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Reserve

POLICY ISSUES FACED BY THE SOUTH IN COTTON, DIVERSIFICATION,
AND INDUSTRIALIZATION

Based on Talk by Mordecai Ezekiel, Economic Advisor, Bureau of Agricultural Economics, U. S. Department of Agricultural, before Conference of Southern Directors of Extension, Atlanta, Georgia, October 1, 1945.

Present agricultural policies grew out of the period between the two world wars. That period was characterized in general by high and rising barriers to world trade, by increasing surpluses of basic raw materials and, in its later stages, by great unemployment and economic distress throughout the world. Faced by falling export markets and low domestic demand, farmers were driven to the drastic production control and price-supporting measures provided by the Agricultural Adjustment Act and subsequent legislation. These measures in turn caused other difficulties including increased competition of foreign cotton abroad and increased production of synthetic fibers, both at home and abroad. Now at the end of World War II, great changes have taken place. Future policies can be reconsidered in the light of both the past experience and future prospects. Many of the conditions which characterized the inter-war period have disappeared or may disappear in the years ahead for reasons that will be shown in detail subsequently. Seeking an answer to the dilemma produced by the contraction of the cotton market in response to past agricultural programs, and the need for continuous public subsidies to maintain cotton prices or incomes, Southern farmers can now choose between a number of different possible future programs.

The Alternatives Which Cotton Farmers Face

A new approach to the cotton problem was recommended by the Committee on Postwar Agricultural Policy of the Association of Land-Grant Colleges and Universities, in its report on Postwar Agricultural Policy published late last year. It said:

"One lesson of the 1930's is that artificially high prices for cotton in this country invite increased competition from other areas, and thus lead to a loss of foreign outlets for the American product.

"A sound policy on cotton must provide for an international trade program which will enable the U. S. to retain as much as possible of the world market. It may also need to include a domestic program to encourage a shift in American cotton production to those areas best able to hold their own in world competition and best able to yield a satisfactory scale of living for cotton producers....

"Shifts already have begun, and are bound to continue, in the relative importance of cotton in various parts of the South. In areas where costs of production are low, cotton is tending to expand. As mechanization progresses, the pressure for a shift to more level areas can be expected to increase. In areas where other enterprises offer special advantages cotton production tends to be reduced.

"Public assistance will be needed in certain areas requiring large-scale shifts out of cotton production. Such aid should be positive in character, temporary in nature, and directed toward the partial replacement of cotton production by other types of activity....New and adaptable types of farming will need to be developed, and in some areas part of the population should be encouraged to engage in part-time farming and non-agricultural employment.

"Establishment of industrial plants and commercial agencies in rural areas, wherever conditions are such that they can operate economically, has much to commend it. Not only does it enable most people to combine non-agricultural employment with rural residence, but it expedites migration out of commercial agriculture, since the movement proceeds most readily if farm people do not have far to go to find suitable jobs.

"Public funds should not be used to hold up cotton prices after the postwar transition period and to retard adjustments in the cotton belt, but should be directed toward encouraging the development of alternative enterprises."

Secretary Wickard, when he testified before the Pace Committee in the fall of 1944, examined various alternative programs for Southern farmers. In addition to several well-known programs—parity price with or without export subsidies, a two-price system, a world price for all cotton supplemented by income payments—he outlined another program combining a free market price for cotton with a shift in Southern agriculture and industry to a more profitable basis. After a readjustment period this last program would return good incomes to farmers without the need of continuing public subsidies. This program was along the lines suggested by the Land-Grant College Committee's report. Secretary Anderson in recent speeches at New York, Memphis and Anderson, made much the same analysis of the problems which cotton farmers face, and emphasized the desirability of a program that would expand cotton markets, readjust Southern agriculture, and expand Southern industry. The several possible alternative programs were explored more fully in a B.A.E. report to the Pace Committee, since reimeographed under the title, "A Conversion Program for the Cotton South." This report examined the several different programs, and pointed out their strengths and weaknesses.

Today, I have been asked especially to explain the new program which all these students of the problem have suggested, and the problems it raises for educational institutions. Accordingly, I will not attempt to repeat the published analysis of the several older programs, but will concentrate on this one. I recognize, however, that in educational work with farmers' extension workers would need to help farmers understand all the several possible programs, so that farmers can freely choose for themselves which one they prefer. Much material on the other alternative programs is available for extension workers to use, both in previous publications and in the report referred to. In this talk I will center on examining such information for the newer program, which we will call the conversion program.

I. Cotton Conversion Program

The conversion program for the cotton South recognizes the trends toward increased mechanization of cotton and diversification of agricultural production in the South, and seeks to work with those trends so as to check the loss of cotton markets. Its major objectives are to expand and maintain cotton markets, to encourage Southern farmers to operate fewer but larger commercial family farms, more part-time farms, and fewer self-sufficing or bare subsistence farms. With fewer and larger farms, more farm machinery would be

employed to produce more products with less labor. The elements of the program to bring this about, as indicated in the report prepared by the BAE, are:

- (1) Free competitive prices for cotton--American cotton selling at the world-price level so as to put it on a fully competitive basis with other cottons and with synthetic fibers.
- (2) Cotton price adjustment payments to maintain income to farmers, paid at a descending scale for a limited term of years to cushion the readjustment to better adapted farming.
- (3) Assistance to those farmers who elect to convert their farms to size and types better adapted to providing high income under the new conditions.
- (4) Conversion payments to farmers at a descending scale for a limited time, and credit facilities, to aid them who decide to shift their farming operations to better adapted systems as shown in long-range plans for individual farms.
- (5) Aid in the development of increased industrial opportunity and new jobs in the South and provision of training for non-farm jobs to farmers who choose to shift to non-farm industry.

According to the report, this program offers southern farmers a way not only to maintain the increased family incomes they have received during the war period but even to raise those incomes to average levels higher than those they now enjoy. This would be brought about by increasing their crop acreage and their volume of production, and specializing on production of those products, either cotton or food and feed crops, which best suit their individual conditions. It thus offers an alternative to continuous parity payments to maintain cotton income, which will be more advantageous to farmers than the previous system. At the same time, it provides a way to maintain prosperity for southern farmers without permanently depending on large subsidies from the public treasury which might always be liable to sudden termination by the Congress.

II. Present Status of the Conversion Proposal

The mimeographed manuscript previously distributed has been revised somewhat and will shortly be available in a revised edition with various modifications which have grown out of previous discussions of it with interested southern groups. A simplified popular report "Looking Ahead with Cotton" has been prepared for general distribution and is now at the printing office. This report summarizes many of the facts and figures on cotton, including the increased yields, the trend toward greater mechanization and larger farms, the trend toward diversification, the declining market and increasing competition of other fibers with cotton, and the problem of future price policies. It also covers the possibilities of greater industrial development in the South. It should be useful to extension workers and others planning public discussions of this whole subject.

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A third development is with respect to the efforts to industrialize the South so as to make more jobs available in non-farming employment. The work already under way in cooperation with Land-Grant colleges and State planning boards and industrial commissions has continued. Four communities have completed fact-finding reports on their postwar employment problems and business prospects, and a number of other communities have similar postwar fact-finding surveys under way. Cooperative studies between the Departments of Agriculture and Commerce are being made on several industries suited to small-town operation, and one cooperative bulletin entitled "Will Making Concrete Block Pay in Your Community?" has just come from the printing office [Industrial (Small Business) Series No. 23].

In addition, identical bills have been introduced in the House and Senate (H.R. 4068 and S. 1385) to authorize and provide funds for greatly expanded work by Federal and State agencies in support of industrialization in all undeveloped areas, including of course the South. The funds provided under this legislation would be available for retransfer to cooperating State or local public agencies and educational institutions. The bill provides both for basic research and for extension work in the industrial field.

III. Educational problems raised by the Conversion Program

Extension workers are concerned not only with what might be done for cotton but how this message might be presented to farmers in ways which could be best understood and used by them. Accordingly, I will indicate successive points which might be placed before farmers to help them see what is involved in this possible program and to understand its significance. Corresponding information about the other alternative programs is available in the reports mentioned earlier.

1. Trends in world affairs. Farmers should inform themselves about the new trends in world affairs after World War II, and what these new trends may mean to cotton. These include:

- (a) The possibility of much freer trade and lower duties in the future than have prevailed in the past, with correspondingly greater opportunity for exports from the South and with less burden from tariff duties on what the South buys. Under the Reciprocal Trade Agreements Program, the average tariff charges on imports into the United States have already been reduced by one-third below what they were in 1929. Authority has recently been granted by Congress for further reductions up to 50 percent of the present duties. Plans are now being made for an international trade conference next year at which further measures to expand trade would be worked out by the United Nations. We are rapidly approaching a period when it no longer will be true that the South must buy in a protective market but must sell in a world market. Soon it will be able to buy in almost as free a market as that in which it sells.

- (b) The war has created high levels of employment here and in many other countries. Leading industrial countries now place full employment and high levels of production and income as major goals in their postwar economic policy. This is true not only of the

United States but also of United Kingdom, Canada, Australia, and the Soviet Union. The present Congressional discussions on the Full Employment Bill (S.330) illustrate this trend. Instead of compromising with depression as in the past, all these major countries intend to keep going hereafter at a volume of output and production corresponding to the high levels maintained during the war--and that will mean better incomes for consumers and better markets for cotton than have prevailed in the past.

(c) Conscious international cooperation to keep the peace and establish more prosperity in all countries. Proposals looking to this end were discussed at United Nations' Conferences at Hot Springs, Bretton Woods, and San Francisco, and new international organizations worked out at these conferences are now in process of being set up. These include the United Nations top organization, with its Security Council and Social and Economic Council; the International Monetary Fund to stabilize exchange rates and International Bank for Reconstruction and Development to provide long-term investment funds; and the Food and Agriculture Organization of the United Nations. The plans for the agricultural organization, proposed at Hot Springs are farthest advanced, and on October 16, representatives of more than twenty-five nations met at Quebec to start the work of the new international agency, the Food and Agriculture Organization of the United Nations. This agency, along with the others, will help citizens of all countries learn how to produce and consume more, enjoy better standards of living, and be better customers for the products of other countries.

All of these lines of development, free trade, full domestic employment, and international cooperation for peace and prosperity, add up to a present prospect for a hopeful expanding world of rising production, consumption, and markets, rather than a hopeless contracting world such as that which farmers faced in the inter-war period.

Producers in all countries will be encouraged and aided to use more machinery and better methods of production, both in agriculture and industry. By applying their labor more efficiently and producing more per hour, they will have higher incomes and will be able to buy more of the things they need. That will mean larger demands for cotton throughout the world. In previously underdeveloped regions like the South much larger markets for food and feed products and industrial products will make expanded markets for diversified farm production and expanding industry. Meanwhile the International Labor Organization and organized labor groups will be at work to see that wages in all countries are increased as the productivity of labor rises, so that the increased productivity will be used not for under-cutting prices in other countries but to expand the standard of living of their own people.

In this country, efficiency of labor--as measured by the physical amount of product produced per hour--has always risen both in agriculture and industry. This has made it possible for wages and the buying power of workers to rise steadily at the same time that the selling price of their product was held constant or declined. Before the war automobile workers, for example, were making twice as much today as they did before World War I, but automobiles of the same quality sold for much less than they did before World War I. Increased production and efficiency, both by farmers and non-farmers, make it possible for both to earn much more per hour of labor, and live much

better even though the selling prices of their products remain constant or decline.

In 1940, each farm worker produced one-fifth more physical product than the average farm worker produced in 1920. By 1944, under the war stimulus, production per farm worker had increased by a further 20 percent above the 1940 levels. In manufacturing, each factory worker produced more than twice as much physical product in 1940 as each worker had produced in 1920. Similar increases in output per hour worked have been made in mining and in railroad transportation. From 1920 to 1940, output per hour in industry increased much faster than wages paid per hour, so that the labor cost per unit of manufactured products declined. By 1940, the wage cost per unit of product was only three quarters as high as it was during the early part of the 1920's. As the improved methods learned during the war are put to peace-time use, factory workers will be able to produce far more efficiently than they could pre-war. These facts are of great importance to farmers as well as workers. Wage rates, along with farm prices and farm production determine how much cash income is received by wage workers and farmers who together make up the great consuming group in the population. When their production per hour increases more rapidly than their wage rates or income increase, it is possible for them to be paid better and at the same time for what they produce to be sold more cheaply--just as today a standard closed automobile may be bought for much less than a corresponding (though by no means so good) automobile could have been bought in 1910. The same way that increasing industrial efficiency has made it possible for industrial workers to earn more while their products are sold cheaper, increasing efficiency in agriculture makes it possible for farmers to earn more and yet sell their products more cheaply per unit. That has already happened with the application of machinery to the production of wheat, corn, and even milk and cream. The application of machinery to cotton production (as discussed in more detail later) will similarly make it possible to greatly increase the amount of cotton produced with each hour of labor, and thus enable cotton farmers to get much better earnings and yet sell cotton at prices at which its market can be maintained or expanded.

The importance of adequate consumer buying power in maintaining peacetime markets for all we can produce can be shown pretty clearly from some figures on what the Nation can produce and how that product is sold. During the war we have been producing 200 billion dollars worth of products a year. With the shorter working hours in peace, around 180 billion dollars worth of product would be produced--if we do not have a reduction in general price level and if we do have full employment. Out of that 180 billion production, not more than 25 billion would be bought by business for plant equipment and housing and other construction. If we do not expand public expenditure far above past peacetime ratios, not more than 30 billion worth will be bought by State and local governments. Subtracting that 55 billion sold to business and government, leaves 125 billion worth of product to be sold to consumers, predominately farmers and workers. Since there are about 40 million families in this country, that means that each family must buy \$3,000 worth of products a year on the average--in addition to what it puts aside for life insurance, home purchase, and other savings. There are about 1 1/4 wage earners per average family, so average earnings of over \$2,400 per worker are needed to provide this much expenditure by the average family. That means that the average worker and farmer will have to make about \$50 a week, or over a dollar an hour for a 40-hour week, if they are to have enough buying power to buy back all they are capable of producing.

If we do not have that much buying power, either price levels will have to fall as they did after the last war, or production will be lower with unemployment and great distress. The problem of both farmers and city people is how to make their production so great that they can earn over a dollar per hour worked, and at the same time sell their products at no higher prices than have prevailed in the past, or even lower if necessary to maintain demand for their products.

2. Trends in cotton farming. Farmers must be informed about trends in the production and marketing of cotton:

These include machinery, markets, and alternative products. (a) New machines and practices have developed in cotton production. These will make it possible to grow cotton much more efficiently in areas well adapted to their use and on farms large enough to use the improved methods to good advantage.

The new bulletin "Looking Ahead with Cotton" has a table (table 1) which shows how much these new methods make it possible to reduce the labor involved in producing cotton. The table also shows the variation in the relative efficiency of cotton production in different areas with present methods.

For example, at the present time, using the usual methods and equipment, it takes 235 hours of human labor to produce a bale of cotton in the Sandy Lands, 230 hours in the Coastal Plains, and 143 hours in the Blackland. In contrast, it takes 160 hours in the Delta with one-row male operation, and 54 hours in the High Plains. These differences in efficiency of production with present methods help us to understand why cotton production has dropped 50 percent in the Sandy Lands during the last 10 years and 25 percent in the Coastal Plains, while it has increased 25 percent during that same period in the Delta and the High Plains. Despite acreage and marketing controls, farmers in the areas which can grow cotton most efficiently have increased production while farmers in the areas where man labor requirements are excessive have reduced production.

The new methods of production, however, will make it possible to increase greatly the efficiency of production. In the Delta, for example, use of a 4-row tractor and one-row mechanical picker can reduce labor requirements to 52 hours per bale, and the use in addition of the flame cultivator can cut time to 28 hours per bale. Similarly, in the High Plains, use of a 4-row tractor together with a 2-row mechanical stripper can reduce labor requirements to 15 hours per bale. These figures help us understand how it would be possible in the future for southern farmers to sell cotton at prices which will compete on world markets, and at the same time earn a dollar or more per hour for their labor. Even at 12¢ a pound, a bale of cotton is worth \$60. If \$60 worth of cotton can be produced in 15 hours in the High Plains, or 28 hours in the Delta, it would be possible for that labor to earn wages comparable to city wages and at the same time pay well for land, supervision, and other expenses of production. Of course, these new methods and improved practices cannot be applied on farms which are too small in area. This is recognized in the conversion program which provides for some of the farms being consolidated to make units large enough to produce cotton efficiently and with best use of modern equipment in areas suited to their use.

(b) Alternative products. At the same time that there are possibilities of much more efficient production of cotton, there are also possibilities of much greater production of food and feed crops on farms and in areas not well suited to cotton. In the past when national income and southern income were both relatively low, markets for these other products were limited by consumer buying power. The increased production and income during the war has greatly increased buying power in all sections of the country. For the United States as a whole, the average per capita income which had fallen from \$680 in 1929 to \$363 by 1933, was up to over \$1,100 in 1944, at the peak of the war effort. In the Southeast there were similar changes, from \$344 in 1929 down to \$195 in 1933, and back up to \$722 per capita; in the Southwest from \$464 down to \$247 and back up to \$867. With average cash income per person running \$700 to \$900 in the south, there is far more buying power for fruit, vegetables, chickens, meat, and other valuable farm products than there has ever been in the past, while the high income in the rest of the country has provided a greatly expanded market for the specialty products, fruit, vegetables, and tobacco, which the South can ship out. The South has taken good advantage of this in expanding its production of food crops, feed crops, livestock and livestock products. Many southern areas have already gone a long way in shifting from cotton into more diversified farming, and with the development of far better pasture and forage crops and a general expansion in livestock enterprises. The extent of this shift is shown by the fact that in 1925 cotton and cotton seed produced one-half of the gross farm income in the 10 leading cotton States, while by 1943 they produced only one-fourth of the income, whereas income from food and feed crops had grown from one-fourth to three-fourths of the total. In areas and on farms not well adapted to cotton, a continuation of these trends, with a development of family farms large enough to produce sufficient product to pay decent incomes from diversified products, can mean profitable southern agriculture with reduced dependence on cotton for cash income.

(c) Cotton markets. Farmers should understand why the cotton carryover has piled up in the past--what the past trends have done to the farmers' market for cotton, and to restriction on cotton farmers' freedom of action. This should include an examination of the facts and consideration of the reasons for: (1) the declining export market and the increase in the production of both foreign cotton and synthetic fibers abroad; (2) the narrowing domestic market for cotton and the increased domestic use of synthetic and other fibers and of paper substitutes; (3) the increasing chronic surpluses of cotton and carryovers; (4) the limitations on cotton production through production controls and marketing quotas, and their effect in holding back readjustment of production and expansion of cotton acreage in those areas capable of producing cotton cheapest and best suited to utilize the new machinery and methods.

3. Cotton policies. Farmers should be aided to examine future policies for cotton, and to consider which will be best for the Nation and the South. There are three general lines of policy from which a choice must be made:

- (a) Prices maintained here and abroad at artificially high levels with resulting continual shrinkage of the market. (This brings to mind the saying that "you can lead a horse to water, but you cannot make him drink"--similarly you can fix the price of cotton but you can't make consumers buy at that price. During the past decade we have succeeded in holding the price of cotton above the price of competing cottons and competing fibers, but we have not succeeded in making consumers buy at these prices.)
- (b) Free prices for cotton here and abroad but with continuous grants from public funds to maintain farmers' income, or
- (c) Free prices in domestic and foreign markets with a shift in southern agriculture to larger farms, more diversification, and a more efficient output which would enable southern farmers and southern agriculture to earn more money than in the past but stand on its own feet without a continual support from public funds.

4. Industrialization. Farmers should be encouraged to understand and support efforts to expand non-farm employment in the South, so as to widen local markets for diversified farm and forest production and to provide better fulltime or part-time employment opportunities for farmers and farm boys and girls who do not have good opportunities in agriculture. This means cooperating in community studies on postwar opportunities such as those already completed in Anderson, South Carolina, Fort Smith, Arkansas, and Augusta County, Virginia, and supporting community efforts resulting from these or other studies to provide increased opportunities for local non-farm employment.

5. Farm reorganization. After studying facts along these lines, each farmer should then be encouraged to examine the conditions on his own farm so as to decide on his own future policy with respect to his own long-term farming plans. He might ask himself the following questions:

- (a) Is my farm large enough to give my family an adequate living? Will it give me an adequate living if I continue to specialize in cotton? Will it give me an adequate living if I reduce cotton acreage and expand food and feed crop production?
- (b) Are there adjoining farms or fields which I can rent or buy to make my farm large enough to return my family a decent living, using the farm for the kind of farming it is best fitted to carry on in the future?
- (c) Will I be better off if I get a job in non-farm work? If I do, can I operate my farm on a part-time basis, or would it be best if I would dispose of my farm and move to town?
- (d) If I continue to produce cotton, what things can I do so as to produce my cotton as efficiently and cheaply as possible? (Here come in the seven steps for efficient cotton production covered in the Extension Service 7-step cotton production program.)
- (e) Should I support a new cotton program that emphasizes and encourages shifts in the use of land and in farming to their most efficient

use with modern methods, or do I prefer to support the old kind of cotton program which means a contracting market for cotton and renewed rigid controls of how cotton farmers can farm?

Summary points. Here, then, are the economic points farmers need to have in mind in thinking about their future cotton programs:

Point one. The United Nations worked together to win the war and are working together for a prosperous peace and an expanding world economy with more international trade, full domestic employment, and international cooperation for peace and prosperity.

Point two. Southern agriculture is changing rapidly. Cotton production is being mechanized and food and feed markets are expanding. High-priced cotton is losing its market to synthetic and foreign cottons.

Point three. Cotton farmers must choose their future economic policies wisely. The choices range between supported high prices, shrinking markets, perpetual Government subsidies; and free prices, readjusted agriculture, and southern prosperity standing on its own feet.

Point four. Farmers should support southern industrialization to widen markets and increase off-farm employment opportunities.

Point five. Each farmer should contrast his own long-time plans with these prospective future trends: More cotton or less cotton? Increase his farm acreage or find non-farm work? Can improved methods reduce his cotton costs? Or are more food and feed crops best for his farm? More food or feed crops? Is a new cotton program needed?

IV. Place of Land-Grant Institutions in Developing the New Cotton Program.

A great deal remains to be done to work out what the new program suggested above would mean in terms of realistic details. To help the farm folks to understand what the program means, it will have to be worked out practically in terms of desirable adjustments for typical farms in each type of farming regions in each State, and perhaps by counties or communities in each region. This will involve suggested reorganizations in sizes of farms and farm management for typical farms that will continue to specialize in cotton, and similar readjustments for typical farms that will shift more and more to food and feed crop production. Research and cooperation along these lines are already under way by the Land-Grant colleges and the Department of Agriculture. Much more intensive research work is needed plus careful study and consideration of such results by county and community planning groups in which farmers themselves carry the leadership, before this body of information can be made most adequate, effective, and useful.

Similar cooperative work is needed in encouraging non-farm employment and developing industry in rural regions. If the Bill previously referred to is enacted into law, that would provide financial support to expand these activities to a much greater degree. Work and help is needed not only from the agricultural colleges of the Land Grant institutions, but also from the engineering colleges and schools of business, both in Land-Grant and other institutions, and from State planning boards and industrial commissions to help take the leadership and assemble the facts necessary to develop plans for industrial expansion. These materials, both on possibilities of

reconversion and on industrial extension, then in turn need to be carried to farm and city people by extension and educational efforts, both to sell the new program and to help farmers and town people carry them through.

V. Services the Department of Agriculture Can Render to Help Develop the Program:

1. The data and charts on the economic situation, nationally and internationally, including the outlook work and commodity material, particularly illustrative material on the cotton situation should be continued and expanded.
2. Development of demonstration kits of actual material showing thread and cloth made from cotton and its competitors both foreign and synthetic, with prices at which they sell, here and abroad, would be one step to help get the facts understood.
3. Continue cooperative services already under way on industrial programs and market planning for more diversified farm and industrial production. Expand these as rapidly as new legislation or funds makes possible.
4. Maintain the regular technological services of the Department and continue the development of material on technological facts for cotton and possible shifts in farm management and farm organization, technological facts for other diversified products from the South, technological facts for industrial development including the work of the Regional Laboratories, Forest Products Laboratory, etc.

To aid in the effective choice and development of cotton programs, all of this work, State and Federal, must center in the years immediately ahead on the possibilities of rapid changes in the methods of farming in the South and on the specific things farmers could do to produce cotton and food and feed crops most efficiently and to secure the best balance between Southern agriculture and Southern industry. In all these lines of work, of course, there must continue to be close cooperation between the technical research people in the Department of Agriculture and in the Experiment stations and educational workers in high-school and college teaching and in extension.

Conclusion

I have attempted here to indicate as simply as possible what are the economic elements which underlie the cotton conversion program, what things Extension might emphasize to help farmers understand what that program is and how it could be carried through, and what lines of cooperation might be developed by State and Federal agricultural authorities to buttress and support such an educational effort. We stand at the beginning of a period of great change in world history. For the past 20 years, many things which scientists knew should be done could not be done because world conditions did not permit. Improved methods of producing cotton and of operating Southern farms could not be put into operation because there was no employment elsewhere for the labor that would be displaced. What good would it do to save labor on farms when there were already 10 million people unemployed in the cities? What good would it do to produce more food when we already had more than consumers could buy?

Faced by the hopelessness of a world-wide contracting economy, agriculture had no defense save to adopt a contracting program also, to protect its own declining standards of living. Today conditions have changed. The war created full employment under the war economy. All leading industrial nations are planning peacetime programs to restore and maintain that full employment in times of peace. Our position in the expanding economy of the future will provide opportunities which did not exist in the contracting economy of the past.

In the new period of expansion and opportunity, the South can examine its own resources and use them to the fullest. It can plan readjustments in its agriculture and in its industry which will greatly increase the productive power of its people. It can use its land resources to the best advantage with new machines, with larger farms, with mass production methods, both for cotton and for food crops. It can educate and train its people to take part in these new and modernized methods of production. It can expand its provisions for the welfare of its people; water, sewers, hospitals, doctors, dentists, roads, telephones, electricity, schools, and recreation facilities. The South no longer need be a forgotten part of the United States. Americans in the South as well as Americans in all other parts of the country can produce and consume on an American standard of living. The South must set its goal to earn a dollar an hour for its farmers and its workers. The Land-Grant colleges and the Department of Agriculture have a great role to play in helping the South realize its great opportunity, face the changes that are necessary, carry them into action, and move forward vigorously into the hopeful future, instead of remaining chained by the despair of the past.