

PARTNERS OF TOWN AND COUNTRY

Address
by
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I have chosen just two sides of the many-sided farming business to talk about tonight - (1) the unsurpassed importance of occasions like this evening's gathering, when neighbors who are necessary to each other get together as equals for the purpose of knowing each other better, and (2) the financial balance sheet of conservation farming, in which we can take a look at the capital costs of saving a farm from erosion - restoring its soil for permanent productivity - and set those costs off against the increased production and income that result from the improvements.

There really isn't anything here at home quite as important to us as these two things - being good neighbors, and handling our land right. Of course, organized society as we know it may not be here to enjoy their fruits unless the world learns the way - and soon - to live in a peaceful world society of government by world law without war. But that's another story.

I am not sure that the business men right here in Paris really understand the great wealth of abundance and safety that waits just outside the city limits for a general program of soil conservation and sound land use. It will require the investment of a good deal of money, sure, but we have the money right here in Tennessee, and when it is put to that use it is invested at home in ways that produce new wealth. That is one side of the picture; this little city can flourish only as its surrounding farms prosper. The other side is this - farmers in general can prosper only when their customers, the consumers in town and city, are well employed earning good incomes.

It isn't necessary to settle the argument whether national prosperity starts first with farm prosperity or with high purchasing power in the cities. That is too much like arguing whether your right leg or your left one is responsible for getting you there when you walk. We need both of them to go **anywhere**, and we want both of them to be healthy.

Now let's take a long-range look at what is happening. The relation of agriculture to the rest of the economy is changing radically and further radical changes are ahead of us. When Tennessee became the sixteenth state of the Union, about 90 per cent of the nation's population lived on farms which produced only enough surplus to feed the 10 per cent who lived in town. In 1943 and 1944, only 15 per cent of the nation's labor force produced the all-time record crops which fed and clothed this nation and its own and allied vast war machines. Not much more than one-fifth of our total population actually lives and works on the farms, although the percentage directly dependent on farming is much greater than that. That gives us some idea of how greatly farm production per worker has been increasing.

You can see that with so few producing so much to feed and clothe so many, the ability of the cities and towns to pay for and consume our farm products is an important consideration to the farmers. That ability in turn rests on the rate at which towns and cities, the mines and factories, keep busy and produce.

Farmers have always done a better job than the others have done in keeping on producing at capacity through bad times as well as good. I hope now that we will not be jockeyed into leading the procession toward curtailment; instead, I hope that the farm organizations will be successful in getting the others to march along with agriculture in full production. It is the only way the economy can be made to function at a high level.

I am not forgetting nor minimizing the great and difficult adjustments agriculture will need to make when the war-born vacuums have been filled. The foreign demand which we have tried to meet, will not continue very long. Restoration of the farms has A-1 priority abroad. Farm imports will be sought from countries which will accept payment in the form of manufactured goods. We can look forward to the time when we will not need billion bushel wheat crops for human food, and when our cotton crop will have to find its level along with

synthetic fibers and foreign growths. On the other hand, milk, meat and other dairy and livestock products, tobacco, poultry, fresh vegetables and fruit will have a sustained and expanding market here at home if employment and wages and non-agricultural production keep high.

You can see generally what I think is ahead of us. I expect to see prices of farm products work lower as the war and early post-war demand falls off. I expect this tendency to develop and continue in spite of any laws now on the books or enacted later, though we can all be glad that we have legislation aimed to support farm prices for a limited period while farmers get their house in order. Farm prices may show a tendency to break before other prices do, because wages and controlled or managed prices are "sticky". That is why I hope that volume will rise and prices fall in non-agricultural lines as soon as possible. Too much lag would be dangerous.

The increasing productivity per worker in farming to which I referred before, has resulted because farmers, year by year, command more and more capital per worker in the form of machines and land. As one pair of hands gets more and better tools to work with, their owner manages more land and works it better; his unit costs go down, and the farm yields higher returns and a better living per worker. This trend is going to continue; it is inevitable. It means better homes and a better life for those who remain on the farms. It also raises the question whether the growth of decentralized industry throughout rural America will be rapid enough to absorb the workers who are released from the farms as mechanization proceeds.

I do not think this development necessarily will be troublesome. Again it is a question of the right human behavior. Think what it would mean right here in the Mid-South if all our population at home became educated to want and demand a full, healthful, rich diet! You know we can keep 10 to 13 times as many people alive on an acre in cereals, as can be fed on the livestock products from that acre,

but we aren't going to do that in this country. The trend is the other way. We could use our farm resources fully, with more workers than are now employed in agriculture, if all our people could buy and consume the dairy-and-livestock diet necessary to maximum national health. Certainly here in the Mid-South we have a long way to go before we produce at home all the high-type food of this sort we need.

Last year I spent several weeks driving over Western Tennessee, Northern Mississippi, and Arkansas; I spent all of last week driving over North Mississippi and Western Tennessee. The enormous waste and destruction caused by row-cropping the hills and slopes with cotton and corn were visible everywhere. Hundreds of thousands of hills and slopes in this country like those of Western Tennessee ought to be in permanent pasture or legume and small grain rotation instead of growing sorry crops of cotton and corn. We have here in Tennessee great natural advantages for all-year-round pasture farming, marketed as livestock products, supplemented, of course, by cash specialty crops like cotton and tobacco where they can be profitably and safely grown. Yet we buy year after year a large part of our dairy and livestock products from the colder states up north where costly barns and indoor feeding are necessary a considerable part of each year.

I could talk to you all night about the amazing opportunities all around us to build safer and more profitable farms on the ruins of the old ones simply by using the land right. Soil conservation and the kind of farming that goes with it are not only right morally - they pay big dividends in dollars and cents. I don't believe there is any place I have ever seen where the land is more responsive to good treatment - or to bad treatment, either - than right here in Tennessee. We can use a lot of the capital and the labor we have here in putting complete soil-and-water-use programs in effect on individual farms. We have the capital, the tools, the "know-how", the minerals, and the seeds and plants with which to work a farming revolution here.

Furthermore - and it has taken a long time for me to build up to this point - every dollar of new capital invested in completing a soundly-conceived conservation farming plan will repay the investor or lender well through increased yields and lower production costs. The farmer or land owner or mortgage lender will have a better farm 5 or 10 or 20 years hence than he has today to operate or to secure his loan, an assurance now altogether lacking in American agriculture.

I could give you many illustrations ranging from single cases to surveys that cover thousands of farms, all showing that farmers who do the best job of maintaining their soils make the best incomes. It will save time if you will accept that as generally true, and permit me just to mention the story of some typical conservation farms in the Eighth Federal Reserve district.

We have studied a number of individual farms which had completed soundly planned land use and farm improvement programs and on which a long series of good records of costs and production are available. We determined what it cost to convert each farm from an exploitive to a conservation system of farming, and we identified the amount of new income that could be traced directly to expenditures for soil conservation and soil improvement practices. We found no case in which the investments made for soil conservation, soil building, and related farm improvement practices were not highly profitable.

I wish I had time to tell you about them all. Some were Tennessee, Arkansas and Mississippi farms not far from here. We used average prices received by farmers for the period 1925-1939, which puts cotton at 11¢, corn at 73¢, oats at 40¢, alfalfa hay at \$12.50 and pasture at \$1.50 per mature cow per month, to figure the value of production both before and after the conservation plan was in effect. This gave a uniform and fair basis for comparison.

There isn't time to describe the results from individual farms, but I would like to give you average figures from ten farms scattered throughout our district on which we have analyzed the records of complete farm conservation pro-

grams on a before-after-and through-the-middle basis. I'll not give you the totals, but the average farm of those analyzed would be a $225\frac{1}{2}$ -acre farm with a normal appraised value of \$10,744 at the time the improvement program was started. An addition of new capital in the amount of \$6,603 was required on the average to complete the improvement program in an eight-year period. This investment of new capital resulted in increased production in the eight-year period worth, figured at the low average prices I gave you, \$14,568 on the average for each farm. That was a \$2.20 return for each \$1.00 invested. The yearly income from the farm following the completion of the improvement program was increased by \$2,391 with an annual maintenance cost of \$568 which would leave a net increase in income of \$1,823 per year, still using those same low average price figures. Over the eight-year period these average figures indicate that the improvement investments would have repaid this cost completely even at the low average prices we used in making our calculations, and in addition would have paid the farmer an extra 120 per cent for his efforts.

These studies and a pile of other evidence prove to me that, morals or ethics aside, from a cold business standpoint, the man who controls a farm cannot afford not to start now on a complete and integrated program of conservation farming. If a farmer has to borrow, I am convinced that farm improvement plans can be developed and financed on a basis that will enable him to repay the borrowed money from increased income earned directly by the improvement investments.

Every man must look out on the world from where he stands, so I have told you this little story about this district around here, though it is not different from many that others may tell. Multiply the single farm by hundreds for the community, tens of thousands for the state, and millions for the nation, and what do we get? Vastly increased returns, reduced costs of production, and larger profits even at the lower price levels we shall one day see. In the aggregate, a land that is at long last adjusting itself to eternal fruitfulness.