

TEAMWORK OR TROUBLE

Address
by
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TEAMWORK OR TROUBLE

Eight years have passed since I last had the pleasure of meeting with you here in Nashville. Looking back, it seems like a century, so much has happened. Organized human society has had another warning - which may be its last - that man's social and economic and political development is lagging thousands of years behind his scientific and technological progress. Events of the last eight years have raised in thoughtful minds the question whether man is going to be able to master the machines he has built before they destroy him - and only those of purest faith are confident that history will record an affirmative answer.

These intervening years have seen miracles of production by American agriculture, with the help of a benevolent Providence. During the war the food and fiber grown on our farms sustained our armed forces and those of our Allies, and helped keep civilian life going in friendly lands abroad. With only 15 per cent of the nation's labor force in their ranks, the farmers of the United States brought food production 30 per cent above the pre-war level and held it there. The food production of the farms of the United States last year averted mass starvation that threatened many millions of the earth's population.

Farmers came out of the war with a good record, and in better shape to meet the inevitable shake-down than was the case after World War I. In general their debts have been cut down and their cash and other assets have increased. Tough and trying years of adjustment are ahead of us, but the farm segment of our country has the stamina and the resources to come through them in good fashion if only the rest of the economy behaves itself. I suppose I could call that my text, the central theme of my talk tonight.

In looking at the present scene, and maybe prospecting a little into the future, I have to go over much of the same ground I covered in a talk to the Tennessee Extension folks at their Memphis meeting not quite two weeks ago. A good many of them are here, and if they would rather "take a walk" than hear it again, that will be all right with me. I am a little timid about trying to analyze future trends, anyway. Events have a way of popping up in a year or two and making a liar out of the man who today thinks he knows some of the answers.

First let us try to see farming in the right perspective in our complex modern life. It is impossible to consider agriculture by itself, the way you can fence off and cultivate an eighty-acre field. All of our interests are interwoven in a tight, complicated, fast-moving economy. In the long run, conditions under which you raise and market your crops may be more nearly controlled by developments entirely outside of agriculture than by what happens in your own field. Decisions in Moscow or Paris or London, in the houses of Congress, in board rooms of great corporations, or in labor union halls will help determine whether you suffer or prosper in the years ahead.

Generally speaking, agriculture will fare better in an expanding economy, with other groups in our national life busy producing goods and services to the best of their ability and capacity, than it will under conditions of curtailment, unemployment, and falling non-agricultural production and purchasing power. Conversely, the rest of the economy is better off when agricultural production is high, and prosperous farmers are exchanging their abundance on a fair basis for the products of others.

Your president in his annual address to this Convention told you that the principle of parity of prices or income should ever be held up as a practical ideal in the minds of industry, labor, agriculture and other groups.

I think that thought will bear a little elaborating. Parity does not mean a fixed price level; it relates rather to the purchasing power or exchange value of the products of one group when traded for the products or the labor of another group. The price level is very important to a farmer who is in debt, but in every other sense the most important consideration is not the dollar price of a product, but what it will bring when exchanged for other goods and services.

If then we think of all the farmers as one trading group, and all the rest of the economy as another trading group, there are two ways to hold the exchange value of the farm output high, or to increase it. One way would be to cut down the volume of farm production. The other way would be to increase the quantity of goods and services produced by the non-agricultural group. I favor the second way as being better for the Country, better for the farmers, and better for the world.

If I could be granted the fulfilment of one wish for the growth and prosperity of agriculture, it would be this; let the non-agricultural industries and labor find the way to keep working at full efficiency and capacity turning out goods and services that can be absorbed by this Country in a high standard of living - in better houses, equipment, electrification, refrigeration, sanitation, clothing, ad infinitum. With steady work and efficient production, prices could go down without cutting profits or wages. Real wages would increase, for the laborer is like the farmer - it isn't the number of dollars, but what he can buy with his product or his labor, that counts.

Under such conditions, the farmer could produce abundantly and still trade on good terms for what the other man makes; he could prosper at lower price levels. I think that really is the way out. The relation of

agriculture to the rest of the economy is changing radically and 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. I told you a minute ago that 15 per cent of the nation's labor force produced in 1943 and 1944 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.

So you see that with so few producing so much to feed so many, the ability of the cities and towns to pay for and consume our farm products is an all-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.

In view of the importance to the farmer of this pulsebeat of national business activity, of employment and production off the farms, what is the situation today, a little more than a year after "V. J. Day"? And what is the outlook? We have seen the break in the stock market rub off 20 billion dollars from quoted stock prices, and cotton fall over 10 cents a pound from high to low in the last few months. Do these signs point to early, inevitable depression? Let's "take a look at the record", as Al Smith used to say.

The number of workers in jobs, the physical volume of production from factories and mines, and the total income payments of all kinds, all show that this nation has done an amazing job of conversion from war to peace. At September 1 we had 58,000,000 men and women in civilian jobs; a year ago the most optimistic hope in reliable quarters was for 53 to 56 million jobs.

Nine million out of 11,000,000 men and women discharged from armed service are back at work, and many of the others are in college or unable to work. The volume of industrial production - not dollar value, the actual goods produced - is running three-quarters above the average volume turned out from 1935 through 1939. National income is at double the pre-war rate. We have a huge backlog of unsatisfied needs, and enormously expanded liquid resources in cash, bank deposits and bonds privately owned.

That is the record now. There are plenty of trouble signs all around us, but I do not believe that early, drastic depression is inevitable. The elements are present to support a high level of business activity for some time to come, if we can only overcome two great big "IFS" that confront us. We can forge ahead;

1. If labor will realize that it must increase its production in order to have increased wages. Without increased production, increased wages are phony, and labor leaders know it and will admit it, though they don't all practice it; and
2. If management will strive for lower prices as volume grows, and will share fairly with labor and consumer the benefits of increased productivity.

These are stubborn "ifs" but they are very important. They have their roots in human attitudes, in human behavior. Perhaps you may say there isn't much agriculture can do about these things. But they are fundamental to farm welfare, and there are some things we can do, as well as some things we should not do. Back in 1938 at its annual meeting in New Orleans, the American Farm Bureau Federation based its whole program on the demand for teamwork among industry, labor and agriculture to develop a fuller national economic life. That demand should be sounded again and

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. Let's not be jockeyed now into a position where we will be leading the procession toward curtailment; instead, let's try to get 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.

Early this month I spent a week driving over Western Tennessee. I saw the enormous waste and destruction caused by row-cropping the hills and slopes with cotton and corn. 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. The only thing that stands in the way is human inertia - human behavior again.

As Joe Frank Porter can tell you, I've gone the full cycle from the last war to this watching the evolution of farm policy aimed to provide remedies for farm problems as they unfolded. I am not afraid of the new or the untried, or of legislative formulas, or of government action. But I know there is no magic. There is no substitute for efficient production, which can be secured by the intelligent use of plenty of capital per man in the form of land, tools, buildings, lime and fertilizers, and livestock. Nothing can take the place of good management of our soil and water resources.

It will be better to seek high returns per worker through large-volume, low-cost production, than to try to get the same high return by means of high prices for scarce, limited production. But the rest of the economy must play the game under the same set of rules.

There is a way to lick these problems here at home, and that is to have genuine teamwork of labor and industry and agriculture rooted firm in the understanding that the common good must have priority over the special interest of any one group. We give lip service to that principle, but we let it end there. We are either going to practice that kind of teamwork, or we are going to have trouble - plenty of it. If each major group insists on going down its own road, with no real meeting of minds on national policy, we will court national disaster. The same principle applies to the international situation, as well, but now I'm talking about the domestic scene.

We must have genuine recognition of the principle that we can't prosper by "gouging" each other - we just can't gouge our way to prosperity. We may think we have progressed far from "the public be damned" attitude of the early Vanderbilt, but each day gives evidence that we have not. Genuine teamwork based on the realization that we have to produce something before we can divide it up, could yield us a gigantic national product to share. It may take a scare, or worse than a scare, to make us realize it.

Now just a word in conclusion: The Tennessee Farm Bureau is rounding out tonight its first quarter century of service and growth. Over much of that time I have had the privilege of knowing and working with your retiring president, who has been your leader throughout every one of these fruitful 25 years. In his own quiet, effective way, he has seen to it that this organization in its field stood for cooperation and for service. You have had differences and clashes of interests, many of them, but you have

worked them out, under his leadership, and gone steadily forward. Why can't

we make that attitude, that principle, work on the national and even on the international scene? To make it work we need men with the understanding of Joe Frank Porter, with his patience, and his good-humored appreciation of the other man's problems. We need them particularly at the points where group policies are determined. We must have men of vision and understanding before we can have teamwork. Teamwork - organized cooperation - is necessary at home if we are to keep from throwing ourselves into a tailspin. The inhabitants of this earth will have to practice international cooperation, too, eternally and vigilantly, if civilized and organized institutions of mankind are to be saved from destruction. This is a sober note on which to close, but I hope you will remember it. Trouble is too faint a word to describe what is going to happen to us unless we learn how to cooperate - to work as a team - and learn it at once.

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