

Letter From the Desk of David Challinor  
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All of us have heard the elderly bemoan the loss of the "good old days." The past has not always been "good," and such an attitude is clearly at odds with the multitudes of new benefits we enjoy today. A distinct advantage of being an octogenarian is witnessing change over four generations. As is almost always the case, some cultural and social changes are perceived as advances and others as declines. Distressing as it might be for my readers, I will discuss in this month's letter what I perceive to be the loss of an important aspect of our society—the loss of "trust" in our culture.

Trust's fragile nature is, I believe, its dominant quality. Even as an early teenager, I was aware of the security gained through trust, and by the intensity of personal contact required to sustain it. I was lucky to have a friend with whom I could share confidences, quite secure in the knowledge that my "secrets" were fully protected. We even had our own expression "this is for the book," which we used to preface something secret, usually the account of some traumatic incident of unrequited affection from a current heartthrob. Being able to share my teenage anxieties certainly made my life easier, and it served as a natural introduction to the concept of trust.

Later in college, the nature of trust became more subtle, but retained its importance. One illustration of mature trust was the attitude of our varsity eight crew. We remained undefeated for two seasons—an accomplishment I attribute in large part to the implicit mutual trust we each had to "pull" at our maximum during a race. That intangible feeling of trust was intimately associated with the strong bonding we felt between us—an attitude undoubtedly nurtured through our long and hard training regime and heartily encouraged by our coaches. In all team sports, a large part of the coach's job is to instill trust between player, and, concomitantly, the coach as well.

During WWII mutual trust was essential for all combat operations, most clearly evident in small units such as an infantry platoon or a Navy's ship division section. In combat one's very life depends directly on the trust between cohorts, knowing that each would stand by the other and perform as rationally as possible. Whenever trust/confidence faltered, the consequences were dire. Dramatic, mostly fictional accounts abound, such as the book The Caine Mutiny. This popular WWII book and film featured a destroyer captain, played by Humphrey Bogart, whose behavior is so eccentric that his crew doubts his sanity. Trust between the crew and Captain disappeared, with dire results.

When I moved to Texas after WWII to start my business career, I was soon exposed to the indispensableness of trust. One early job was to accompany an experienced cotton buyer on his rounds in the El Paso Valley. We would leave the local El Paso office, having been given a series of price ranges by the main office in Houston

that we could pay for different grades of raw cotton. We would generally buy cotton to fill a contract (50,000 lbs., roughly 100 bales) that had already been made to deliver to the mill a specific quality and quantity at a future date. We purchased the cotton at the gin that we thought would meet the mill's specifications at the best (lowest) price. In bargaining with the farmer in the gin yard, surrounded by freshly ginned and sampled cotton bales, we could actually check the bales being bought and confirm that their grade was consistent with his past crops and that of his current neighbors. We would often pull a sample from a bale and stretch it in our fingers to determine its length and quality. We would bargain down to a hundredth of a cent a pound, and when both parties were satisfied, we would "shake on it." Later, sometimes the next day, we returned to the office to record the purchase and draw the check for payment. Within one or two days when we were back in the seller's area, we would hand-deliver the check. The farmer trusted us to pay him and we, in turn, trusted him not to sell his cotton to another buyer or secretly to wet some of his bales to increase their weight.

Later when I was growing cotton, I remember clearly shaking on a sale to a cotton buyer, secure in the knowledge that we both considered our word (shake) our bond. The system worked with remarkable success in west Texas at the time. From the field, instant communication with the home office did not exist. The cotton gin I used, for example, was 20 miles from the nearest phone in town. The same attitude of mutual trust also existed when buying and selling livestock or negotiating a mineral lease with a rancher—buyer and seller had to depend on each other. The telephone system eventually expanded to cover remote farms, enabling instant communication between brokers, buyers and sellers, thereby lessening the need for mutual trust. Without such trust, business in that remote, sparsely settled part of our country could not operate.

Just before I sold my farm, I witnessed the first critical assault on the local system of trust. The farming and ranching community of Van Horn, Texas (pop. 1,100) operated completely on trust: the feed store, the fuel depot, and all the suppliers extended credit generously and relied implicitly on their customers to make good on their debts. This state of mutual trust was badly shaken by the behavior of the infamous Billy Sol Estes of Pecos, about 80 miles northeast of Van Horn. Billy Sol sold anhydrous ammonia, a nitrogen fertilizer in gaseous form. Under pressure, the nitrogen was a liquid and sold as such in pressurized tanks. The tank was mounted on a tractor and narrow hollow copper lines led from the tank to the bottom of each cultivator blade. When operated properly, the ammonia became gaseous when released from the pressure tank and bound immediately to the soil particles loosened by the cultivator blade. The nitrogen, thus in theory at least, became immediately available to plant roots and was considered a step forward in fertilizing crops.

Billy Sol stopped at my farm and made his sales pitch. He was a smooth talker, but his deal sounded too good. He was very competitive with the bagged nitrogen sulfate salts I was currently using, even when figuring in the cost of converting my tractors. I

was suspicious and did not bite, which was lucky, because Billy Sol was arrested a short time later for peddling fertilizer and tanks that he did not own. The neighbors that had signed up with him lost their down-payment and the feeling of mutual trust in our valley never recovered completely.

In 1951, when I first started to breakout the desert—plow and ready the soil for planting—all the neighboring farmers were new to the valley. None of the nine of us had all the equipment needed to farm, which meant that as soon as I finished using my ten-foot offset disc harrow, a neighbor was often waiting to use it. My D-8 Caterpillar bulldozer was frequently called upon to free bogged-down equipment when irrigation water accidentally flooded turnrows. I never hesitated to lend equipment to neighbors, because I knew for certain that I would inevitably have to borrow something from one of them. The trust-based exchange system worked smoothly for about two years, until a prosperous oil tycoon from Dallas purchased a farm near mine and supplied it with everything his tenant farmer might need. When that happened the rest of us could never borrow anything from him again, because we all realized that he would never have to borrow anything from us. He had it all!

When I married in late 1952 and eventually sold the two Van Horn farms, I moved back to Houston and started a new career in mortgage banking. Houston was thriving with new arrivals pouring into town and looking for houses. Mortgage banking was lucrative and in four years I had paid off my farm debts, fathered three girls and had money in the bank. I missed the atmosphere of rural mutual trust when faced with the cutthroat competition of lining up builders, architects, developers and real estate salespeople for access to their clients and customers. Deals were no longer closed with a handshake; trust was becoming a thing of the past.

Despite the gloomy scenario just presented, we still have to exercise trust in almost all our daily transactions. For example, we have to trust that the gasoline pump used to fill our car accurately records the volume and cost of the gas being purchased. The filling station operator must trust his customers to use valid credit cards. The owners of newspaper vending machines have to trust the buyer to take only one paper from the pile within, and so on *ad infinitum*. Trust seems most at risk when big sums are involved.

Since the mid-fifties, we have been reaping the harvest of untrustworthy traders. If a deal goes sour, high-priced lawyers are called in to settle accounts. The honest trader who goes broke paying his debts no longer enjoys the respect of his peers. Even the stigma of declaring bankruptcy has faded. More bankruptcies have been declared in the United States this past year (2002) than at any other time in our history. It has become a relatively painless way to erase debts; the homestead exclusion allows the megarich defaulter to continue occupying his/her megamansion and frequently to continue enjoying the spoils of ill-gotten gains by shifting assets to a cooperative spouse or other relative.

Some reform in trust abuse is inevitable, but the political will to strengthen and encourage business ethics does not seem to exist. Indeed, some cynics consider the concept a contradiction in terms. Business based on mutual trust filled an important gap in rural America. It is clearly not practical today in our crowded society where "caveat emptor" is the standard. The handshake will survive, but its use as a bargain sealer will continue to wane. What more do we need to know than the recent history of Enron, World Com, etc.? My hope is that the pendulum will swing back and that the mutual trust I once enjoyed might return, even in megatransactions.

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