



Governor Hugh White (McCain Library & Archives, The University of Southern Mississippi)

Balancing Agriculture with Industry: Capital, Labor, and the Public Good in Mississippi's Home-Grown New Deal

by *Connie L. Lester*

Seven decades after the Great Depression, conventional wisdom and public memory frequently converge to offer a folksy and heart-warming portrait of America's most wrenching economic collapse. In response to questions about personal recollections, Mississippians of a certain age often evoke the communal spirit associated with farm life and claim that country people fared better than urbanites as they grew their own food and shared labor and essentials. As an afterthought, many offer paradoxical statements that they were so poor, they did not know there was a depression. Such assurances highlight rural perceptions of 1930s Mississippi life and simultaneously obscure a more profound transformation that accompanied the state's experience in the Great Depression. Mississippi was poor, but Mississippians knew there was a depression, and they felt its effects acutely. More importantly, the Great Depression and Mississippi's efforts to overcome its effects pushed lawmakers to enact legislation that gave the state previously unimagined responsibility for the general welfare of its citizens. In its efforts to revitalize the economy by balancing the dominant agricultural sector with an anticipated industrial sector, Mississippi edged toward centralized state planning with profound implications for the existing racial and social hierarchies.

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Implicit in the agrarian survival saga is an assumption of rural superiority of both character and substance that manifested itself in at least two commonly held "truths." First, the rugged existence and hard work of farm life developed men and women capable of providing for themselves under the most adverse circumstances and willing to share work and necessities to help their neighbors and kin in the rural community. Second, country people resisted outside change and thereby preserved traditional moral values and the highest democratic ideals of American life. Ministers, politicians, and writers found these agrarian myths useful and sustained them from the earliest days of the republic both in political demagoguery and as mechanisms for maintaining established social hierarchies.¹

Historians of the Great Depression and New Deal era recognized both the depth of rural poverty and the forces of modernity that transformed country life. As they explored rural life, some raised troubling questions about the limits of agrarian character and neighborliness. For the most part, however, historians focused on the unintended effects of New Deal programs or the resistance to the United States Department of Agriculture's agricultural extension initiatives and philanthropic reforms as a means of demonstrating the limitations of institutional efforts or the backwardness of country people. Most histories explicitly or implicitly adopted the view that change originating from bureaucratic or academic institutions encountered resistance or found acceptance in limited form by country people. Generally when historians noted local initiative they folded it into larger regional or national studies rather than assessing it within the state context. Such has been the historiographic fate of Mississippi's Balance Agriculture With Industry (BAWI) program as it attracted attention within larger regional studies.²

¹ Twelve Southerners, *I'll Take My Stand: The South and the Agrarian Tradition* (Baton Rouge: Louisiana State University Press, 1995; New York: Harper & Brothers, 1930); W.J. Cash, *The Mind of the South* (New York: Alfred A. Knopf, Inc, 1941; New York: Vintage Books, 1969); Paul V. Murphy, *The Rebuke of History: The Southern Agrarians and American Conservative Thought* (Chapel Hill: University of North Carolina Press, 2001); William F. Holmes, *The White Chief: James Kimble Vardaman* (Baton Rouge: Louisiana State University Press, 1970).

² Examples of Great Depression historiography include Roger Biles, *A New Deal for the American People* (DeKalb, IL: Northern Illinois University Press, 1991); Anthony J. Badger, *The New Deal: The Depression Years, 1933-1940* (Chicago: Ivan R. Dee, 2002; Hill & Wang, 1989); William E. Leuchtenburg, *Franklin D. Roosevelt and the New Deal* (1963); and Robert S. McElvaine, *The Great Depression: America, 1929-1941* (1984). Re-

BAWI traced its origins to Columbia, Mississippi, where business progressives and local citizens launched a successful program in 1930 to address an economy already depressed by poor agricultural practices, the disappearance of an extractive timber industry, and community failure to build a successful educational and commercial infrastructure. By the middle of the decade, the so-called Columbia Plan had gained statewide interest and produced the BAWI program. Although the plan to balance agricultural production with industrial development traced its origins to local initiative, it built upon decades of New South efforts to attract industrial investment and emerged within the context of the New Deal's national economic planning. Nevertheless, as Mississippi developed and honed its nascent program, the effort diverged from past regional endeavors in three important ways.³

For the first time in state history, Mississippi actively sought and accepted responsibility for economic growth and the general welfare of its citizens. Pushed by more radical efforts in other states and the initiatives of New Deal agencies, the Mississippi legislature and the state Supreme Court took their first steps away from economic individualism to suggest that local communities and the state must assume some responsibility for attracting investors and sustaining the general economic welfare.

Second, the state launched a concerted effort to balance the economy between agriculture and industry. Although the program never adequately defined what was intended by this balance or how it would be measured, the concept of balance represented a profound shift in Mississippi's expectations for future development. The program was never

gional studies that include the BAWI program include George B. Tindall, *The Emergence of the New South, 1913-1945* (Baton Rouge: Louisiana State University Press, 1983), 167, 461-62; James C. Cobb, *The Selling of the South: The Southern Crusade for Industrial Development, 1936-1980* (Baton Rouge: Louisiana State University Press, 1982), 5-34.

³ Oliver Emmerich, "Balancing Agriculture with Industry," *Nation's Business* (February, 1937), 23, 24, 92, 95; J. Oliver Emmerich, "Collapse and Recovery" in *A History of Mississippi, Volume II*, Richard Aubrey McLemore, ed., (Jackson, MS: University & College Press of Mississippi, 1973), 112-113. Histories of New South industrialization include C. Vann Woodward, *Origins of the New South, 1877-1913* (Baton Rouge: Louisiana State University Press, 1951); Tindall, *The Emergence of the New South*; Cash, *The Mind of the South*; Dwight B. Billings, Jr., *Planters and the Making of a New South: Class, Politics, and Development in North Carolina, 1865-1900* (Chapel Hill: University of North Carolina Press, 1978); and Jonathan M. Weiner, *Social Origins of the New South: Alabama, 1860-1885* (Baton Rouge: Louisiana State University Press, 1978).

intended to be a stop-gap measure to bolster the economy during hard times, as had been true for previous industrial development initiatives. Rather, proponents of BAWI envisioned a new economy that would depend less on agricultural credit and more on cash wages—a transformation that would push Mississippians (at least white Mississippians) into the modern consumer economy. Although the original program lasted only four years, Mississippians returned to the concept in the post-World War II years and finally succeeded in “balancing” the agricultural and industrial segments of the state’s economy in the mid 1960s.

Finally, although the proponents of BAWI intended the program to sustain, rather than overturn, Mississippi’s finely crafted racial and gender hierarchy, the effort set into motion social changes that had profound consequences. In the minds of the state’s leaders, the measured steps to greater prosperity would raise family incomes, increase consumer purchasing,

and improve tax revenues, but would leave in place white supremacy, male domination, and the power structure that favored existing political and economic elites. African Americans would continue to provide cheap agricultural labor in a sharecropping system built on white supremacy. White women would accept low-paying mill jobs that would sustain small family farms and draw country people into the consumer society without upsetting patriarchal households. White men would fill better-paying supervisory positions in textile mills or obtain good jobs in high-wage heavy-industry plants and thereby demonstrate the sustainability of traditional hierarchical roles. Improvements in wages and the family



Between the Federal business censuses of 1933 and 1935, Mississippi registered a 42.0% increase in the number of manufacturing establishments, a 32.8% increase in the number of wage earners, and a 46.6% increase in the amount of wages paid.

The number of industrial workers increased between 1933 and 1935 from 27,823 to 36,939 or 32.8%, while number of agricultural workers increased only 0.8%.

The value of Mississippi's manufactured products increased between 1933 and 1935 from \$72,547,411 to \$121,556,447.

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economy combined with the hard-working character of Mississippians and the legal structure of the state would discourage the organization of labor unions. And planters, attorneys, and bankers, who had dominated the political and economic hierarchy for generations, would ride a new wave of prosperity and power.

Much to their surprise, state planners encountered problems from workers, union organizers, and industrial investors almost immediately. Mississippi visionaries had not anticipated the resolve of unions, manufacturers, and other states to protect their special interests, nor had they expected the seemingly divergent groups to combine their efforts in resistance to the BAWI program. In resolving the conflicts, Mississippi society was transformed in ways that would have profound consequences over time. The story of that transformation began with the state's poverty, notable even in national hard times.

When President Franklin D. Roosevelt declared the South the nation's number one economic problem, he could have gone further and pointed to Mississippi as the most intractable southern economic dilemma. Chained to cotton and tenancy, with few industrial jobs beyond timbering, and with almost no commitment to social services, Mississippi occupied a firm place at the bottom of the regional and national economy. Nevertheless, the Magnolia State felt the blow the Great Depression delivered as more than half the state's industrial jobs disappeared, and one-quarter of its farms sold for taxes.⁴

For most Americans the deprivations of the 1930s seemed all the more intense coming on the heels of a decade of prosperity. The reputation of the so-called Roaring Twenties rested on an expanding industrial economy that provided American consumers with new luxuries at prices the middle class could easily afford. Electrical appliances promised relief from tedious household chores, a new level of personal comfort, and instantaneous connection to national events and popular culture. Affordable automobiles and improved roads put urban shopping and entertainment within the reach of small-town and rural America. Comedian Will Rogers recognized the success of 1920s consumerism when

⁴ Letter from Franklin D. Roosevelt to Members of the Conference on Economic Conditions in the South, July 5, 1938, quoted in David L. Carlton and Peter A. Coclanis, eds., *Confronting Southern Poverty in the Great Depression: The Report on Economic Conditions of the South* (Boston: Bedford/ St. Martin Press, 1996), 42; Emmerich, "Collapse and Recovery," 97-100; "One Fourth of a State Sold for Taxes," *Literary Digest*, May 7, 1932.

he observed that Depression-era Americans would be the first people who drove to the poor house in their automobiles.⁵

Farm families benefited less from the consumer-driven economy than urban, industrial families. High wartime agricultural prices fell sharply after 1920, and though they recovered, never achieved the levels they attained during World War I. Nevertheless, farm families living outside the South enjoyed advantages unavailable to Dixie's country folk. Newly paved roads, radios, and telephones reduced rural isolation and drew farm families into the mass culture and consumerism of the New Era. Women took employment off the farm to supplement low agricultural incomes and provide the steady wages that permitted expenditures for clothing, furniture, appliances, and leisure activities commensurate with modern life.⁶

The 1920s experiences of Mississippi's farm families contrasted sharply with that of non-southern, rural dwellers. In the Magnolia State, cotton, the old Bourbon King, still claimed his tarnished crown, even as international competition drove down prices. In addition, struggles with the boll weevil, shrinking farm size, and depleted soils increased production costs while reducing individual yields. Policymakers and agricultural extension agents preached crop diversification, but made

⁵ Will Rogers's quotation can be found in Steven K. Gragert, ed., *Radio Broadcasts of Will Rogers* (Stillwater: Oklahoma State University Press, 1983), 66. For examples of rising consumerism in the 1920s, see Lynn Dumenil, *Modern Temper: American Culture and Society in the 1920s* (New York: Hill & Wang, 1995); Lizabeth Cohen, *Making a New Deal: Industrial Workers in Chicago, 1919-1939* (New York: Cambridge University Press, 1990), 100-158; Robert S. Lynd and Helen Merrell Lynd, *Middletown: A Study in Contemporary American Culture* (New York: Harcourt, Brace & World, 1929); Martha Olney, *Buy Now, Pay Later: Advertising, Credit, and Consumer Durables in the 1920s* (Chapel Hill: University of North Carolina Press, 1991).

⁶ For examples of the consumer and work transformation of the American countryside, see Hal Barron, *Mixed Harvest: The Second Great Transformation in the Rural North, 1870-1930* (Chapel Hill: University of North Carolina Press, 1997); Mary Neth, *Preserving the Family Farm: Women, Community, and the Foundations of Agribusiness in the Midwest, 1900-1940* (Baltimore: Johns Hopkins University Press, 1995); Katherine Jellison, *Entitled to Power: Farm Women and Technology, 1913-1939* (Chapel Hill: University of North Carolina Press, 1994). To understand the effects of the consumer economy in the rural South, see Howard Lawrence Preston, *Dirt Roads to Dixie: Accessibility and Modernization in the South, 1885-1935* (Knoxville: University of Tennessee Press, 1991); Melissa Walker, *All We Knew Was to Farm: Rural Women in the Upcountry South, 1919-1941* (Baltimore: Johns Hopkins University Press, 2000); and Ted Ownby, *American Dreams in Mississippi: Consumers, Poverty, & Culture, 1830-1998* (Chapel Hill: University of North Carolina Press, 1999).

few converts among the state's farmers. In the words of one observer, Mississippi remained "an inflexible monogamist" with "one love, one spouse, one source of income: Cotton."⁷

Clearly, the price of cotton did not justify the state's stubborn adherence to the one-crop economy. Although prices rose to almost 36 cents per pound during World War I, cotton planters received less than 23 cents in 1925, with prices falling to 19 cents in 1929 and 11.6 cents in 1930. Cotton prices finally bottomed out at 4.5 cents before rising to

6.7 cents in 1932. New Deal initiatives aimed at reducing cotton acreage in order to raise prices achieved modest success for planters but disrupted longstanding tenant arrangements. In 1935, cotton sold for 10.75 cents per pound, with American production of the fiber at 11.5 million bales, slightly higher than cotton production in 1916-1917.⁸

If price did not account for cotton's southern dominance, planters and politicians found ample social justification for King Cotton's continued reign. Largely unmechanized and dependent on human sweat and animal muscle to produce the fiber, cotton agriculture supported a system of tenancy and sharecropping that maintained white social control by keeping blacks (and many poor whites) in a state of peonage. In Mississippi, where African Americans constituted almost fifty-one percent of the population, white planters found cotton and ten-



No state in America offers more inspiration to men of industry than Mississippi. Here, in these modern times, is a virgin industrial site where all producers of goods may come and find unexploited man, material and opportunities.

No certain are the people of Mississippi than profit again these unutilized industrial enterprises which locate within its borders that they have. In law, a plan to share the use of industrial enterprises in the state. This is not only in the form of tax exemption by municipalities and counties but actual assistance with the use of land and buildings. This new law, the first of its kind, makes Mississippi an industrial haven for practically every form of industry, to the great benefit of both the manufacturer and the consumer.

Mississippi's genuine industrial attractions are found in the opportunities it offers for low manufacturing costs. The undeveloped resources of the state—the wealth of raw materials, the high percentage of bauxite, water and fuel, the low power rates, the excellent transportation facilities by water, rail, air and bus, the low power rates, the ideal year around climate. . . . Mississippi offers you all of these basic factors to help you lower your manufacturing costs.

Surely, this rich region is deserving of your careful investigation. To assist you, the Mississippi Industrial Commission is ready to supply you, without obligation, a confidential survey based on the needs of your own particular company. This same Commission also stands ready to lend its full cooperation to your company and to the municipalities in which you wish to locate.

Organized in the immediate aftermath of the Civil War, Mississippi is known as the first state to provide industrial incentives. The state's first industrial park was the first of its kind, offering tax exemptions, low-cost water and power, and other incentives to attract industry.

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⁷ Walter Davenport, "All Work and No Pay," *Colliers* (November 13, 1937).

⁸ Howard W. Odum, *Southern Regions of the United States* (Chapel Hill: University of North Carolina Press, 1936), 59-63; Robert A. Sigafos, *Cotton Row to Beale Street: A Business History of Memphis* (Memphis: Memphis State University Press, 1979), 348; Roger D. Tate, "Easing the Burden: The Era of Depression and New Deal in Mississippi," (Knoxville: Ph.D. Dissertation, University of Tennessee, 1978), 6.

ancy a useful combination. Ultimately the decision to keep over half the population in a condition of economic dependency in order to maintain social and political control condemned the Magnolia State to poverty.⁹

With an ample supply of cheap labor, Mississippi planters invested little in modern farm technology. The state ranked last nationally in the percentage of farms utilizing tractors. Only Alabama and Georgia cultivators invested less in implements and machinery per farm than the \$133 average spent by Mississippi farmers. As was true for other southern states, the technological lag was offset by a chemical dependency. By 1930, the loss of southeastern soils accounted for sixty-one percent of the nation's eroded acres. As topsoil losses threatened the region's agricultural future, southern expenditures for fertilizer reached almost sixty percent of the total national costs. As one study noted, "the southeastern economy operate[d] on cheap labor, animal power, and plentiful fertilizer." Indeed, the South's annual expenditure for fertilizer "reache[d] totals remarkably close to the regional expenditure for all types of education and multiplie[d] several times over the expenditure for all other social services combined."¹⁰

The technological lag in farming extended to households, and few rural families benefited from the conveniences electricity brought to Americans outside the South. Until the creation of the Tennessee Valley Authority (TVA) and the Rural Electrification Administration (REA), Mississippians were unlikely to have access to modern power. A 1936 study placed Mississippi forty-eighth among the states in the percentage of farms with electric lights. In 1929 the state's urban dwellers received electric power supplied by two consolidated corporations, Mississippi Power and Light Company and Mississippi Power Company. With only 16.9 percent of the population classified as urban, most Mississippians used the same sources of heat and light utilized by their ancestors. While Northeastern and Pacific Coast farm families enjoyed the advantages of electric refrigerators, washing machines, and cooking stoves, these items

⁹ James C. Cobb, *The Most Southern Place on Earth: The Mississippi Delta and the Roots of Regional Identity* (New York: Oxford University Press, 1992); Jack Temple Kirby, *Darkness at the Dawning: Race and Reform in the Progressive South* (Philadelphia: J. B. Lippincott Company, 1972); Pete Daniel, *Breaking the Land: The Transformation of Cotton, Tobacco, and Rice Cultures Since 1880* (Urbana: University of Illinois Press, 1985); J. William Harris, *Deep Souths: Delta, Piedmont, and Sea Island Society in the Age of Segregation* (Baltimore: Johns Hopkins University Press, 2001).

¹⁰ Odum, *Southern Regions of the United States*, 41, 65-67.

remained the stuff of daydreams in the Magnolia State. If Mississippi families enjoyed any technological advancement it was likely the radio, where advertisements for the array of new consumer goods pointed up the backwardness of home life in the Deep South.¹¹

The collapse of the stock market and the advent of the Depression worsened an already precarious economic outlook. Mississippi's 1929 per-capita income of \$287 fell to \$117 by 1933. Over half the 52,000 manufacturing jobs disappeared. The insular character of the state and a largely dependent population limited recovery. Finding few opportunities for advancement at home, Mississippi's youths hopped trains or walked the dirt roads to far-away destinations in order to satisfy their ambitions for better jobs and brighter futures, leaving behind a state rapidly receding into the past. Even as out-migration drained the most ambitious citizens, high birth rates for both black and white rural Mississippians overwhelmed high infant mortality rates, leading regional policymakers to the paradoxical conclusion that over-population of the countryside constituted one of the most intractable problems for the South.¹²

Foremost among those who still saw potential in Mississippi was Hugh Lawson White. The scion of a well-established Mississippi family, White traced his roots in Marion County to the 1830s. During the nineteenth century the White family had accumulated both the wealth that marked elite status and a concern for their neighbors that characterized southern paternalism. In the first decades of the twentieth century, the family owned at least four timber and lumber companies with the accompanying rail lines and saw mills. They had profited from the exploitation of Mississippi longleaf yellow pine forests that accounted for one of the few "industrial" initiatives in the state. But by the mid-1920s, most of the timber had been cut, and Mississippi was a veritable

¹¹ Odum, *Southern Regions of the United States*, 42; Sara E. Morris; "Good Equipment Makes a Good Homemaker Better": Promoters of Domestic Technology in Mississippi, 1930-1940," (MA Thesis, Mississippi State University, 2004); Raymond McClinton, "A Social-Economic Analysis of a Mississippi Delta Plantation," (MA Thesis, University of North Carolina, 1938). Only 1.5 percent of Mississippi farms had electric lights, and 1.8 percent had piped water. By comparison, 62.6 percent of Massachusetts farms reported electric lights, and 74.5 percent had piped water. Among Pacific Coast farmers, 63.3 percent of California farms had electric lights, and 72 percent had piped water.

¹² Odum, *Southern Regions of the United States*, 46; *Fifteenth Census of the United States, 1930. Population, Volume II, Part I* (Washington, D.C.: U.S. Government Printing Office, 1932), 1265, 1288, 1301; Tate, "Easing the Burden," 40.

wasteland of ragged stumps where towering pines once graced the land. As the timber companies depleted the forests, jobs disappeared, and the crossroads towns that had supplied the needs of lumbermen and their families settled into hard times. Already facing an uncertain future, the stock market crash of 1929 added to but did not create the sense of crisis that permeated south Mississippi timber towns.¹³

In 1929, during his second term as mayor of Columbia, Hugh L. White experienced an “epiphany.” As he looked over the “sawmill graveyard” of pine stumps left by his own company and other timber extractors, White determined to find a way to put his neighbors to work and revitalize the town’s sagging economy. The mayor’s scheme built on the tenets of New South boosterism, business progressivism, and a “home-grown” rural propensity for “making-do.” The result was the so-called Columbia Plan, the forerunner of the Balance Agriculture with Industry Program.¹⁴

To the critical eye, Marion County and Columbia offered little to attract industrial investment. Cut-over land supported small farms devoted to cotton and corn. The poorly-educated and unskilled population of slightly less than 20,000 portended an inadequate labor pool from which to draw industrial workers. Such analysis overlooked the determination and creative talents White brought to the problem. He believed that by working together and marshalling community resources, Columbia and Marion County could balance agricultural output with industry and solve their economic dilemma.¹⁵

With White’s encouragement, Marion County organized a chamber of commerce and quickly secured two small industrial plants. The first,

¹³ Emmerich, “Collapse and Recovery,” 110-113; James E. Fickle, *Mississippi Forests and Forestry* (Jackson, MS: University Press of Mississippi, 2001), 92-119; Annie Louise D’Olive, “Reminiscences of Ten Mile: A South Mississippi Saw Mill Town,” *Journal of Mississippi History* 39 (May 1977). For a discussion on the growth of the timber industry in the early twentieth century, see William Cronon, *Nature’s Metropolis: Chicago and the Great West* (New York and London: W.W. Norton & Company, 1991), 148-206.

¹⁴ Hugh L. White, “Mississippi Bids for Industry,” *Review of Reviews* (December 1936), 30; Oliver Emmerich, “Balancing Agriculture with Industry,” *Nation’s Business*, February 1937, 23.

¹⁵ W. M. Steuart, Director, *Fifteenth Census of the United States: 1930, Population*, Volume II, Part I (Washington, D. C.: United States Government Printing Office, 1932), 1291, 1305, 1313; W. M. Steuart, Director, *Fifteenth Census of the United States, Manufactures: 1929*, Volume II, *Reports by States Statistics for Industrial Areas Counties and Cities* (Washington, D.C.: United States Government Printing Office, 1933), 280, 284; *Blue Book of Southern Progress, 1930* (Baltimore: Manufacturers Record, 1930), 213.

Columbine Knitting Mills employed seventy-five workers, most of them female. The second, a canning factory, contracted with local farmers to obtain a variety of vegetables at an agreed price. The success of the canning factory attracted the attention of an Alabama firm. Dorgan–McPhillips Packing Corporation consolidated the production of three plants and moved its canning facilities to Columbia. In its utilization of surplus female labor and its focus on the processing of farm commodities, the community's development strategy deviated little from past southern industrial boosterism and business progressivism. However, the next step in the Columbia Plan laid the groundwork for a reconceptualization of southern industrial development.¹⁶

Employing the services of a Chicago-based industrial relocation firm, White pursued inquiries from Reliance Manufacturing Company, a maker of shirts and pajamas. The company expressed an interest in establishing a Columbia factory if guaranteed \$85,000 for the construction of a building to house the plant. In return, Reliance promised to employ 300 workers (increasing to 700 workers) and to pump \$1 million in wages into the local economy over a ten-year period. Recognizing that obtaining a substantial construction investment from the small corps of local elites was unlikely, White turned to the citizens of Columbia and Marion County for the funding. Using his mayoral powers, he declared a two-hour holiday to hold a community meeting and decide the matter. After discussing the proposition, businessmen, secretaries, clerks, schoolteachers, and farmers signed personal promissory notes, payable over several months to guarantee funding for the factory building construction. With these small pledges from a broad segment of the population, White used his own considerable wealth and influence to obtain a loan from New Orleans bankers for the full amount. The modern brick building Reliance soon occupied belonged to the people of Columbia and Marion County and represented their expectations for future prosperity. The shift was important: community commitment in money and interest, not the will of a few wealthy investors, secured

¹⁶ Emmerich, "Balancing Agriculture with Industry," 24. For examples of southern efforts to attract industrial development, see Dewey W. Grantham, *Southern Progressivism: The Reconciliation of Progress and Tradition* (Knoxville: University of Tennessee Press, 1983); George B. Tindall, *The Emergence of the New South, 1913-1945* (Baton Rouge: Louisiana State University Press, 1967); James C. Cobb, *The Selling of the South: The Southern Crusade for Industrial Development* (Baton Rouge: Louisiana State University Press, 1982).

manufacturing development under terms agreed upon by citizens and industrialists.¹⁷

With funding in place, the company turned to the problem of labor. Concerns that Marion County's small population could not supply the required number of workers evaporated as 1,492 potential employees applied for the 300 jobs Reliance initially offered. To equip workers with the necessary skills, White and his associates opened a training school using the company's equipment and supervisory staff. Initially the women trained without pay until they reached an agreed-upon level of skill. Anxious to present the town and its efforts in the best light, Mississippi reporters touted the fact that many of the new female trainees were "graduates of modern consolidated schools." The plant soon employed more than twice the anticipated number of workers and contributed substantially to local economic revival—a positive outcome that one observer attributed to "native Anglo-Saxon girls" who were "quick to learn." A Federal Reserve Bank report praised the Columbia experiment for capturing the surplus labor of farm women, an initiative that allowed the "factory to support the farm." And indeed, the wages paid by Reliance seemed to benefit both farm families and local merchants. To demonstrate the success of the local initiative, national magazines published pictures of Columbia that showed a prosperous town full of shoppers with money to spend.¹⁸

The apparent success of White's efforts attracted statewide attention, as rural communities assessed their own potential to lure industries south with promises of subsidies and a tractable labor supply. In 1931, White took his Columbia Plan on the stump as he unsuccessfully canvassed the state in the Democratic primary campaign for governor. Defeated by Martin Sennett (Mike) Conner, White ran a second time in 1935 and won the gubernatorial race.

¹⁷ White, "Mississippi Bids for Industry," 30; Emmerich, "Balancing Agriculture With Industry," 24. As novel as White's plan seemed, it was not without precedent. Communities in other southern states had tried similar plans, often with unfortunate results for smaller investors. See Cobb, *The Selling of the South*, 6; Ralph McGill, *The South and the Southerner* (Boston: Little, Brown, 1963), 195.

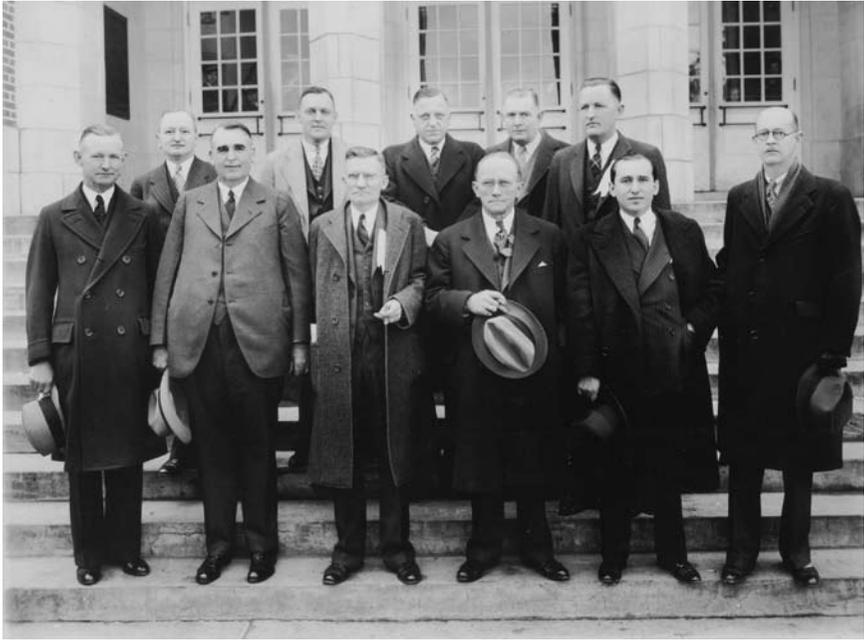
¹⁸ White, "Mississippi Bids for Industry," 30; Emmerich, "Balancing Agriculture with Industry," 23-24; Ernest J. Hopkins, *Mississippi's BAWI Plan: Balance Agriculture With Industry, An Experiment in Industrial Subsidization* (Federal Reserve Bank of Atlanta, 1944), 12-13.

When he entered office in 1936, Hugh White took up the reins of a state government still struggling, but somewhat improved from the darkest days of the depression. In 1932, Conner had inherited a state treasury that contained only \$1,326.17 and a state debt of approximately \$13 million. In the ensuing four years, a modest sales tax and an infusion of federal money had improved Mississippi's fiscal outlook considerably. Tax revenues met and then exceeded expectations as Mississippians retreated somewhat from their traditional suspicions of federal programs and supported the New Deal "stronger than horse-radish." Works Progress Administration, Civilian Conservation Corps, and Agricultural Adjustment Administration money made its way into the rural communities to be spent on consumer goods and returned to the state in the form of sales tax revenues. Conner's close attention to sound fiscal management earned him few laurels, but established a solid foundation for White's program of industrial development.¹⁹

Although candidate White campaigned on the promise of the Columbia Plan, Governor White recognized that the localism of the Columbia Plan could not be applied statewide. In Marion County, White and the local chamber of commerce provided the expertise and the connections to negotiate the deal with Reliance Manufacturing. Organized boosterism also marshaled the public spirit that secured the necessary funding through a community campaign to elicit voluntary donations. Enthusiastic localism could work wonders, but chambers of commerce were the exception in Mississippi towns. Moreover, the lack of surplus capital and expertise limited the potential for success and raised legitimate concerns that small town industrial delegations would be victimized by unscrupulous men. The Balance Agriculture with Industry program White proposed met those concerns with a two-tiered plan of "state-sponsorship and control" balanced by "local financing and operation." In practice, the scheme moved Mississippi toward state economic planning that mimicked New Deal initiatives, while the conservatism that marked the work of the commission limited its radical impact.²⁰

¹⁹ Emmerich, "Collapse and Recovery," 97, 102-103; 107; Frederick Sullens, "Mississippi" in "The South is Still Solid: Six Editors Render a Report," *Review of Reviews*, January 1936, 39; William Winter, "Governor Mike Conner and the Sales Tax, 1932," *Journal of Mississippi History* 41 (February 1968): 213-30.

²⁰ Hopkins, *Mississippi's BAWI Plan*, 16.



Some men prominent in the "Industrial Celebration" at Crystal Springs, Mississippi
 Feb. 8, 1936. Left to right, front row: Mayor Walter Scott, Jackson; Gov. Hugh White; Mayor R.S. Brent, Crystal Springs; U.S. Senator Theo. G. Bilbo; Herbert Bernstein, New York; Hon. A.M. Nelson, Jackson. Back Row left to right: Felix Fantus, Chicago; Oliver Emmerich, McComb; Rex I. Brown, Jackson; Major Frederick Sullens, Editor of Jackson Daily News; Dr. Otho Messer, Pres, Chamber of Commerce, Crystal Springs, Mississippi. (McCain Library & Archives, The University of Southern Mississippi)

During its regular 1936 session, the Mississippi legislature enacted bills to create both an advertising commission and a planning board but stalled on the issue of an enabling act to put BAWI in action. The Mississippi constitution clearly prohibited use of the credit of the state to support industrial development and likewise enjoined municipalities and counties from becoming subscribers to capital stock in corporations. A number of Mississippi supreme court rulings attested to the inability to circumvent the intent of the 1890 convention. To evade the legal barriers, White appointed a six-man, blue-ribbon panel to draft a bill that would meet the constitutional test. Jackson attorneys H. H. Creekmore, Garner W. Green, Forrest B. Jackson, Louis M. Jiggitts, W. H. Watkins,

Sr., and Major W. Calvin Wells, quickly found a solution to the seemingly insurmountable problem.²¹

Drawing on a recent U.S. Supreme Court decision—*Greene v. Fraser*—involving a North Dakota system of state-financed development, the attorneys tied BAWI to the general welfare clause of the constitution. In *Greene* the court held that the state alone could determine the terms of the general welfare clause as it applied to that state. Seizing on the decision as the doorway to successful implementation of BAWI, the bill's authors presented the legislation as a "necessity to protect [the] people." Arguing that "the present and prospective health, safety, morals, pursuit of happiness, right to gainful employment, and general welfare" dictated their actions, the act created a three-member commission to oversee the program and outlined their duties. The legislation circumvented the intent of the Mississippi Constitution by assuming that local governmental bodies would operate the industrial plants built under the BAWI program. In the event the county supervisors or city aldermen determined they could not operate the plants, the management could be turned over to a more experienced supervisory entity. It was a "wink-wink" method of using public funding to construct plants and attract industrial development without openly violating the constitution. The act empowered the commission to issue certificates of public convenience and necessity. The certificates validated local claims that at least twenty percent of the eligible voters in a county supported holding a bond election to provide a subsidy for land and building construction to attract industrial development. The certificates also confirmed the existence of surplus labor of at least one-and-one-half workers for every prospective job. In addition, the act authorized the commission to screen proposals from firms interested in the BAWI program.²²

From the outset, the work of the commission was marked by a conservatism that both ensured success and limited the impact of the program. The commissioners themselves were drawn from a well established, paternalistic business community, and by insisting on freedom

²¹ Hopkins, *Mississippi's BAWI Plan*, 16; *Constitution of Mississippi*, sec. 258 and sec. 183; *Brister v. Leflore County*, 156 Miss. 240; 125, So. 816; *Adams v. Jackson, etc.*, 78 Miss. 877; 30 So. 58; *Jackson, etc. v. Adams*, 79 Miss. 408; 30 So. 694; and *Carothers v. Town of Booneville*, 169 Miss. 511, 153 So. 670.

²² *Mississippi Senate Journal*, Extraordinary Session, 1936, 784; *Mississippi House Journal*, Extraordinary Session, 1936, 776, 783-790; *Mississippi Laws*, 1936; First Extraordinary Session, Ch. 1.

from political interference they isolated themselves from the effects of anti-industrial, anti-state, “wool hat” members of the Democratic Party. The only full-time member and chairman of the commission was Harry O. Hoffman, a Hattiesburg resident and assistant to the vice president of the Mississippi Central Railroad. The two part-time members were Frank A. England of Greenville and S.A. Klein of Meridian. England had served as southern sales manager for the Oliver Plow Company of South Bend, Indiana, and owned a Ford agency in Greenville. Klein was a retired department store owner. Forrest B. Jackson, who had assisted in the creation of the BAWI enabling legislation, acted as the commission’s attorney.²³

The commission quickly set to work and narrowed the initial 3,800 inquiries it received from interested firms to a more manageable 300. Utilizing credit reports from Dun & Bradstreet, letters of support from community leaders, and more vaguely defined personal reports, a second culling reduced the number to sixty firms. From these, the commission issued twenty-one certificates and twelve firms actually established plants in Mississippi. The BAWI manufacturing plants were scattered across the state: three in Pascagoula—Ingalls Shipyard, Jackson County Mills, and W.G. Avery Body Company—Grenada Industries in Grenada, Armstrong Tire and Rubber Company in Natchez, Lebanon Shirt Company in Union, I. B. X. Manufacturing in New Albany, Crystal Springs Shirt Company in Crystal Springs, Winona Bedspread Company in Winona, Real Silk Hosiery Mill in Durant, Ellisville Hosiery in Ellisville, and Hattiesburg Hosiery Company in Hattiesburg. The commission launched its work in late 1936 and remained in operation until June 1940, when the state legislature repealed the enabling act.²⁴

In the minds of many, Mississippi’s fling with centralized economic planning defied the state constitution, and fears that the courts would strike down the act initially limited industrial responses to subsidy offers. Commissioners and industrialists informally encouraged a test case to settle the issue and promote further investment. After the vot-

²³ Hopkins, *Mississippi’s BAWI Plan*, 21-22. For a discussion of Mississippi politics and economic development, see Holmes, *The White Chief*; Chester M. Morgan, *Redneck Liberal: Theodore Bilbo and the New Deal* (Baton Rouge: Louisiana State University Press, 1985); Stephen Cresswell, *Multi-Party Politics in Mississippi, 1877-1902* (Jackson: University Press of Mississippi, 1995); Thomas Adams Upchurch, “Why Populism Failed in Mississippi,” *Journal of Mississippi History* 45 (fall 2003): 249-76.

²⁴ Hopkins, *Mississippi’s BAWI Plan*, 7, 22-24.

ers of Winona narrowly supported a bond issue to construct a plant, local railroad man W.S. Albritton filed a suit charging that BAWI was unconstitutional. Defeated in chancery court, he took his case to the Mississippi Supreme Court, where justices ruled five to one that the measure met constitutional tests under the general welfare clause. While the justices recognized that the act departed from traditional concepts of state power, they dismissed concerns that the program represented a “step toward socialism” and noted that “every intervention of any consequence by the state and national government in the economic and social life of the citizen has been so branded.” Rather than succumbing to radical hysteria, the court counseled Mississippians to accept the pragmatic need for state action and “not permit ourselves to be subjected to the tyranny of symbols.” An appeal to the U.S. Supreme Court was rejected on the grounds that the issue was a state matter.²⁵

The BAWI program attracted a number of admirers, and from the outset it enjoyed broad public support. In part the acceptance of centralized economic planning reflected the general recognition that hard times demanded innovative action. Mississippi’s Supreme Court suggested as much when the justices ruled in favor of the Industrial Board in *Albritton*. “If a governmental agency may in the collections of taxes relieve indigency, provide social security and old age pensions . . . for the relief of the poor, the needy, and the old,” they observed, “why could not the same public policy be approved . . . to grant such relief by providing opportunities to avoid indigency . . . and thus maintain their pride and self respect by evading becoming the objects of public charity.” Mississippi’s experiences with New Deal programs and the threat of more radical action from neighboring Huey Long’s social and economic agenda no doubt played a role in encouraging the state’s lawmakers to sanction a degree of economic planning unthinkable only a decade earlier.²⁶

Among lawmakers, support for the enabling legislation emerged from predictable as well as unlikely sources. Careful analysis by historians and economists placed the strongest support for BAWI in counties with

²⁵ *Albritton v. City of Winona*, 180 Mississippi 100, 178 So. 799, quoted in Cobb, *The Selling of the South*, 21; Copy of letter from Office of the Clerk, Supreme Court of the United States to Forrest B. Jackson, April 4, 1938, informing him the Court had dismissed the case of *Albritton v. City of Winona* “for the want of a substantial federal question,” Mississippi Industrial Commission, Series 598, Box 490, Winona, Certificate 8, MDAH.

²⁶ Mississippi Industrial Commission, Series 598, Box 491, Winona, Certificate 8.

urban and industrial development, a not unexpected outcome. Although some worried that high wages for white workers might cause black farm laborers to reconsider their acceptance of 10-cent-per-hour cotton wages, legislators from the black-majority counties in the Delta region also voted solidly for the program. The geographic region that provided the least support was northeast Mississippi, an area with a long history of rural insurgency and anti-industrial rhetoric—arguably the counties with the most to gain from industrial development.²⁷

In the towns and counties where voters cast ballots for or against bond issues, the measures passed overwhelmingly. Civic leaders and elected officials left nothing to chance in their efforts to ensure a positive outcome. Hastily organized chambers of commerce, civic clubs, and local officeholders canvassed voters, printed pamphlets outlining the benefits of industrial development, bought advertising in newspapers, and organized public meetings and rallies in support of bond issues. Proponents of the bond votes carefully avoided the appearance of political pressure, but quietly structured the elections to assure the outcome they desired. In one example, the Winona newspaper editor campaigned for a positive bond vote in a blitz of articles and editorials promoting the city's progressive development, while the city's new chamber of commerce organized support among the civic clubs and women's groups. A carefully orchestrated public rally in Hattiesburg included political, club, labor, and business leaders, but allowed only twenty minutes for questions from the audience, suggesting that open debate was not to be tolerated. Indeed, the Industrial Commission files recorded organized opposition to the bond votes in only two instances, Cleveland (where the vote failed)

²⁷ Eric Charles Clark, "Industrial Development and State Government Policy in Mississippi, 1890-1980 (Ph.D. dissertation, Mississippi State University, 1989), 109-137. Agricultural labor did not fall under the New Deal labor laws for hourly wages. Pickers were paid per hundred pounds of seed cotton. Obviously strong, experienced pickers fared better under this arrangement than others, though the wages remained abysmally low for all pickers. Planters worried that higher wages in industry would raise agricultural wages as well. By 1949, however, cotton wages had fallen to 8.6 cents. See Charles S. Aiken, *The Cotton Plantation South Since the Civil War* (Baltimore: The Johns Hopkins University Press, 1998), 131. Also see William C. Holley, Ellen Winston, and T.J. Woofter, Jr., *The Plantation South 1934-1937*, Research Monograph XXII, Federal Work Projects Administration (Washington, DC: United States Government Printing Office, 1940).

and Jackson County, where a barrage of flyers and pamphlets urged rejection of the scheme.²⁸

Newspaper editors across the state, anticipating inquiries from interested firms, touted the advantages of their towns and counties. Extolling good climate, friendly people, strong schools, and religious life, the lists of superlatives depended heavily on recent additions bought with federal money—improved roads, new hospitals, public parks, modern courthouses, and consolidated schools. The message was clear: Mississippi voters wanted to present their towns as modern, progressive, and prepared to offer the quality of life industrialists found elsewhere.²⁹

Once the Supreme Court settled the issue of constitutionality, the newly established Southern Governors Conference gave its stamp of approval to the Mississippi program and encouraged other states to introduce similar plans. The Federal Reserve Bank of Atlanta offered the most cited analysis of BAWI. Written by E.J. Hopkins, chief economist, and published in 1944, the study evaluated the



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- * MISSISSIPPI has enacted new legislation for the balancing of agriculture with industry.
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A DEPARTMENT OF THE STATE OF MISSISSIPPI
JACKSON, MISSISSIPPI

(Mississippi Department of Archives and History)

²⁸ Mississippi Industrial Board, Series 598, Box 491, Winona, Certificate 8, Box 492, Districts 1 and 2; Forrest County, Agenda for "Citizens Open Forum Meeting," Box 490, Cleveland, Certificate 3, Letter from Hugh F. Causey to Mississippi Industrial Commission, February 13, 1937; Box 490, Jackson County Certificate 5, circular "THINK!" *Winona Times*, October 9, 1937.

²⁹ The Mississippi Industrial Commission files contain community profiles that were published by the *Jackson Daily News*. In each case, the articles featured examples of recent improvements in infrastructure that suggested the state's communities were modern and progressive.

success of the Mississippi program in addressing the economic crisis of the 1930s and anticipated the revival of the scheme as a model for post–World War II economic development.³⁰

Hopkins demonstrated the positive impact of industrial wages on the Mississippi economy. Wages from the new plants rose from \$1.4 million in 1939 to \$17.9 million in 1942 on a total sale of \$980,500 in public bonds—a wage to bonds ratio of 9.8 to 1. Although Hopkins dismissed the commonly-held belief that BAWI “purchased payrolls,” the numbers he presented certainly suggested a positive return on the public dollar investment. An index of wages in the twelve plants over the same period likewise showed a steady growth, with wages doubling by 1941. As might be expected, Ingalls Shipyard recorded the most spectacular growth: employment increased to more than thirty-eight times the original figures, and annual wages advanced to more than sixty-three times the initial figure.³¹

From the perspective of Mississippi voters, the state’s business community, and a number of outside observers, BAWI represented a positive step forward for a state habitually lagging behind the region and the nation. Critics hailed the Mississippi experiment as progressive, though not revolutionary, noting its “solid, if uninspiring” record. BAWI communities enjoyed the multiplier effect of cash wages, increased consumer purchasing power, and enhanced tax revenue. As *Business Week* noted, the four bales of cotton produced by the average Mississippi farmer netted \$170 for a year’s labor, while the \$12 per week earned by his daughter at the local cotton mill produced an annual income of \$624, more than triple his earnings.³²

Critics of BAWI found a different story in the wage and employment record. Even Hopkins conceded that wage levels remained low by national and industrial standards, but he attributed the problem to Mississippi and the workers themselves. With its longstanding history of poverty, a large unskilled surplus labor force with few alternatives for employment, and a state unwilling to provide a wage floor, Hopkins dismissed the “shrewd” business practices that took advantage of the low wage climate as “regrettable rather than remarkable.”³³

³⁰ *Business Week*, February 12, 1938, 23.

³¹ Hopkins, *Mississippi’s BAWI Plan*, 32, 36, 57.

³² *Business Week*, April 13, 1940, 23; September 16, 1939, 26; February 12, 1938, 25.

³³ Hopkins, *Mississippi’s BAWI Plan*, 30.

Not everyone adopted such a benign attitude. Industrialists, labor leaders, and national journalists united in a strange and loose coalition to decry the low-wage history of the state and the abuses of federal programs that accompanied the implementation of BAWI. As a group and individually, they claimed that the program represented a bonanza for “runaway industries” without improving the state’s overall economy or the lot of Mississippi’s working poor. Home-grown entrepreneurs complained that the program favored northern industrialists at the expense of local initiative. Even the industrial beneficiaries of BAWI objected to some aspects of the program, particularly what they saw as foot-dragging both in the completion of contracts and in the state’s naiveté when it came to protective legislation. Together, these complaints constituted a significant problem for implementing and carrying out the potential of BAWI.

For all his efforts to ameliorate the depressed economy of the state, Governor White exhibited little sympathy for labor. He campaigned on a platform that opposed workmen’s compensation, and the state delayed legislation to enact a workmen’s compensation law until the 1960s. Mississippi’s well-known animosity toward labor unions prompted one journalist to note, “Not even the Luxor Valley nor the Mayan Mounds have produced anything more completely dead than the American Federation of Labor in Mississippi.” Not surprisingly BAWI contained no minimum wage provision, or any other protective legislation for workers. In his investigation of southern industrial efforts, Thomas L. Stokes claimed that wages in the new plants averaged five to eight dollars per week at a time when the NRA minimum was \$12. In one extreme case, a shopkeeper reportedly showed Stokes a check for ninety-seven cents, which he claimed represented the week’s salary of a local woman. Low wages and speedup characterized the work history of plants escaping past labor problems. To entice plants south, Mississippi towns demanded minor concessions from industry and major abrogation of rights from workers. In Grenada, the contract between the city and Grenada Industries, Inc. pledged municipal police power to prohibit unionization and released the firm from its payroll requirement if workers struck.³⁴

³⁴ Walter Davenport, “With Labor Thrown In,” *Collier’s*, November 27, 1937, 16; Thomas L. Stokes, *Chip Off My Shoulder* (Princeton: Princeton University Press, 1940), 510-511; Mississippi Industrial Commission, Series 598, Box 490, Grenada, Certificate 4

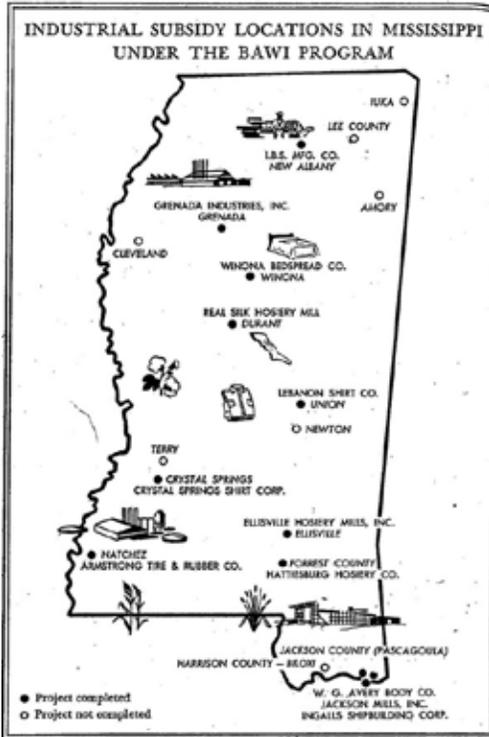
Investigations also uncovered chicanery and fraud in the implementation of training programs. City and county high schools added “vocational training” to their curriculum in order to provide firms with a trained work force. What at first seemed a commendable auxiliary program to the BAWI effort often proved a scam. Industries provided machines and supervisors for the new training programs. Local public schools placed students in job training programs without pay for up to twelve weeks. In defiance of federal law, shirts, hosiery, and other products produced by the students were sold by the industries. At the end of the training period, many students found that they could not be hired by the local firm, but must seek employment suitable to their new “skills” elsewhere, even as a new class of job trainees entered the program. In the most notorious example of abuse, the WPA demanded a return of the \$26,000 grant that funded the creation of an Ellisville school, claiming that the school rotated “classes” of student workers through a plant operated by Vertex Hosiery Company in a scheme designed to benefit the manufacturer without providing real jobs for the students.³⁵

Labor unions publicized the gaps between promised wages and the reality of Mississippi workers’ paychecks in order to point out what they perceived as a willingness on the part of the state to tolerate and even solicit so-called carpetbag or runaway industries—companies fleeing labor problems in the North. The activities of J.A. Goodman and the Real Silk Company of Indianapolis, Indiana, certainly provided substance to the allegations.

Throughout the 1920s, labor publications pointed to Real Silk as a prime example of low wage, speed-up, and anti-union activity. With Fantus Factory Locating Service in Chicago acting as the intermediary between the company and the Mississippi Industrial Commission, Real Silk became the first firm approved for BAWI funding and committed to the construction of a plant in Durant (Certificate #1). Moving quickly, the company committed to two additional plants—one BAWI-sponsored factory in Grenada and one other site in Cleveland. By the time Winona began its unsuccessful negotiations for a fourth plant, Goodman worried that his anti-union reputation would create problems and took steps to hide his participation in the program. In a letter to commission chairman Hoffman, Goodman urged circumspection and revealed his intent

³⁵ Raymond Gram Swing, “‘Education’ as a Racket,” *The Nation*, July 3, 1935, 11-12; Tate, “Easing the Burden,” 148-155; Stokes, 510-521.

to create a shadow Mississippi company to oversee the Grenada operation. Meanwhile, Mississippi proponents of Real Silk published testimonials praising the community impact of the company. Nevertheless, the anti-labor, carpetbagger label stuck to the Real Silk operation.³⁶



(Mississippi Department of Archives and History)

In all cases the conflicts over training, wages, and unions were limited to white workers. Balancing agriculture with industry unselfconsciously eliminated black workers from consideration. The Advertising Board promoted the state's abundance of Anglo-Saxon labor. Surveys of potential workers ignored the African American labor pool. When the Industrial Commission learned of Armstrong Tire and Rubber Company's anticipated hiring of black workers, attorney Forrest Jackson demanded an ac-

³⁶ Fantus Factory Locating Service was the company that brought Reliance Manufacturing Company to Columbia—a potential conflict of interest between the Industrial Commission and Governor White that generated no public attention. Rating of Real Silk Hosiery Mills, Inc. by Dun & Bradstreet, February 25, 1937; Letter from Felix Fantus to H.O. Hoffman, December 5, 1936, Letter from G.A. Efroymsen, President Real Silk to Harry O. Hoffman, December 27, 1937, Agreement between Real Silk and Durant, October 23, 1939, Mississippi Industrial Commission, Series 598, Box 490, Certificate 1; Letter from J.A. Goodman to Governor Hugh White, February 15, 1937, Mississippi Industrial Commission, Series 598, Box 490, Cleveland, Certificate 3; Letter from J.A. Goodman to Harry O. Hoffman, October 28, 1937, Mississippi Industrial Commission, Series 598, Box 490, Grenada, Certificate 4; *Winona Times*, May 7, 1937. The newspaper editor reprinted a laudatory editorial from the *Indianapolis Commercial* praising the civic and business history of the Goodman brothers. The article claimed that the plant's 3,500 employees were "well paid," a view not held by labor unions. See Louis Francis Budenz, "Two Tragedies of Errors: Trials and Tribulations at Real Silk," *Labor Age*, Volume 17, February 1928: 18-19.

counting of wages and work duties for blacks and whites. Messages from the company president provided assurances that black wages, while higher than local standards, would be lower than the pay for whites. Moreover, positions for blacks would be limited to the lowest levels of unskilled employment. Thus, for all its supposed economic planning, Mississippi ignored its poorest citizens and attempted to limit the positive impact of state-planned development to whites only.³⁷

Only two firms, Armstrong and Ingalls Shipyard provided the high wage, heavy industry employment that promised future growth. In both cases, the Industrial Commission confronted implementation problems that pointed up the state's inexperience and misperceptions about modern industrial practices. BAWI supporters anticipated benefits from erection of plants using local construction firms and through the transportation of raw materials and finished goods over the state's rail lines.

From the outset, northern industrialists found Mississippi building construction substandard. Real Silk executives complained to Commissioner Hoffman that the city of Durant failed to live up to the terms of its agreement with the company. The promised 15,000-square-foot building was delayed due to faulty workmanship, and Real Silk did not take possession of the plant until October 31, 1939. Contrary to expectations, Armstrong awarded the contract for the design and construction of its factory to a Chicago firm. Unwilling to confront the rubber company directly over the matter, industrial planners worried that the state-of-the-art building might not hold up under the Mississippi climate.³⁸

Mississippi Central Railroad (MCRR) apparently anticipated significant profits hauling raw materials to the plant and transporting finished tires from Natchez to the rest of the nation. When the expected contracts did not materialize and rumors suggested that Armstrong favored the Illinois Central (ICRR) over the local railroad, Hoffman broached the subject with the rubber company representatives in an exchange of letters during the summer of 1938. Clearly two different views governed

³⁷ *Winona Times*, May 28, 1937; *Time*, April 26, 1937, 72; Tate, "Easing the Burden," 186; Letter to Honorable Hugh L. White, September 29, 1939, Mississippi Industrial Commission, Series 598, Box 491, Natchez, Certificate 10.

³⁸ Letter to Harry O. Hoffman, December 27, 1937; Letter to William A Bacon, November 2, 1939, Mississippi Industrial Commission, Series 598, Box 490, Durant, Certificate 1; Letter from Charles F. Engle to Harold C. Adsit, March 16, 1938, Mississippi Industrial Commission, Series 598, Box 491, Natchez, Certificate 10.

the awarding of transportation contracts. Whereas Hoffman and the industrial commission anticipated an economic ripple effect from investment in the rubber firm, the company's administrators saw their duty as improving profits for investors. Unable to convince Armstrong's management to designate MCRR as the plant's carrier, Hoffman approached the company's principal customer, Sears, claiming that the commission existed to "help the unemployed citizens of our state." By requesting a greater role for MCRR, Hoffman claimed that he was only acting to assure that "which will bring the greatest benefit to the greatest number of Mississippi citizens." Although W.J. Williamson, Sears general traffic officer, promised to "see that the Mississippi Central Railroad is given the fairest treatment possible in the distribution of both the in-bound and out-bound tonnage," he pointed out that the plant would be located on Illinois Central trackage. Furthermore, since the ICRR had "rendered us every service" including the establishment of "equitable rates to place this Natchez plant on a higher competitive basis with other manufacturing companies in the south, and also in the manufacturing north," their service justified "an even break in the tonnage for them." In rejecting Hoffman's demand, Williamson avoided the obvious connection between the commissioner and his former employer and simply noted that "it [did] not matter a great deal whether a person [Mississippi worker] is employed by the Illinois Central or the Mississippi Central."³⁹

Negotiations with the most successful and most important BAWI initiative, Ingalls Shipyard in Pascagoula, provided an enlightening view of modern business/government interaction and the old-fashioned expectations of Mississippi's economic planners. The negotiations that brought Robert Ingalls to the Magnolia state demonstrated the progressive business acumen of coastal leaders and the hard-nosed, risk-taking of the Alabama steelmaker. Although Ingalls' reputation for close management and anti-union tactics fit well with Mississippi's reluctance to overturn the social order, hard times and federal legislation overruled business as usual, and nowhere was that more apparent than in the matter of workmen's compensation.

As already noted, Governor White opposed workmen's compensation, and the BAWI program offered no protection to working men and women. Indeed, the state boasted of its compliant and cheap labor.

³⁹ Letter from W.J. Williamson to Harry Hoffman, August 12, 1938, Mississippi Industrial Commission, Series 598, Box 491, Natchez, Certificate 10.

While no advocate of labor's rights, Ingalls nevertheless saw business advantages for a well-written workmen's compensation law where White saw the absence of such laws as an important component of the state's package for attracting industrial development. In a 1938 letter, Ingalls informed White that the lack of a workmen's compensation law in Mississippi had caused him to have second thoughts about the decision to locate a shipyard on the coast. Educating White to the fact that such laws brought financial order and perhaps reduced costs to dangerous industries such as shipbuilding, Ingalls queried the governor on the possibility of calling a special session of the legislature to enact a workmen's compensation law. Indeed, Ingalls offered to send the governor a copy of the recently enacted Alabama law as a model for Mississippi. The complexity of modern business and government regulation is clear in this exchange. Whereas Mississippians believed the construction of a business-friendly atmosphere eschewed regulation of all employer/employee relations, factory managers and investors recognized that some protection for labor could also be good business.⁴⁰

Although firms such as Ingalls Shipyard embraced some labor reforms, no factory managers tolerated labor unionization, and Mississippi's economic planners couched their development packages in language that assured potential industrialists of their commitment to maintaining a non-union business atmosphere. In national advertisements, the state industrial commission emphasized the "high percentage of friendly, native, Anglo-Saxon labor" available to firms that relocated to Mississippi. The state's congressional delegation opposed a national wages and hours law, and the state legislature refused to ratify an anti-child labor constitutional amendment.⁴¹

Governor White and the Industrial Commission behaved as if labor issues did not exist. Indeed, BAWI successfully shifted the burden of labor discontent to local governments. In an interview with North Carolina editor Jonathan Daniels, White asserted that Mississippi offered an attractive site for industrial development because "Down here we haven't got the disturbing elements they've got up North," a reference to labor agitators. Walter Davenport, a reporter for *Collier's*

⁴⁰ Letter from Robert I. Ingalls to Hugh White, January 19, 1939, Mississippi Industrial Commission, Series 598, Box 492, Section I, District 3, Jackson County, Certificate 13.

⁴¹ Tate, "Easing the Burden," 186-187; *Time*, April 26, 1937, 72; *Daily Clarion-Ledger*, March 4, 1936, 16 February, May 25, June 15, 1938; *Newsweek*, June 26, 1939, 154.

magazine, recognized the necessity of the BAWI program but vainly hoped that the governor and the commission would “display the same tender solicitude for the Mississippi worker [that] they [lavished] upon the Yankee industrialist.”⁴²

In fact, Mississippi communities were given *carte blanche* to regulate labor under provisions of the contracts negotiated with individual firms. Wages were set by local communities, with one mill official claiming that “We pay our girls what they are worth to us—no more, no less.” Some plants paid wages in cash to avoid providing nosy journalists and labor agitators with evidence of sweatshop wages. Under BAWI provisions, town governments assumed responsibility for dealing with labor agitation, and mills were relieved of their obligations to meet long-term payroll requirements if strikes occurred. As White explained, “By keeping the industries small and scattered, [b]y avoiding industrial concentration, [b]y urging upon each community that it insist that the company payrolls do no fall below a level profitable to the community,” Mississippi could industrialize without inciting labor agitation. “After all,” he concluded, “the communities own the factories. It is up to them to handle the situation whether caused by the mill or the labor agitator.” It was a formula guaranteed to maintain the status quo while providing the state with a more modern source of revenue.⁴³

BAWI generally lived up to the governor’s expectations. Twelve new plants improved the economic outlook of the local communities that participated in the program. In addition, communities that did not apply or failed to gain BAWI certificates nonetheless attracted additional investment that likewise added enhanced consumer purchasing and tax revenues. The firms locating in Mississippi adhered to the state’s racial boundaries and employed poor whites at wage levels that did not upset the status quo. Nevertheless, the state could not avoid the issues that had accompanied industrialization everywhere. Workers in Tupelo and West Point staged a sit-down strike in 1937 in a demand for a minimum wage of \$12 per week and a 40-hour week. The Tupelo strike, led by Jimmy Cox and Ida Sledge, lasted 39 days and was marked by a number of episodes of violence. Coming as they did during the most important period of BAWI efforts, “the strikes and the publicity they

⁴² Tate, “Easing the Burden,” 188; Daniels, *A Southerner Discovers the South*, 206; Davenport, “With Labor Thrown In,” 17.

⁴³ Davenport, “With Labor Thrown In,” 80.

generated embarrassed” White and the Industrial Commission but did not produce the hoped-for changes that would have guaranteed protections for mill workers.⁴⁴

Mississippi gained a number of new plants by establishing the responsibility of the state for economic planning in maintaining the general welfare of its citizens—a breathtaking change in attitude. Nevertheless, the state missed several opportunities to do more than simply meet the current economic crisis. For the most part, the factories established under BAWI represented firms with long histories of bad labor relations—the result of low wages and speedup. Seeing high wage firms as a threat to agriculture and the racial hierarchy established through sharecropping and tenancy, the industrial program settled for what was at most a modest improvement in the overall economy. Critics then and now have depicted the BAWI program as “misguided” and detrimental to the state and region’s economic growth. Nevertheless, BAWI, when combined with New Deal programs and the effects of shifts in population associated with World War II, undermined old hierarchies of power and set in motion the mechanisms for redefining southern social and racial lines. Having once assumed the responsibility for the general welfare, Mississippi found it difficult to deny that claim. Having shifted the focus from the traditional store credit of the cotton economy to the cash consumerism of modern industrialization, BAWI undermined the old plantation paternalism that held so many in economic bondage. Providing wives and daughters with employment off the farm opened the door to a renegotiation of gender space within rural households. In short, BAWI assured Mississippi of a more contentious social atmosphere in the decades following the Great Depression.

Though BAWI officially ended in 1940, an amended form was revived in the post–World War II era, and Mississippi, like other southern states, continues to offer incentives to attract development. Any assessment of BAWI must, therefore, extend into the current industrial economy. Historians of southern industrialization view the legacy of BAWI as the perpetuation of low wage, unskilled, no-benefits employment. While acknowledging the transition from farm to factory, they note that Mississippi remains at the bottom of the economic ladder, with an economy overly dependent on transfer payments.

⁴⁴ Tate, “Easing the Burden,” 189-190; *Daily Clarion-Ledger*, March 31 through June 10, 1935; *Winona Times*, April 2, 1937; *Newsweek*, November 22, 1937, 17-18.

Recent events suggest a new, paradoxical interpretation that allies Mississippi with its past antagonists. In 1954, the junior senator from Massachusetts, John F. Kennedy, penned his concerns for the future of the New England textile industry in an article published in the *Atlantic Monthly*. Noting the exodus of 14,000 textile jobs to the low-wage, low-tax, non-union South, Kennedy railed against what he perceived as practices that destroyed northern jobs and abused southern workers. Sadly similar to present worries regarding the outsourcing of jobs, the irony is hard to ignore. In its efforts to “out-yankee the Yankees,” Mississippi has come full circle. Still located somewhere near the bottom of the American economy, Mississippi has become the “Yankee” to the BAWI of other nations.⁴⁵

⁴⁵ John F. Kennedy, “New England and the South: The Struggle for Industry,” *Atlantic Monthly*, June 1954, 32-36.