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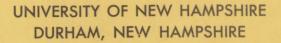
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NEW ENGLAND AGRICULTURAL ECONOMICS COUNCIL

## PROCEEDINGS 1968



GIANNING FOUNDATION OF

#### NEW ENGLAND

## AGRICULTURAL ECONOMICS

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### PROCEEDINGS

1968 ANNUAL MEETING

## UNIVERSITY OF NEW HAMPSHIRE DURHAM, NEW HAMPSHIRE

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#### THE PAPER OF MR. GIDEZ

The overall mission of the New England Regional Commission, working closely with federal agencies, the states, local government, and other development groups, is to aid in fostering and sustaining total economic development for New England. Crucial to this task is the proper understanding and tapping of the development potentials of our region's rural resources. This morning I would like to review some of the facts about the problems and potentials of rural New England and to suggest how the programs of the New England Regional Commission will seek to resolve those problems and capitalize upon the potentials.

New England has always been more highly urbanized, or less rural, than the nation as a whole, and became predominately urban in population in the 1880's. By 1960, of the region's 10.5 million residents, 2.5 million resided in rural areas, slightly less than a fourth of the total.

"Urban" population has accounted for over 70 percent of New England's total population since 1910. In the country as a whole, on the other hand, the "urban" population reached 70 percent of the total population for the first time in 1960.

This is further highlighted by the fact that only 23 percent of the region is in farmland compared to 51 percent for the United States. (off Graph 1)

There is, however, considerable difference between the situation of the rural population in northern and southern New England. In the three northern states, rural people comprise nearly half of the total population, and, except in southern New Hampshire, none are peripheral to large urban areas. By contrast, in southern New England, rural residents are only 1/7 of the total population, and 2/3 of them live in metropolitan counties with densities that are often as much suburban as rural.

In northern New England -- where the principal rural economic development problems and potentials are -- hardly more than a tenth of the employed rural population is engaged in agriculture. By far the major form of employment of rural residents is manufacturing, especially forest products. Rural northern New England does not have a heavy pressure of potential population growth on its economy. Nonetheless, the northern states lost about 80,000 persons through outmigration from their predominately rural counties in the 1950's. By contrast, the few predominantly rural counties of southern New England have had sufficient development that they have been areas of net immigration in the entire post-World War II period.

There is still some significant agricultural activity in New England, especially the potato area of Northern Maine, tobacco production in the lower Connecticut River Valley, and fairly widely distributed poultry and dairy farming. However, from various causes, the amount of land devoted to farming is declining steadily. In 1954 over 12 million acres were in farmland. By 1965, farm acreage had dropped to 9.3 million acres. So is the farm population. Economic research service of the Department of Agriculture estimates that the farm population of New England declined from 231,000 in 1960 to 133,000 in 1967, a decrease of 58 percent in just 7 years.

Rural education levels are not significantly lower than the urban; in fact, in some areas they are higher. Still, less than half of the adult rural population has completed high school.

Agriculturaly, New England is a declining area. Although the total value of New England farm production rose some 35 percent in the 1949 to 1964 period, New England's share of the national total was declining. New England lost nearly 60 percent of its farms during this time, VS only about 40 percent for the U.S.

New England farm income is much more dependent on dairy and poultry production, and much less on other livestock production and crop sales, reflecting its nearness to markets and its climate. About the same proportion of New England farm people have other sources of income as those elsewhere in the country, but the amount of such income averages somewhat higher per household for New England mural population.

People on New England farms will probably continue to depend heavily on Dairy and Poultry production, and on mn-farm sources of income.

And, what is more important, these non-farm sectors of the economy can be expected to provide an increasing number of job opportunities for rural New Englanders, and an increasing share of their income. Further, nearness to population centers and the natural advantages of the area are the main bases for expecting a continued brisk demand for rural land for non-farm use -recreation, residential, transportation, and for certain industries.

Farm labor in the New England states is a relatively insignificant component of the nation's total agricultural labor force. In an average week in 1967, 90,000 persons were employed at farm labor in New England, compared to 4.9 million throughout the United States.

The six state New England area has experienced a reduction in total agricultural employment in every year since 1950, from a little over 200,000 in that year, to 90,000 in 1967, a 59 percent drop. The New England farm situation was one of a somewhat more rapidly declining labor force than in the country as a whole, where total United States agricultural employment declined by 50 percent.

Still another indication of rural development is housing. Rural housing in New England is generally in better condition than housing in other rural regions of the United States. There are currently about 1,200,000 rural homes in New England. Over 250,000 of these have been erected since 1959, most of these in southern New England. Today about 87 percent of the rural housing is sound and over 95 percent of the rural homes having running water.

There still remains a lot to be done. In 1960, there were 160,000 units in New England rural areas that were not sound and 67,000 units lacked running water. Despite the statistics that indicate in the aggregate that rural housing in New England is not as bad as in other regions, the full development of New England's rural development possibilities must have as an essential component substantial improvement in rural housing, to be coupled with the rural labor force potentials and other advantages.

One popular measure of rural problems is the index of relative poverty of the rural populations of the 66 New England counties. Here we find, on a county basis, that only one county ranks high in severe poverty problems, with only 10 others with a moderately high index. More than half of the counties in New England rank low in terms of rural poverty.

In terms of this measure, the overall economic status of the .rural population is better than their counterparts elsewhere in the U.S.

We can safely say that in the aggregate New England's rural situation is somewhat more improved than in other areas of the nation. This is not to deny, however, that there do exist serious problems especially in northern New England, but that they are not so pervasive in our region as we find elsewhere.

Let me than briefly summarize rural New England's resources that can be tapped for total economic development of our region.

1. Rural development has taken place in a region that has long been urbanized. Rural populations are then acclimated, on the whole, to an urban setting.

2. Education levels in rural areas compare well with other areas of the region.

3. The rural labor force has had significant non-farm work experience.

4. The physical plant of rural areas, as reflected in rural housing conditions suggests that there is a base upon which to build.

There are problems nonetheless:

1. The agricultural base is declining with a concommitant decline in agricultural employment.

2. The rural population in many areas of northern New England are distant from important urban areas and from the services such urban areas can provide.

3. There has been substantial rural outmigration in recent years indicating that declines in agricultural employment have not been offset by other non-farm related job opportunities.

4. There are rural poverty problems within the rural population.

The New England regional commission is now embarked upon a research program and state investment planning program that in the next several months will provide more insight into both the problems and potentials of rural New England.

Even now, however, a development strategy is emerging from what we already know.

Much of New England especially in the northern tier has a widely dispersed industry pattern with industry scattered through small and medium-sized cities some of which can be classified as rural. Rural homes and farm homes generally are prosperous looking, as most families have a member working in non agricultural industries, even when the family may be considered as farming. Like some other areas of the country, there has been extensive outmigration and a general contraction of localized agricultural and extractive activities. Isolation, poor community facilities, amenities and services characterize some of the region's rural landscape.

If our rural areas are not allowed to suffer long periods of economic decline, and we can improve their public facility and service base, they can furnish an economic base for new and expanding industries and for a dispersed rural population that will keep historic balance in the region's economy. To its benefit, much of the rural labor force in this region has a diversified employment experience, is literate and can adapt to new industrial situations that might be attracted. In fact, this labor force is one of the major attributes of the New England region. Its dispersed character in rural æeas can be a major underpinning of development that furnishes employment to a community and resident rural labor force.

In another economic development sense, the rural environment of this region offers and furnishes one of the great assets to metropolitan centers of the region itself, and to the metropolitan area of New York just to the south. It is obvious that the scenic and recreational base of this region has been in the past and will be in the future one of the major economic thrusts of private and public efforts. This type of rural development can be an important component of the entire regional approach.

Our concern in New England is the development of the total region, one that recognizes the historic balance that has existed amongst rural and urban areas. A development strategy, in this context, must then recognize, that the rural areas, as well as our urban areas, posess unique development potentials and development problems. Programs must be geared to this reality. For instance, the efficient delivery of health and education is at once complicated by the congestion of our urban areas and of population dispersal in our rural areas. Yet the commission and others must act in the provision of these needed services for all the region.