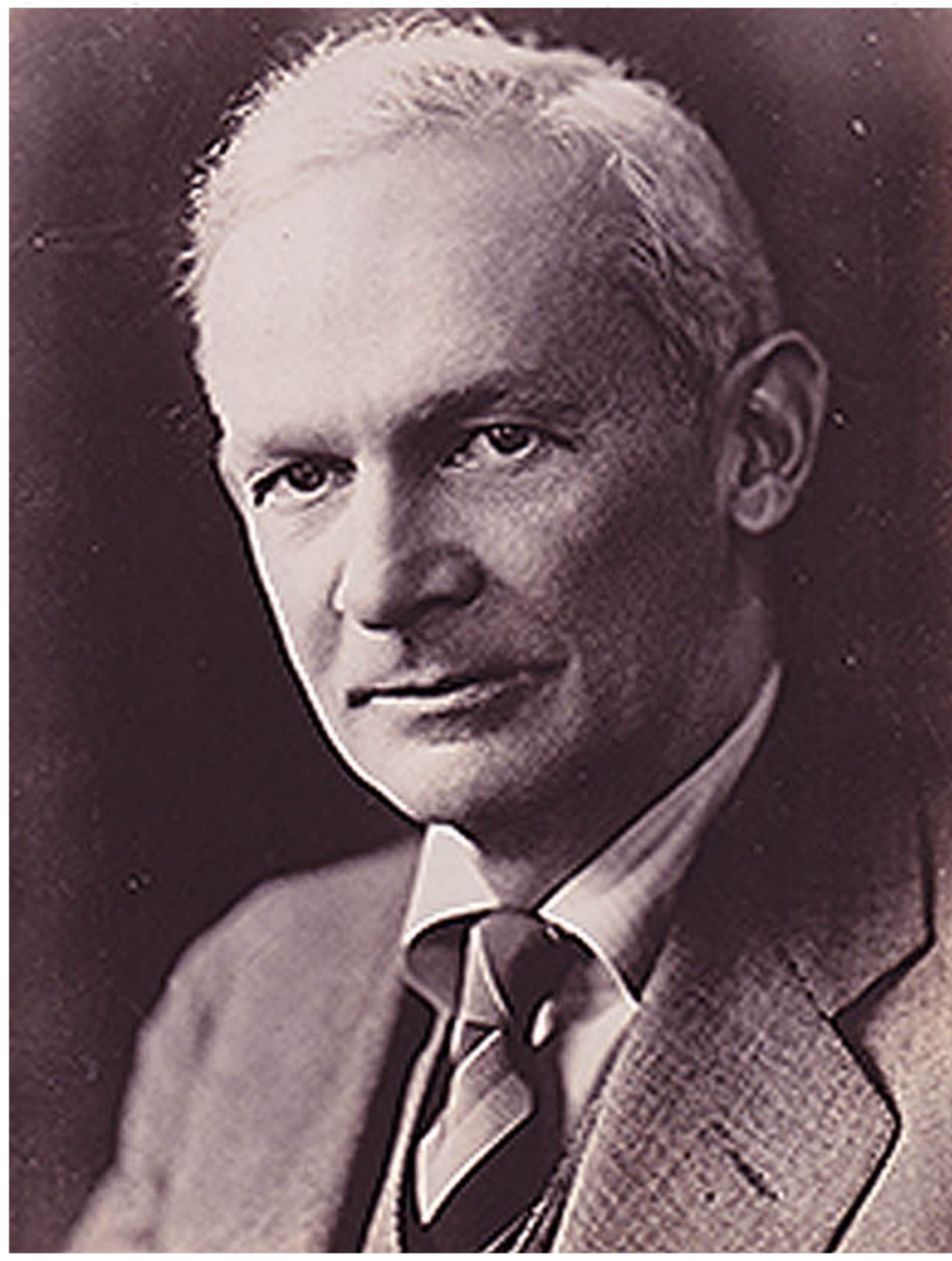
Potentially, the South is also an incredibly productive fourth of the nation. It has deposits of more than 300 minerals, and already produces two-thirds of the nation's petroleum. One-third of the region's area is covered with forests; two-fifths of the forest land in the United States is in the South.

Further, the region contains nearly half the country's land on which crops can grow for six months without danger of frost. It has two-thirds of the country's land on which there is an annual rainfall of 40 inches or more. Lying in the same latitudes as the

THE SOUTH

Sahara Desert, the South is ribboned with rivers; it is part of the 10 per cent of the earth's surface where rain, sun and natural resources combine to make conditions most favorable to mankind.

POVERTY: Amid this plenty, nevertheless, the South is poor. In the region are as many farmers as in the rest of the United States together; yet the South's 3,750,000 farm families receive only one-fourth of the nation's farm income. The South's 1,900,000



Mellett Outlined the Region's Paradox

laborers in manufacturing industries are paid less than the same kind of workers in other parts of the country. Outside the South in 1937, the average income per person, divided between wage-earners and dependents alike, was \$604. In the South, it was \$314—only a little more than half as much. This difference was not compensated for by the fact that living is cheaper in the South. By any standard, the South is the nation's poorest region.

Wherever it exists, poverty has inevitable results. In southern states, these results have been striking. Private companies have traced an admirable system of railroads across the face of the South. Aided by grants from the Federal government, southern states have built thousands of miles of fine highways. But in education, housing and health—all of which must be supported more directly by the South itself—the region falls far below national standards.

Although southern states faithfully use a greater part of their income for education than the rest of the United States, this income is not great enough, and schools are too few. The South leads the nation in illiteracy; in 1930, nearly nine out of every 100 southerners of school or post-school age could not read or write.

Because of low personal income, at least 2,500,000 southern families cannot afford adequate housing. Slums are found even in rural areas. One-

THE SOUTH

quarter of southern city and town homes are without toilet facilities.

When disease strikes, many southerners cannot afford to pay doctors. Local governments themselves cannot afford adequate public health programs. Although each is preventable by simple safeguards, pellagra, malaria and the anemia caused by hookworm plague the southern states.

Unsatisfactory education, housing and health are all factors which lessen individual earning power. Thriving amid poverty, they create more poverty. To make the problem more acute, into the South are being born more children than into any other region of the United States. Unless the South fulfills its promise of plenty, many of them can look forward to a meager life. Low wages are part and parcel of the story of the South.

STORY: Florida belonged to Spain until 1819; Louisiana was originally French; Texas was once Mexican; and Oklahoma was an Indian territory until 1889. Nevertheless, the South is the oldest home of Anglo-Saxon culture in the nation. The first permanent English settlement in North America was made at Jamestown, Virginia, in 1607. Sometimes called "the germ cell of the United States," Jamestown in 1619 became the seat of the House of Burgesses—the New World's first democratic legislature.

Jamestown might also be called the germ cell from which the South grew. Soon after 1607, a young Jamestown planter named John Rolfe discovered how to cure tobacco so that it could be preserved and exported at a profit. In 1619, the first shipload of African slaves to arrive in America landed in Jamestown. The South thus got two things which it still has—cheap labor, and dependence on crops sold for money rather than eaten for food.

Landing in the Carolinas and finally as far south as Georgia, later British settlers found the land rich and illimitable. Even multiplying Anglo-Saxons could not till it all. On a small scale, slavery of Negroes became an established practice. In 1713, when England obtained from Spain a monopoly of the slave trade from Spanish Africa, imports of slaves greatly increased.

Contrary to popular belief, however, most of the farmers in the South remained slaveless. As late as 1850, when the white population of southern states was 8,000,000, there were only 384,000 slave-owners. But slave labor cost little. Selling their own produce, white farmers competing with slave labor were forced to value their own work at almost nothing.

The slave had been imported to raise tobacco; he stayed to raise cotton. On a visit to Georgia in 1792, Eli Whitney of Massachusetts invented the cotton gin, which could pick as many seeds out of cotton as 200 men. A year after his invention, the South raised 487,000 pounds of cotton. In

THE SOUTH

1829, its output was 365,000,000 pounds. In the south, cotton became king.

Ships carrying southern cotton to England brought back manufactured goods which were cheaper than those made in the northern United States. The South thus had little need for manufacturing industries, and cotton became a despot. By 1830, it had created for the South a world of its own. The northern country was becoming one of banks, factories and cities. The South remained agricultural.

Cotton, which was extremely profitable only in the beginning, began to fall in value in the 1820s. With the slow beginnings of its decline in prosperity, the South increasingly resented the control that the more thickly populated northern states were beginning to exert over financial credit and over government policy. The South resented the fact that northern industry was protected by tariffs which made manufactured goods more expensive to buy, while southern agriculture was forced to compete in a free world market. And the South resented the northern Abolitionist movement to free southern slaves.

These issues came to a head in 1860. In December, South Carolina seceded from the Union, and in the following April, South Carolinians fired on the Union garrison at Fort Sumter. Against great odds, the 10 states of the Confederacy fought the Republican North for four years—and lost.

The War between the States freed the slaves, but it did not free the South. Old plantations were broken up. Pressed to meet mortgages, farmers leased part of their farms to tenants. Cheap Negro labor remained and children were pressed into service on southern fields. Cotton and low labor costs stayed in the South.

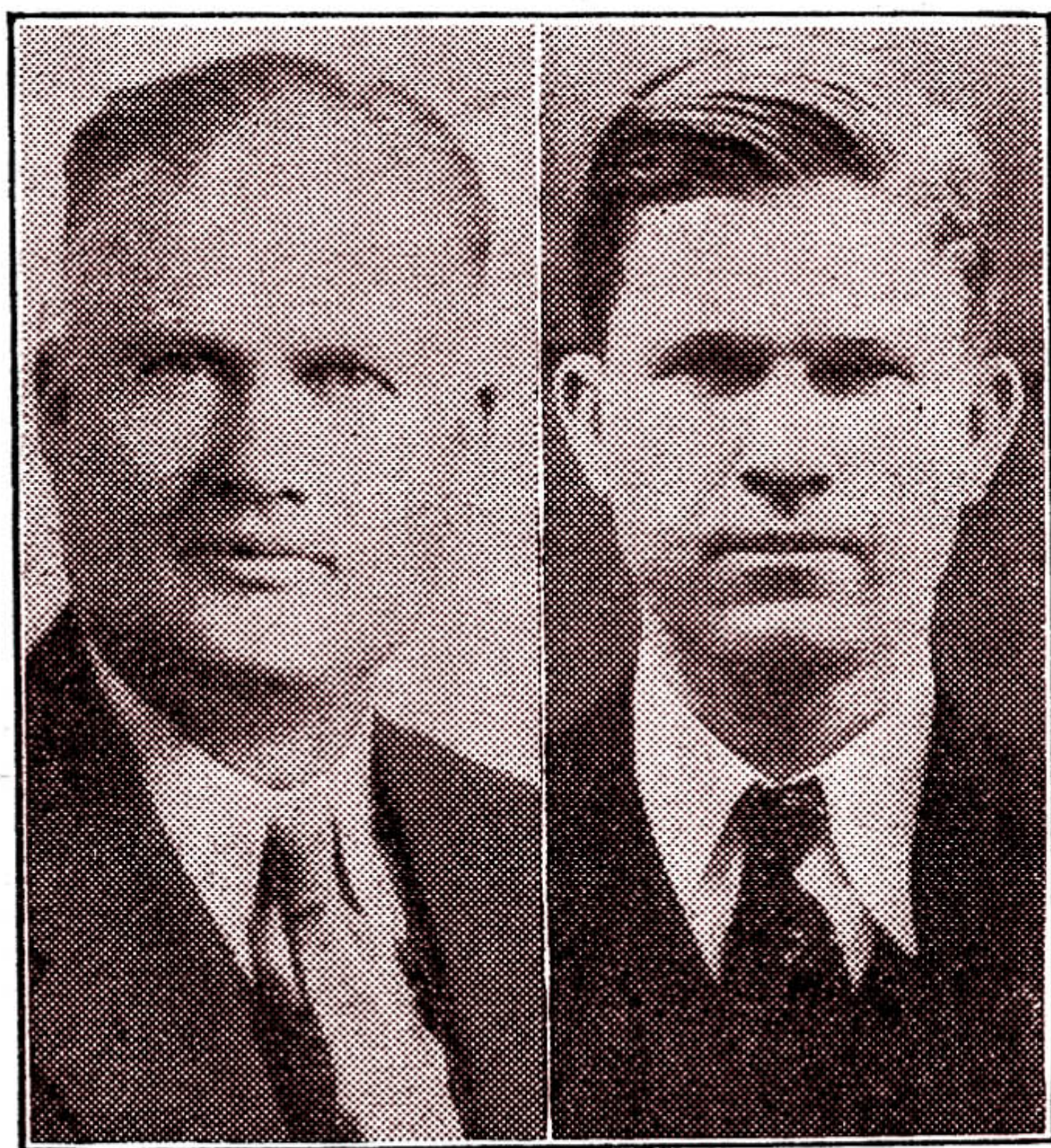
NEW SOUTH: One service which the Civil war did perform, however, was to awaken the interest of northern investors in the South. By 1880, with labor rates invitingly low, new manufacturing plants had begun to spring up in southern states; by 1900, a noticeable increase in manufacturing output had occurred. By 1935, 19 per cent of the nation's industrial output was from the South, and the region was more important in manufacturing than any section west of the Mississippi. Outside the South from 1900 to 1935, the value of industrial output was multiplied by less than four; in the South, it was multiplied by five.

Last week, the South was making its own cast iron pipe, steel rails, bolts, wires, pig iron, steel plates and sheet. Its mills and factories were turning out three-quarters of the country's cotton textiles, nearly a quarter of American furniture and 85 per cent of cigarettes made in the United States. Nevertheless, the new South still has problems to solve. They include these:

THE SOUTH

¶ In agriculture, the new South is still largely the same as the old South. Attacked by boll weevil in 1915 and by foreign competition after 1920, cotton has become more than ever a crop of greatly fluctuating price and uncertain worth. Yet of the farm families in the southern states, over half still rely on cotton for their livelihood. Requiring much labor and cheap labor, cotton has kept southern wages down. Since 1840, it has fostered the growth of farm tenancy, in many cases an institution of semi-slavery, until there are now nearly 700,000 farm tenants in the South. Many southern farmers have relied so completely on cotton that they do not have enough other produce for an adequate diet.

¶ Never-changing cultivation of cotton, and to a less extent of tobacco and corn, has worn out southern soil and exposed it to erosion. Of the



John and Mack Rust Invented a Threat

nation's 150,000,000 acres of badly eroded land, 75,000,000 are southern.

¶ The whole cotton system, moreover, is threatened by an invention—the mechanical cotton-picker of brothers John and Mack Rust of Tennessee. Not yet applied to any great extent on southern farms, it may eventually end the livelihood of 6,750,000 southerners who now tend and pick cotton.

¶ Of the nation's 13,000,000 Negroes, the South has nearly all. In competition with whites, the Negro has been denied full opportunities in job-getting and promotion, and has been the first to become unemployed in time of depression. With the growth of the Negro population, this problem is not being solved, but is becoming more acute.

¶ Industrially, the new South is expanding greatly. Many of its factories are superior in quality to those elsewhere. The sale of southern manufactures, however, has been hampered by a system of freight rates agreed on by the railroads before 1900. It costs comparatively more to ship southern goods north or west than it does to ship goods between north and west. Southern business is thus at a serious disadvantage.

Most pressing problem in the South, however, is still the region's low scale of wages. Traditionally, the South has regarded low wages as its strongest prop in competition with other

THE SOUTH

sections of the country. But sound historians regard the high cost of American labor as one of the fundamental reasons for the high plane of American living. In the South, both the wages of labor and the plane of living are too low.

To raise earnings, it seems fairly clear that the South must lessen its concentration on cotton, and must expand its agriculture into more varied and profitable fields—such as the raising of poultry and livestock which southerners need badly. Southern industry, too, can expand, since southerners lack many things which are commonplace parts of American living.

To expand, however, the South must have help—the power to buy cannot be created from nothing. Thus, southern educators are tirelessly advocating the raising of crops more profitable than cotton—peanuts, poultry, vegetables, and livestock.

With a flood of money, Federal agencies have entered the picture since 1933. The Federal government has paid out more than \$500,000,000 to farmers who have agreed to restrict their production of cotton; and similarly has sought to limit the growth of other crops which threaten to become a drug on the southern market. The Tennessee Valley Authority has spent more than \$200,000,000 in manufacturing fertilizer for tired southern soil, in generating cheap electric power and in conserving land and water resources. In its closing days, the last session of Congress enacted a minimum wage law, prescribing a minimum wage of 25 cents an hour and maximum hours of 42 hours a week for non-farm labor all over the country—including the South. Several months ago, Director Harry L. Hopkins raised the WPA minimum wage in the South to equal northern minimums. Three weeks ago, he announced that his agency would sluice an additional \$200,000,000 of Federal funds into needy southern pockets.

All these are signs that if the South does not progress to the fulfillment of its rich promise, it will not be for lack of help. The Federal government has provided money and a minimum wage law. Last week, it also gave advice. Clearly implied in Director Mellett's *Report to the President* were two thoughts: that southern states might help solve the problems of the South by regulating child labor and establishing other labor standards of their own; and that southern employers might share more of their profits with their employees. Driving home a message of encouragement, Director Mellett declared: "The solution must be part political, with the Federal Government participating along with State, county, town, and township government. But there must be participation also by industry, business and schools—and by citizens . . . The economic problems of the South are not beyond the power of men to solve."