

THE SOUTH AS AN UNDERDEVELOPED COUNTRY



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DISTRIBUTED BY:
STUDENTS FOR A DEMOCRATIC SOCIETY
112 EAST 19 STREET
NEW YORK 3, NEW YORK

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PRICE - 10 .

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The last three decades in Dixie have moved the plantation economy clearly into the 20th century industrial world. The South, though a step-child, is a full-fledged member of the national economy. Fifty years later than the North its urban areas have tipped the balance over the rural, though in values, traditions, and politics the battle has not been completely won. Perhaps fifty years later than the North the crest of the industrial revolution has hit the South. The "New South" which Henry Grady heralded in the 1880's appears to be at hand.

To miss the dynamic aspects of the rise in average per capita income, manufacturing, employment, urban population, regional bank assets, and agricultural productivity (an "agricultural revolution" has swept the South as well as a manufacturing one, emphasizing capital-intensive large units and fewer and fewer individual farmers producing more and more total product) would be a serious mistake.

On the other hand, to refer glowingly to the "New South" as a thing completed or merely a matter of more incremental growth is to avoid serious problems that make the South, as it was in the 30's, the nation's number one economic problem.

According to the usual criterion of per capita income, the South has made heartening progress in the last three decades -- from 50% to about 75% of the national average. However, this is only "three fourths American" and this figure in itself can be misleading. The urban Negro, the rural resident -- white and Negro, and the people of "depressed areas" such as the Southern Appalachian region are generally below this figure. Many urban whites, on the other hand, are close to the national average.

The Negro is still the automatic lower class of the South despite some strides in improvement of educational and employment opportunities. The estimated average per capita income of the Negro in the South is less than \$1000; for all other Southerners it is about \$1500. The "place" of the Negro today, though more mobile socially and geographically than before, is most uncertain in the Southern economy. The Negro was the "technology of Southern agriculture for almost three centuries. The slave Negro machine gave the South the edge in production and wealth over the rest of the nation for almost two centuries. It was the catching-up which the North has made with the non-human machines that gave Northern industrialism its victory over the agrarian South, which despite its cotton gin was relatively capital-poor. Transferring the Negro from an economy where he was the machinery of production to one which uses him as a skilled operator of the machinery of production has been the hardest task of Southern development.

The Negro, given a new image of life by the military, national communication media, and a slightly greater buying power, has felt the squeeze of being on the margin of the Southern economy and has led the stream of outmigration during the last two decades. More than one and one-half million Negroes left the South between 1950 and 1960.

This trend is cheered by some Southerners, who see a lessening of "racial tension" as the South's percentage of Negroes goes down to below half of the nation, but it is also a net loss as productive potential and as a market for the regional product. American merchandisers have just begun to realize that the "Negro market" is larger than the total Canadian economy. The Negro is beginning to self-realize his economic power as reflected in the Montgomery bus strike, the sit-ins, the Philadelphia "selective buying" campaign, etc. Meanwhile, the irrationality of segregation and the whole white supremacist tradition limit and scar progress in the South.

An urban-industrial complex like Birmingham, for instance, hulking part of the economic "New South" has become a scene of violence, has closed its city parks to avoid an integration order, has cut off its welfare relief (95% Negro) in retaliation against a Negro buying-boycott, has fallen into irrational city politics at the hands of racists, and remains enslaved in the impasse between racist tradition and economic progress. Some Southerners still hold to the idea that both white supremacy and industrialism can be attained. The front-running candidate in the Alabama gubernatorial primary has pledged to go to jail to avoid integration and to get an industrial plant in every county. It is not necessarily so that industrialism is impossible with racism; Hitler proved that.

Despite an increase in population in the Deep South during the last decade, in all states except Florida more people left than came in. Besides the large Negro outmigration, a great number of skilled and educated young persons of both races left the region after scarce regional resources had been spent on their training.

Another trend has been the shift in population from the economically overcrowded farms to the city. In the six states of Alabama, Florida, Georgia, Louisiana, Mississippi, Tennessee, for instance, 80% of the counties had more people leave than came in between 1950 and 1955. There has been a "population explosion" in the metropolitan areas, but the cities have not coped with their new population very effectively. The "urban tenant" is more helpless and more in need of higher levels of income than the "rural tenant." Welfare, medical, and re-employment programs have been sparse. Housing and community development programs have lagged critically. Three Southern states -- Florida, Louisiana, and South Carolina-- don't even allow urban renewal. In other cases the programs turn into "Negro removal" projects without adequate provisions for resettlement. Large metropolitan areas are becoming increasingly segregated as whites scamper to the political and fiscal irresponsibility of the suburbs and the Negro and low income whites are left to the shrinking, blighted "central city" with no place else to go. It is interesting to note that in Atlanta Negroes comprise one-third of the population but are able to occupy only one-sixth of the residential land. More than half a million blighted houses are reported in the 1959 Census of the six-state Atlanta Federal Reserve district.

Southern agriculture is still the largest problem area. More than three-fourths of the farms in the South are less than 25 acres (only 5% more than 100 acres). One half of the nation's farm product is from that

region. Net income per family in the South is less than two-thirds of that of farm families outside. Forty-seven of the fifty one economic areas in the United States with median farm family income less than \$1000 are in the South. The South has only 13% of the commercial farms in the nation but 70% of the commercial farms with less than 2500 income. Definite progress has been made in developing larger, more viable farm units; livestock and a variety of cash crops have supplanted King Cotton; fertilizers, hybrid seeds, scientific conservation measures, and mechanization have all contributed larger income potential. But thousands of marginal farmers, tenants, and freeholds are stranded in rural areas without any prospect of betterment. Even more unfortunate are the uprooted migrant workers who are helping in the South. Better education is needed (less than one-third of farm children make it to college in the South), more credit for large, productive farm units should be made available and well-planned programs of out migration should be carried out! Of course, America's policies toward world use of agricultural abundance must change as well.

The "industrial mix" of the South is still rather "soft", featuring the natural resource-use industries of textiles, lumber, and food processing. Chemicals, heavy manufacturing, electronics, and other high-technology plants are relatively lshy of the South, often because of a lack of skilled workers. Industrial wages have been rising but are still considerably below natural scales. Unionization has been beaten down since the late 19th Century in the South by use of race intimidation and outright violence and social pressure, as well as local and state "right to-work" - type laws. Thus democratic participation of workers in the economic decision-making lags as well. The nearest thing to economic decision-making in the economic sphere is in the rural cooperatives for feed and equipment, storage, electricity, ginning and processing, stockyards and slaughterhouses, etc. Some "community development" programs have brought together many different citizens for local economic planning and promotion, but this has been dominated by Chamber of Commerce approaches.

During the Depression of the Thirties the South learned a number of lessons. (1) First, that as the South is not a separate regional compartment but is part and parcel of the national and international economy. The South was the hardest hit of any region by the national depression, (2) Second, that federal assistance is needed if the South is to reach its potential. President Foosevelt, in calling the nation's attention to the South's plight, responded with leadership and federal programs that included TVA, WPA, CCC, agricultural adjustment programs, and assistance for regional study and planning. With this impetus from the federal government the most comprehensive program of research and planning in the South took place in the thirties. Professor Howard Odum of the University of North Carolina and many others formed the "regional school" of economists, sociologists, planners, anthropologists, geographers, etc., who, in the Southern Regions and other publications surveyed the resources of Dixie and planned for their best use. With the encouragement of the National Resources Planning Board state planning boards were established to deal rationally with problems of underdevelopment throughout the South.

During World War II much of this vision of the Thirties was lost. The South came to depend upon military expenditure for its "public works." Muscle Shoals shifted from fertilizer to explosives. TVA power laid the basis for Oak Ridge's nuclear weapons research. Lockheed, Raytheon, Dupont nuclear fuels plant, Pine Bluff Arsenal, Cape Canaveral, Redstone Arsenal and Missile Center--these are the "public works" the South now depends upon. This has tainted the Southerner's view of the Cold War and has narrowed his perspective on government participation in the economy.

The "planning movement" of the Thirties has become the "promotion movement" of the post-war years. Draftsmen and social scientists have been replaced by hucksters and industrial contact men. "Economic development" has come to mean: "Persuade a Yankee plant, any kind, to locate in your town." Rational planning and "developmental" concern with health, education, housing, and welfare have taken a back seat to the full-speed-ahead hunt for external investment. Florida spends more than two and one-half million dollars a year on "industrial and tourist promotion." Communities have gambled their public credit on give-away bond issues and have guaranteed low wages to pull plants and processing firms in their area. This has made for grab-bag growth and uneven, "soft" development. There is a desperate need to pull these pieces together and to concentrate on coordinating public approaches to "development" with emphasis on the underdevelopment of human resources (training, health, housing, and urban renewal, expanded welfare programs) as well as the need for external investment.

Sadly, many Southern Congressmen have been locked in a coalition with conservative Northern Republicans and have been less concerned with, in fact opposed to, legislation to help the South.

The heart of opposition to federal aid to education, expanded medical programs, improved housing and urban renewal, area redevelopment and public works programs are Dixiecrat Congressmen. This stems partially from the double-standard of States' Rights (remain independent on race but get as much federal aid as possible) becoming a single negative standard and irrational fears of federal programs being used to destroy segregation. It is also the result of Southern dependence on Northern investment and the desire to build a "conservative" climate to attract it. The basis of the Dixiecrat-GOP coalition goes all the way back to the "Compromise of 1876" with the calling off of Reconstruction for the guarantee of Hayes' election and continued Northern industrial dominance of the South. FDR broke through this coalition to some extent, but the Post-War scene and the rise of the Cold War have seen a hardening of it.

The pioneering work of the TVA has trickled down to maintaining the public power establishment. The "creeping conservatism" of TVA is less the fault of the Authority itself and more the fault of the vision (or lack of it) of Congress and the Executive. Bold, new economic development authority is needed across the tributaries of the Tennessee, throughout the Southern Appalachian area, through the Alabama River basin and elsewhere. The Area Redevelopment Administration program has been thus far essentially only a piece-meal loan and grant program to meet immediate "plant-attraction" needs with a few re-training experiments thrown in. The Public Works Bill now up for approval in Congress would speed up spending for public authority to develop the natural and human resources of the South. The same zeal that brought the Peace Corps (does the President have another brother-in-law?) should be dedicated to a "Domestic Peace Corps" which emphasizes the need to fight poverty in the depressed "pockets" (involving, however, as many as 40% of the American people) where it exists in the so-called Affluent Society.

It must be recognized that "progress"--the growth of gross product and increase in average per capita income--does not automatically bring justice. As Mike Harrington has suggested in his new book, The Other America, poverty is a "culture" that must be attacked from many directions at once to break its vicious circle. And despite the rise of urban industrialism across Dixie, racism still haunts the region. The Negro is still the most under-developed resource in America. His plight is greatest in the South. Attempts to preserve segregation corrode politics and obfuscate all other issues, prevent effective worker organization, lead to irrational plant organization (South Carolina has a law that prohibits whites and Negroes from working in the same textile plant), curb efforts to attract industry (Little Rock got no industrial nibbles for three years after Faubus closed the schools, though things had been booming before that), add to the "welfare" burden and make the administration of welfare programs discriminatory and prevent positive programs from being launched (an Area Redevelopment tractor-training program in the Mississippi Delta area was blocked by local politicians because there were fears that the interracial project would change the existing status of Negro farm laborers.)

Agriculture is not being totally replaced by manufacturing in the South but is changing its form to become more productive. "Industrial agriculture" on larger farms with less persons employed is the future trend (farm employment in the six-state Atlanta area declined 22% to 11% of the total employment from 1950 to 1960). This means that provision must be made for the margin farm worker doomed by technology to find a more productive way of life and make a satisfactory transition to non-agricultural employment. This should not be left to the cruel process of forcing farmers to starvation levels or staging Reverse Freedom Rides to ship persons out of the South. Hopefully, the South can find a use for all its human resources and concentrate on shifting persons from farm employment in the South to productive employment off the farm in the South.

At one time the South was an "internationalist" producer of primary products, especially cotton, for foreign manufacturers. Opposition by the South to stiff national tariffs for protection of Northern "infant industries" was one of the official interregional issues at the time of the Civil War. However, the South has now become the most "protectionist" region in the country about its "infant industries." The 1959 Southern Governors Conference called for more protection of Southern manufactures from foreign competition. This is clearly a block to the greatest possible flow of economic goods and is only a short-run view to protect marginal firms, textiles in particular. Just as the Southern contribution to Cold War tensions because of its zeal for military public works must be seen in broader perspective--so must the rise of protectionism in the South.

As we view the Southern "mixed economy" in 1962, it is clear that vast changes are taking place in the structure of production, the distribution of population, and, more slowly in the social structure. It is important that "New South" fever not take away our critical judgment of the status quo of discrimination and poverty and undemocratic processes that still pervade the South. Southern leaders should not allow the region to make economic growth only a vener and a "trickle-down" factor that ignores the traditional problems. There is a need for broad secular changes if the "New South" is to be a well-balanced and just society where all its citizens have the opportunity to grow and live in freedom. There is a crying need for broader expenditure for education, training, and research, for more basic community facilities such as sewerage, water plants, roads, for more diversified capital investment in manufacturing with emphasis on

"growth" industries such as electronics and more intensive investment in agriculture with emphasis on "industrial agriculture" for direct assistance to the poverty-stricken, for elimination of the walls of race and region that leave literally millions of Southerners of both races still living as second-class citizens.

The Southern potential is great. Its topography, soil, climate, water, forests, and mineral resources are abundant. Electrical, nuclear, and solar energy can be produced with relative ease in the Southern environment. The South's greatest untapped resource is its people. It could accommodate four or five times the amount of industrial employment it has now. Its biggest problem is not "unemployment" but "underemployment." Healthy transition from the economy built around the plantation and the one-man farm to an economy of large-scale industrial manufacturing and large-scale mechanized agriculture must be made with full opportunity for all its people. The South has almost one-fifth of the nation's land and one-fifth of the nation's people. The land must be used more wisely, more intensively. The people must be trained and educated to face the challenges of an industrial economy.

Many of the problems of Southern "economic development" are national problems writ large. The same muddled conceptions of the "mixed economy" that leave the nation subject to irrational laissez-faire attacks on Big Government and Poujadist anti-tax movements, Defense as public works, Welfare as vested interest rather than lever to opportunity--all haunt the South in double order. Add to this the problem of discrimination written into public law and hardened custom and our image of "another South" is clearly at odds with many contemporary facts.

What we are after is economic progress with justice--opportunity for all Southern citizens. The region cannot be visualized apart from its national and world context, but it can be a beginning for attacking problems that plague the globe. A "rurban" South living with ease between uncrowded decentralized, integrated, "green-belt" communities and centers of intensive, high-technology, democratically-controlled agricultural and manufacturing industry where all persons participate in economic and political decision-making bound together by road metropolitan units of government; this is one glance at what the South could become. All persons must be "skilled" and educated and mobile--able to participate in the ongoing economy with full opportunity to grow within it. Urban sprawl without political unity and rural transition without political democratization must be translated into broad "metro" units that plan for needed public facilities, that supply a "floor" under poverty, that assume equal opportunity according to ability and training, that plan for beauty and access to the bounty of Southern natural surroundings as well as economic facility, and that strive to make educational centers open and alive to prepare citizens for full, self-conscious, critical participation in society. Racism must be hammered out of the system. The politics must be open to all. Community development should involve all constituents. Service and the cooperative principle should guide economic decision-making--with as much participation as possible by all persons. This is the projection, the goal, the dream.

Where are we to make our beginnings?

(1) Knowledge must become relevant in the South. The social sciences and the technical-industrial sciences must unite in eliminating the irrationalities of the Southern System that make economic progress ambiguous and superficial.

(2) Racism and segregation must be eliminated in all places, all sectors, before the "New South" has even a chance of being anything more than

grafting an industrial complex onto the old social structure with built-in alienation and discrimination. Only when the Negro is free of closed doors and the white is free of preoccupation with the Negro can the Southern economy grow to the benefit of all. Attacks on segregation are economically sound--they are necessary to make the "resources" of the South sufficiently free, mobile, and developed to contribute to the greatest possible economic advance. The "dislocation" or "tension" that a sit-in or boycott might bring to a community one day are not debilitating to the economy if in the long-run they bring a new, freer role for the Negro and the white in the society.

(3) Poverty must be attacked directly, just as discrimination must, as a vicious circle. A new "land grant" type program is needed to expand education, health, and housing opportunities for all Southerners. Regional development authorities should be established not only to produce more electrical power but to plan for the development of depressed "pockets" throughout the South. Public works programs are needed immediately. Long-range planning and careful investment, particularly in intensive, large-unit agriculture and experimental, high-growth-potential industry, must be made. Social and industrial research should become the preoccupation of Southern leaders and Southern public finance with federal help.

(4) Cooperative federalism must be advanced; negative states' rights must be buried. The South needs federal grants-in-aid for education, planning, research, and training, expanded health and welfare programs, urban renewal and housing, highway construction, water, power, and resource development, recreation and parks programs, etc.

(5) The Southern economy should be viewed not as an antagonism between city and rural areas, between farms and factories, but as a continuum that is increasingly interdependent. Credit expansion for viable farm production helps cities. New manufacturing industries are crucial for agricultural growth. Technical education is needed by all persons, urban or rural. "Tenantry" and poverty must be attacked with equal fervor in the urban slums and on the marginal, eroded acres. Planning is needed in rural towns as well as in growing metropolitan areas.

(6) All efforts to increase worker participation in economic decision-making must be made. Unionization must be advanced. More experiments in cooperative development must be made (for instance, Negro freeholders in Mississippi, who are living on small, marginal plots of land are shut out of the segregated society, should be aided in more cooperative efforts: equipment-buying, ginning, marketing, etc.). Local and state, as well as federal, units of government must strive to unite and coordinate public efforts to make all endeavor subject to the electorate. Needless to say, Southern politics must be democratized, demythologized, racially integrated, pluralized, and made issue-relevant before efficient, effective, and truly "representative" government can be expected in the South--and the needed advanced in public economic development can be made.

(7) Experimentation with non-military public works must grow. Only if Southerners, as well as all Americans, can conceive of power plants, hospitals, highways, experimental factories and farms replacing airplane-building, explosives-production, and military posts as the base of public "pump-priming" expenditure, can the efforts for a disarmament agreement be on solid ground--and, equally important, can the actual process of staged transition from Cold War production to peacetime production be workable. Regional development authorities, public works efforts, hospital construction programs, farm credit plans (where discretion is made about the sort of units getting assistance according to economic growth feasibility), urban

renewal and housing programs, Domestic Peace Corps--all must be seen in this "Transition Matrix" as well as in terms of the specific needs and the "mix" between public and private investment.

These are just a few suggestions. The most important thing is that Southerners are aware of the actual trends and problems of the region and are willing to apply their knowledge to political intervention for positive change. Southerners must consider national and international implications of "Southern progress" according to present patterns. Also, Southerners should realize the opportunity that the South offers as a place to face some of the worst problems of the world: racism, poverty, militarism, undemocratic politics, irrational and unbalanced development.

While the South is not one of the undeveloped areas of the world, it is underdeveloped in many ways, particularly in its human resources. Though the people and the natural surroundings of the South are dear to many Southerners, the stark problems of the past and present in the South must be faced for what they are.

In the words of Walter Hines Page:

"We look forward to a golden age that we may surely help to bring, not back to one that never was."