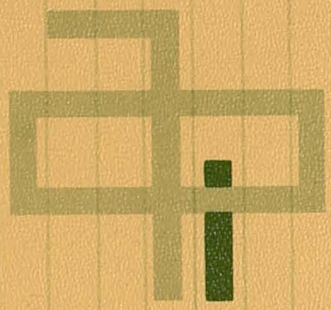

Policies Affecting Rural People

SPONSORED BY THE
AGRICULTURAL POLICY INSTITUTE
NORTH CAROLINA STATE UNIVERSITY
AND THE
CENTER FOR AGRICULTURAL AND ECONOMIC DEVELOPMENT
IOWA STATE UNIVERSITY
APRIL 1966

EMERGING PUBLIC POLICY ORIENTATIONS AND NEW PROGRAMS IN RURAL LIFE

James T. Bonnen
Department of Agricultural Economics
Michigan State University

In his 1965 Farm Message President Johnson set forth as one of his objectives "Parity of opportunity for all rural people . . ." which he described as involving:

> "National economic prosperity to increase their employment opportunities;
>
> Full access to education, training, and health services to expand their earning power; and
>
> Economic development of smaller and medium-sized communities to insure a healthy economic base for rural America."

The Administration in its monetary and fiscal policies has done exceedingly well in sustaining economic activity and in moving toward a full employment economy. By identifying it as the first element of this policy area, the President very appropriately emphasizes the necessity of "national economic prosperity" to the attainment of parity of opportunity for rural people. You do little in solving rural low income problems by improving the health, education, and employability of low productivity people if at the end of this process there are not enough jobs available.

The other two areas of the Administration's policy involve the many new programs initiated in the 88th and 89th Congresses, as well as a redirection and revitalization of some older programs. The catalog of programs below is not exhaustive, but are selected for their potential meaningfulness to rural people. [1]

---

[1] All of the following program data has been compiled from copies of the relevant public laws and from the Congressional Quarterly. To avoid confusion between budget authorization figures and appropriations, all of the budget figures cited here are authorizations--since appropriations for fiscal 1966 are not complete. Unless otherwise indicated all figures refer to fiscal 1966.

Education, Training, and Health Programs

A great variety of programs constitutes the major thrust toward "full access to education, training, and health services."

Education

1. The Elementary and Secondary Education Act of 1965 authorizes $1.3 billion in funds for local school districts allocated on a formula giving considerable weight to counties with a high poverty incidence. The purpose is to build national educational capacity and to improve the quality of the schools in poorer communities.

2. Although the 1965 Higher Education Act has less direct meaning for rural people, it also (along with $1.2 billion in grants and loans over five years in the 1963 Higher Education Facilities Act) increases the capacity of American higher education to provide for additional students. A major feature is the inclusion of grants, scholarships, and employment involving an average expenditure authorization of $340 million over the next three fiscal years with a loan authorization rising from $700 million to $1.4 billion over the same period. A Teacher Corps is authorized in Title V of the act to help inadequate schools in poor areas. Title I authorizes $50 million in fiscal 1966 for urban and general community extension activities which raises many questions about the future organization of extension, particularly at state and local levels.

3. Title II B of the Economic Opportunity (Poverty) Act of 1964 authorizes the Office of Education in the Department of Health, Education and Welfare (HEW) to finance programs in Adult Basic Education to provide opportunities for adults with limited education to improve their reading, writing, and arithmetic skills. This is one of the Small Community Action Programs. The Community Action Program in total is authorized to spend $850 million for fiscal 1966.

4. HEW also administers the College Work-Study Program under Title I C of the Poverty Act. This program authorizes $129 million in fiscal 1966 to create part-time employment opportunities for college students from low-income families.

5. The National Defense Education Act was amended in 1964 to provide a greatly expanded National Defense Student Loan Program (rising from $135 million to $195 million in 1968) administered by HEW. The program provides loans at

reasonable terms to undergraduate and graduate students in need of financial help to complete their higher education.

6. The Office of Economic Opportunity through its Community Action Program runs a project called Operation Head Start which assists communities in financing summer Child Development Centers for children of limited opportunity entering kindergarten or first grade the following fall. This is the largest direct OEO project in the Community Action Program. The Community Action Program in total is allocated $850 million for fiscal 1966.

Training and Job Opportunity

1. The Vocational Education Act of 1963 administered in the Office of Education (HEW) has broadened the options and focus of vocational education such that, if leadership will grasp the opportunity, post high school vocational and technical training could become a major part of our educational tradition and a significant part of the growing thrust of continuing adult education. The act provides about $118 million annually through fiscal 1966 and $225 million annually thereafter for grants to states on a matching basis. The act also provides $50 million in fiscal 1966 and $35 million thereafter for experimental work-study programs and for the construction and operation of residential vocational schools.

2. Under Title V of the Economic Opportunity Act of 1964, HEW operates a Work-Experience Program to provide support for community (public and private nonprofit) work and training projects to simultaneously create income, work experience and training for the unemployed and needy of the community. For fiscal 1966 this program is authorized to expend $150 million.

3. The Office of Economic Opportunity under Title I A of the Poverty Act operates the Job Corps to provide low income, unemployed youth, unprepared for a job or a socially useful life, with some education, vocational training, and useful work experience. The youth are removed from their poverty environment to urban Job Corps training centers or to rural conservation centers. There are a few more than 20 rural centers. The Job Corps together with the Neighborhood Youth Corps was authorized to spend somewhat more than half a billion dollars in fiscal 1966.

4. The Neighborhood Youth Corps operated by the Department of Labor under Title I B of the Economic Opportunity Act of 1964 provides part-time work for young people who need income to stay in school or who need a full-time work experience to equip themselves with habits and skills necessary to take advantage of today's job opportunities. In contrast to the Job Corps, the young people remain in their home environment while participating.

5. The Manpower Development and Training Act of 1962 as amended and expanded supports Department of Labor programs of training for the unemployed or underemployed. By the end of calendar 1964, a third of a million Americans had received training under this program. The expanded act provides $861 million in authorized expenditures over fiscal years 1964-66.

6. The U. S. Employment Service introduced a Small Communities Program in 1962 in an effort to extend services into smaller communities to help improve job opportunities to people in rural areas. Mobile teams conducted an occupational survey to register community skills. In some instances these surveys have stimulated and become the focus of the first community-wide involvement in development planning.

These are the major education and training programs that in my judgment are, or could be, significant in rural life--though one could go on through a nearly endless catalogue. There is, for example, a provision in Title III of the Economic Opportunity Act providing funds for some of the many educational and training needs of migratory workers. But let us turn now to health programs.

Health

For years we have been investing vast and increasing resources in medical research. The National Institutes of Health (NIH) alone now receive over $1 billion annually in federal funds for research. Questions now being asked are whether the nation is getting a fair return on its investment and if what we have learned is being made widely available to the American consumers of medical services. Combined with a growing concern over the rising costs of medical care, this has resulted in a record in new health legislation. I will summarize these very briefly.

The Hill-Burton Act which provides grants and loans for various types of hospital and medical care facilities, has been expanded to well over $1.5 billion to be expended over the next five years. The revised act supports not just conventional hospitals, but many specialized

facilities such as those for long term care, diagnostic and treatment centers, and various kinds of rehabilitation centers. The act provides funds for the planning of integrated area and regional health complexes and for reorganization and decentralization of mental health facilities.

In two separate laws in 1963 Congress provided over $200 million in new monies for facilities and programs to combat mental retardation. There are (and have been for years) funds for mental and physical rehabilitation available from the Vocational Rehabilitation Administration (HEW). Federal aid for construction and improvement of nursing homes is available through the Federal Housing Administration, the Small Business Administration, the Public Health Service, and the Commerce Department's Economic Development Administration. An additional $200 million has just been provided for expansion of medical schools and for scholarships to medical students.

A national grid of 30 or more state or regional medical centers focused around diagnosing and treating heart disease, cancer, and stroke is to be constructed. Each of these centers is to provide a high quality total medical complex which is to extend its knowledge and capacities into all corners of the region. This will ultimately constitute a multi-billion dollar system the purpose of which is to bring the most advanced medical knowledge and the best medical care out of the limited number of major metropolitan centers where it now tends to be concentrated and extend it throughout the nation.

The new system for extending medical care holds great potential for the future welfare and continued viability of rural living. However, of all of the new legislation, that with the greatest immediate and perhaps even long-run impact on the welfare of rural life is the so-called Medicare Act which provides an estimated potential of $6.5 billion annually in limited medical and substantial hospital care benefits under Social Security. The high incidence of old people and low incomes in rural life suggests this extension of Social Security should have a major impact on rural welfare. It is worth noting in this context, Professor Schultz's demonstration that the original extension of Social Security coverage to farmers "explains in large part the sharp improvement in their lot since the mid-fifties."[2]

Finally, there is one recent direct piece of legislation which focuses on a specific rural health problem. This is the Migrant Health Act of 1962 that authorizes the Public Health Service to make grants to

---

[2]T. W. Schultz, "Our Welfare State and the Welfare of Farm People," The Social Service Review, Vol. 38, No. 2, June 1964, p. 125.

public agencies and nonprofit grower or community groups to pay part of the cost of family health service clinics and other efforts to improve the health of migrant workers and their families. Title III of the Economic Opportunity Act also provides some funds for this purpose. And one could go on.

Economic Development Programs

Parity of opportunity for rural people involves a third program area, "the economic development of smaller communities" that lie outside the major metropolitan complexes of the nation. While there are few programs specifically for small or rural communities, a wide variety of national programs is available to all communities that can organize themselves to take advantage of them.

1. The first of these is the Public Works and Economic Development Act of 1965 which redesigns the former Area Redevelopment Administration (ARA) programs and combines them with the nation's public works activities in what is now called the Economic Development Administration (EDA) in the Department of Commerce. Initially 3 1/4 billion dollars is authorized for the next five years to make grants for public works and development facilities and for the planning and coordination needed to alleviate conditions in economically distressed areas and regions. The former ARA program had a strong rural orientation. It remains to be seen yet how EDA develops.

2. The Appalachian Regional Development Act of 1965 provides $1.1 billion primarily for physical resource development investments in the 11-state depressed Appalachian Region. The act establishes an Appalachian Regional Commission in which the federal government and the governors of the 11 states are represented. It should be noted the Public Works and Economic Development Act of 1965 provides the authority to establish regional planning commissions for the purpose of developing additional federally supported regional development organizations such as that for Appalachia. The depressed regions of the Ozarks and the Northern Lake States have been promoted in the Congress as potential additional development regions. In all these cases the investments even to cities would go into an essentially rural region.

3. The Community Action Program of the Office of Economic Opportunity provides the incentive and opportunity for communities to mobilize their resources to combat poverty. Private local community action agencies are both planning

and action organizations focused on the human resource investment processes of development. Expenditures of up to $850 million have been authorized for fiscal 1966 for all CAP activities, including the Adult Basic Education program previously discussed and the program for needy children, all of which come under Title I of the Economic Opportunity Act.

4. Funds for development planning of various sorts are provided in some of the above legislation. In addition there are two other major sources of planning funds. The Community Facilities Administration of the new Department of Housing and Urban Development (HUD) provides advances for public works planning which must be repaid when construction starts ($70 million). Also the Urban Renewal Administration of HUD provides grants (which do not need to be repaid) for comprehensive urban planning primarily in communities of under 50,000 population. This is the so-called "701 Program" authorized in the Housing Act of 1954 as amended. This program has just been doubled to $230 million.

5. The Urban Renewal Administration (HUD) administers grant programs focused on two different dimensions of community development. The Urban Renewal Program provides $2.9 billion over the next four years for redeveloping decaying areas of a community. At present about 70 percent of the cities in this program have populations under 50,000 and a little over 6 percent have populations of less than 2,500. Also the Open Space Land Program has just been increased fourfold and now makes available $310 million annually for grants to state, regional, metropolitan, county, or municipal bodies for purchase of land for parks, recreation, conservation, and scenic purposes.

6. Federal loan funds are available for the financing of community sewer and water systems. The Community Facilities Administration (HUD) operates a Public Facility Loan Program which now provides $200 million annually to finance sewer and water systems for communities of under 50,000 population. Other kinds of community facilities can be financed to the limit of an additional $75 million annually. The Farmers Home Administration of the Department of Agriculture operates a somewhat similar but far smaller public loan program for constructing or improving rural water supply systems.

7. There are a variety of federal housing loan programs most of which have been on the books for some years. The Low-Rent Public Housing Program of the Public Housing Administration

(HUD) through direct and insured loans help finance construction by local housing authorities. The program also makes annual contributions to local authorities to cover the difference between operating costs and the income received from low income tenants. This program is scheduled to expand by $47 million each fiscal year through 1969. For fiscal 1966 the authorized funds come to $417 million. Over two million people now live in public housing. Much of public housing has been built in small or rural communities.

8. Under Title V of the Housing Act of 1949 as amended, the Farmers Home Administration (USDA) provides direct and insured housing loans to rural people. Special programs for senior citizens provide for rental housing as well as home ownership loans. There is as well a program to provide loan funds for the construction, improvement, or repair of housing for domestic farm labor. All of these are very small programs.

9. There are many other specialized federal programs to aid local communities in building everything from highways ($1 billion annually) to airports ($75 million annually) to libraries ($45 million in fiscal 1966). There are many other specialized programs that can be of use in the economic development of rural communities such as the program under Title IV of the Economic Opportunity Act of 1964, which authorizes the Small Business Administration in the Department of Commerce to establish Small Business Development Centers to assist in the strengthening and development of small businessmen who would not be eligible under regular SBA programs. This is an adjunct of the Poverty Program and has obvious relevance for smaller, poorly organized low income communities.

10. Finally, there is the VISTA Program (Volunteers in Service to America), or domestic peace corps, which under the Office of Economic Opportunity, offers a substantial future potential in aiding various institutions in depressed and low income areas of the United States. This program is funded at $30 million for fiscal 1966.

Again, one could go on and on, but I shall stop. Two things should be clear from this catalogue. The number and variety of major new, and greatly expanded old, programs far exceeds anything experienced in this society since possibly the 1930's. Secondly, the size of expenditures, which promises to be only a beginning, already transforms the entire general pattern of federal domestic programs.

The administrative budget of the Department of Health, Education and Welfare has doubled in the past five years to make it in fiscal 1966 the largest of the Executive departments after Defense and Treasury--a position previously occupied by Agriculture since World War II. The Department of Health, Education and Welfare (HEW) also disburses almost two-thirds of all the $33 billion in U. S. trust fund expenditures so its total expenditure impact has actually exceeded that of Agriculture and the Treasury Department's since the mid 1950's. In fiscal 1966 Defense will probably expend better than $60 billion, HEW's expenditures (including trust funds) will average between $28 and $29 billion, Treasury will expend $13 billion (practically all of which is interest on the national debt), while Agriculture will probably expend $7 to $8 billion. NASA, the Veterans Administration, and the Commerce and Labor Departments are grouped closely around an annual expenditure level (including trusts) of $5 billion each. In 1961, besides Defense, only HEW, the VA, Agriculture and Treasury were expending as much as $5 billion annually.[3]

Origin and Impact

This great growth in expenditures is associated with the social and political crises this nation faces in civil rights and in the rising tide of unsolved urban problems which are clearly leading to serious social disorganization and to the economic and social decay of the fabric of parts of our metropolitan urban complexes. The creation of a $1.8 billion "War on Poverty" and the tripling of education budgets to $3 billion are less the result of moral concern for social justice for the disadvantaged and the poor and uneducated than society's fear of social disorganization and violence.

Since 1961 about $10 billion in new domestic program monies have been authorized, over half of it in new programs which are being extended to millions of people and thousands of communities.[4] These new programs reach out as well to cities, universities, private local organizations, and arms of state and local government. And they are doing this in many new ways and through many new or greatly expanded organizational structures. Thus we are midstride in a revolution in the structure of federal-state-local relations. In the process old patterns are being destroyed, new ones created, some points of political decision-making bypassed, others reinforced. Practically all of these new programs

---

[3] The Budget of the United States Government, 1963 and 1966.

[4] An additional $10 billion increase is associated with defense and interest on the national debt.

will be operating outside the old federal-state-local structure with which rural people are familiar. This is an overwhelming transformation, yet rural people and much of their leadership seem unaware either of the social revolution in which they are involved or the scale and variety of the new program opportunities.

If rural people and their organizations desire any major input into rural society from these national programs, they are going to have to learn how to work with a broad spectrum of new and very different federal-state-local structures. But so far much rural political energy has been devoted to self-defeating attempts to force new programs to function in rural areas through the old rural dominated organizations and structure.

In another paper recently I detailed the progressive isolation which in an era of revolutionary social and organizational change the rural power structure has imposed on itself by inflexible and self-destructive political behavior. The response of rural society to these new programs and to the revolution in our federal-state-local structure could be one of jurisdictional brawls and a refusal to cooperate except on rural society's own terms.[5] If this happens, then these new national programs, which were created because of urgent urban and civil rights problems, will be deflected from serving rural life. And the comparative viability of rural communities will further deteriorate. I have too great a faith in the practical and pragmatic nature of politicians to believe this will happen--but the danger is very real and the choice is ours.

Another important implication for rural life in these new programs lies in their income distribution and welfare impact. In general, these are programs designed to create a greater equality of opportunity and lead toward a greater equality in income distribution and welfare. Thus, the nature of the potential impact of these programs holds, in some senses, an even greater meaning for rural than for urban society. For whenever you draw the income line between the successful and the unsuccessful, the incidence of poor and culturally disadvantaged in rural life far exceeds that of urban communities. Thirty-two percent of all rural people, including over 40 percent of all farm families, in 1959 had money

---

[5] For a discussion of these problems see James T. Bonnen, "Present and Prospective Policy Problems of U. S. Agriculture: As Viewed by an Economist," Journal of Farm Economics, Vol. 47, No. 5, December 1965.

incomes under $3,000 in contrast to 16 percent of all urban people.[6] Rural communities are failing their children badly.

Over the course of this century, income in the United States has grown to be more equally distributed--the proceeds of growth are now more widely shared. This appears to be a necessity in the later stages of development or modern industrial societies where a mass base for consumption is necessary to sustain further growth. However, in rural life if the distribution of income has grown to be more equal, it has done so at a painfully slow rate. Some argue that it has actually grown to be less equitably distributed. In any case the evidence, except for more recent years, is sketchy. What is clear from recent income distribution data, as well as the related poverty statistics, is that rural income is far less equitably distributed than urban income.[7] There has been rapid economic growth in much of rural life, but the ability and opportunity to participate in growth has not been as widely distributed in rural life as in the rest of society. Somewhere in making social policy for rural life we have failed. For the most part, we have no one to blame but ourselves, for most of the responsibility in these matters has rested in the hands of rural decision makers and rural organizations.

The education, health, and welfare services available to rural people are significantly inferior to those available in urban life. Institutions sustaining these services in rural life are generally inferior to similar urban organizations. The agricultural fundamentalist who holds a mystical belief in the superiority of rural life will have to look elsewhere than to these rural institutions for objective evidence to sustain his beliefs. Rural communities need these new programs.

But here we encounter a problem in rural response to the opportunities of these new programs. Rural people have been very slow to

---

[6]It should be noted that if these money income measures were adjusted to a real income basis, the difference between rural and urban would narrow somewhat. For source of data, see the Annual Report of the Council of Economic Advisors, 1964, p. 61. 1959 is the most recent year in which the Census provides this data on the basis of rural and urban residence. There are other more current data, but because of a recent OEO change in the definition of poverty which has strange properties and because of some even more fundamental problems in the basic data, comparisons over time of farm and rural or urban poverty for recent years are more confusing than enlightening.

[7]David Boyne, "Changes in the Income Distribution in Agriculture," Journal of Farm Economics, Vol. 47, No. 5, December 1965.

see the importance of many of the major social investments this society has made in the last hundred years and have come to support many of these only very belatedly. It has been pointed out repeatedly the behavior of rural people, and the public policy of agriculture, imply a materialistic bias in favor of plants, land, and animals and against people.[8] This is evident in the manner in which rural communities manage their affairs. It is evident in our farm programs which are specifically designed to do things to improve the value of plants, land and animals. Even from the point of view solely of the farmers' welfare--to say nothing of the rest of the rural community or society as a whole--we have underinvested in rural health, education, and the other social services which develop the potential and productivity of people. It is hardly surprising the primary result of our rural public investment policy has been an inflation in farm and rural asset values, the benefits from which accrue to those who hold assets, while the returns to the human factor in rural life have fallen further and further behind that of the urban community.

As a natural consequence of their design, the benefits of farm programs go to the larger farmers who produce the most, who earn the highest incomes out of the market, and who hold the most physical assets. In 1963, 11 percent of U. S. farmers received 55 percent of all government payments; 56 percent of all farmers received less than 10 percent of all government payments. Government payments are only a portion of total program benefits, but it is probable the programs of the Department of Agriculture are regressive in their impact within rural life--with the possible exception of no more than a few hundred thousand dollars in the scattered minor programs cited earlier. In short, the potential meaning of these new programs for rural life would be difficult to exaggerate.

However great their importance for rural communities, it must be recognized the rural dimensions of all but a few (e. g. Appalachia and EDA) will be minor parts of the overall program. While poverty and economic decay are even more intense (at least by some measures) in much of rural life, it has not and does not threaten to erupt into tangible and direct disorder. Because of this and because less than 30 percent of our population today is rural, the urgency of the rural aspects of these problems is not as politically compelling as the urban. The

---

[8]Charles S. Murphy, "Farm Policy Issues for the Years Ahead," USDA Annual Outlook Conference, Washington, D. C., November 16, 1964. See also T. W. Schultz, "Underinvestment in the Quality of Schooling: The Rural Farm Areas," Increasing Understanding of Public Problems and Policies: 1964, Farm Foundation, Chicago, Ill., 1964, pp. 26-29.

truth of the matter is that the Great Society programs were designed and enacted by urban people to focus on urban problems. The Great Society's final success or failure will turn on what happens in the cities--not in rural life. As Walter Lippmann put it recently, "The edifice of the Great Society will have to be built, if it is to be built at all, in the great cities which are now the focal point of the new American way of living."[9] And if rural people desire major access to many of these new programs, they will have to convince the decision makers of the Great Society that there are dimensions of the same problems in rural life.

There are several obstacles to doing this successfully. I have already noted the antagonistic rural values where people oriented programs are concerned, and the self-destructive style of rural political life. In addition it is just physically and organizationally more difficult and expensive to extend most national programs into (by urban comparison) sparsely populated rural areas. Perhaps the greatest obstacle, however, is the idea pervading rural life that complacently allows it to assume its own superior virtue--a moral superiority that will cause the world to listen and heed its word. This assumed virtue generates complacency and when rebuffed, anger and unproductive political behavior. Rural society can no longer afford this sort of irrational rural fundamentalism.

The final obstacle is a monstrous irony. For just as rural fundamentalism is losing its sway beyond rural life, an urban fundamentalism of equal irrationality and virulence has risen to replace it. It now infests the seats of power like rural fundamentalism before it, disordering and distorting the private, political, and bureaucratic decision-making processes. Urban fundamentalism is a closed attitude of mind which asserts that urban society, its culture, and its values is intrinsically superior and should be the dominant mold in which all society is cast and the measure against which all social decisions are made. This disdain of all outside of metropolitan urban culture, like its mirror image, rural fundamentalism, is constructed on a base of ignorance--a disdain for and a fear of what is not understood or not experienced.

Urban fundamentalism is the result of the increasing incidence of an exclusively urban cultural experience reinforced by fifty bruising years of urban intellectual and political frustration with the political crudities and cultural imperialism of rural fundamentalists.[10] This

---

[9]Walter Lippmann, "Today and Tomorrow," Washington Post, November 2, 1965.

[10]Bonnen, op. cit.

can be an insurmountable barrier in attempting to convince urban people and organizations of the need for action on behalf of rural life. But rural people must remember that they built much of that barrier themselves.

There is another irony in our present situation that I must note also. This paper, like the entire dialogue surrounding these problems, is peculiarly dependent upon the concepts of rural and urban. Yet it is clear this is a categorization of society that holds progressively less and less meaning.[11] As this occurs, it makes little sense to organize special programs for the rural or urban aspects of what are more properly national problems--and it makes even less sense to create specialized organizations to implement such programs.

The New Programs and Their Uncertainties

New programs are by their nature full of ambiguities, uncertainties, and problems--and the Great Society programs are no exception.

Integration of Poverty and Economic Development Programs is needed. At present there is no organizational or intellectual framework within which to knit together the highly complementary "Poverty War" investments in human resources with the physical resource investments of Appalachia, the new Economic Development Administration (EDA), or the many specialized investment programs described earlier. Yet for successful economic growth, some attention must be paid this problem. This is not an argument for balanced growth, but only a statement that resources are not unlimited and some attention must be paid these complementarities when assigning priorities, or we will be getting far less out of our resources than we might.

The Poverty Program attempts to improve the quality and employability of the human factor while EDA, Appalachia, and other physical investment programs attempt to create jobs and economic activity. OEO as an organization is beginning to appreciate its dependence on economic development in the elimination of poverty. Certainly the elemental need for jobs to be made available for OEO program graduates must now be faced at every turn. It is not easy to say how this gap should be bridged; it is obviously not just a problem of federal level program coordination but primarily one of local community development planning.

---

[11] D. E. Hathaway, J. A. Beegle and W. K. Bryant, "Rural America," a Census monograph soon to be published by the Bureau of the Census.

Early OEO tended to view poverty as an urban problem with negligible spatial or natural resource dimensions--i.e., as a human resource development problem of urban areas. This seems to have changed somewhat over the past year.

The new Economic Development Administration in Commerce combines the old ARA and the public works programs under new ground rules. It is still too early to know how these new rules will be implemented. The ARA program was located in the Commerce Department only after a bitter struggle in Congress where the losing rural political forces attempted to place it in the Department of Agriculture. ARA was not well supported in Commerce and came increasingly to depend on the USDA and rural congressmen for support. As a result of the sort of political demands Congress put on the expenditure of its funds, ARA became a spatially oriented, primarily rural program with not the slightest sensitivity to human resource questions.

Problems of power structure displacement arise in many of these programs. The old ARA depressed area concept generally placed ARA investment decision-making at the county level where the rural power structure is most dominant. However, under the new rules in the Public Works and Economic Development Act of 1965, the planning unit could be some region of substantially greater area than a county and even possibly with some urban complex as its focus for growth. The new ARA successor, the Economic Development Administration, has not moved to interpret the new law, but in uncertainty the rural power structure no doubt fears a shift of depressed area fund flows from counties to regional organizations possibly displacing the rural county power structure, and certainly weakening its control over these funds. The sad facts are that ARA became a pork barrel operation with its resources spread so thin there was no possibility of generating any sustained growth.

Poverty programs pose similar power displacement problems. The injection of major funds into a city to combat poverty usually generates one or several conflicts over who is going to control the program and the potential political base which any large program presents. This creates conflicts between the professional social workers and city hall; between the political ins and the defeated candidate or organization, if, as has happened, the latter is given a major role in the poverty program. The poor are invariably a politically unrepresented group in any situation. To require as the Economic Opportunity Act does, that the poor be organized and have a political voice in the direction of the program intensifies the immediate potential for conflict and power structure displacement.

No matter who controls the situation, and it sometimes seems that no one does, the local civil rights organizations are often locked

in a struggle not only with City Hall but also with the Community Action Agency. In any case, the federal and local poverty program officials are almost invariably a party to the conflict, no matter who is using the program to challenge what existing political power.

In organizing the urban oriented "War on Poverty" the Office of Economic Opportunity has very deliberately bypassed the governors and state government, going directly to city government and local private organizations. This was written into the Economic Opportunity Act after a serious struggle over the issue in Congress. Needless to say the implications of this for the old structure of federal-state-local relations are nothing short of revolutionary. This is in direct contrast with the spatially oriented Appalachia program which rests jointly in the hands of the governors and the federal government.

The very purpose of the poverty program necessitates some eventual power structure displacement, for if the poor are to be transformed from an exploited subculture, they must eventually develop political leadership for a voice in community affairs. The big city politicians, the county courthouse organization, the old-line welfare agencies all want their share of the poverty funds, but they do not want their share of the risk taking action that must go with it if the poverty program is to succeed. Before the poverty program can succeed, the existing power structure will have to accommodate itself to the needs of the poor, which often conflict directly with their own interests--as for example in political organization, real estate, welfare activities, school organization and business employment practices. The existing power structure cannot be expected to restructure the status quo (reform itself, if you prefer) without strong inducement. Some communities are less immobile than others and require less stimulus to effect social change. Others will respond only to that maximum pressure which threatens the very existence of the dominant political forces. The poverty program is attempting as judiciously as possible to provide the necessary stimulus to do the job.

The alternative strategies to effect social change are not clear-cut options and these new programs, particularly Poverty, face many unsettled days.

Let me remind you of the experience in agriculture. Over time we increasingly ignored those who failed to stay with the pack in successful adaptation to the technological revolution in agriculture. As the farm programs came more and more to be focused on a successful clientele, the programs and services offered were increasingly designed so they had little to offer to the unsuccessful. Thus, in the period since the 1920's and 1930's we have done a progressively poorer job in policy for the low income, low productivity people in rural life.

In the 1930's we freed the general organizations in agriculture to concentrate on successful commercial farms by creating specialized agencies, the Farm Security Administration and the Resettlement Administration, to handle the problems of the low income sector. But then we failed to provide the budgetary and political support to sustain these specialized agencies, and they passed out of existence under a drumfire of criticism not unlike that being leveled presently at the Poverty Program.

The question today is: can specialized low income or poverty agencies survive long enough to do the job? The readily apparent alternatives of (1) creating new specialized but vulnerable action agencies or of (2) assigning the new mission to an old agency immobilized by age and an existing clientele do not hold the greatest promise.

Amid considerable experimentation OEO appears to be taking quite a different approach. Despite all the sound and fury there is little evidence that OEO has decided on a general strategy of direct challenge of community power structures. Rather, they are attempting to arrange for the extension of certain services to the poor of a community and in the process to create a clientele for the services. While OEO probably has little time for reflection, if it did, it might think of itself as the national command post of a task force to (1) design the Poverty Program thrust; (2) get it set up in delegate federal agencies for national action (e.g., education in HEW, health in PHS, etc.); and (3) get a local command post set up in private community organizations (Community Action Agencies) for sustaining local action.

This is an attempt to mount an outreach function and the process much resembles that of the construction of the early extension function in agriculture (which was not accompanied by peace and quiet either). There are differences, but the similarities are many. Both extend services; both aim at creating a clientele; and both create private organizations to take the political action risks.

The major difference lies in the extent to which OEO has far more limited time within which to obtain its objectives and in the fact that it attempts to operate much of its program through delegate bureaucracies at federal, state and local levels--bureaucracies which must be infused with the same spirit and energy as OEO if the programs are to succeed.

All of this is being done as it were "in the eye of the hurricane" so there is considerable slippage from any ideal, frequent errors in judgment, and great disorder on occasion.

The real test of the Poverty Program in either rural or urban society does not lie in its political acceptance by one warring tribe or

another, nor in its administrative orderliness, but rather in its ability to put local communities and great bureaucracies in just those stress situations that transform them and generate the energy necessary to solve some of our society's urgent problems.