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Economic Development
UNITED STATES DEPARTMENT OF AGRICULTURE
US Economic Research Service
Resource Development Economics Division
Area Economic Development Branch

NATIONAL PROGRAMS, PROGRESS, AND RESEARCH NEEDS
IN AREA ECONOMIC DEVELOPMENT */

E. L. Baum, Leader
Appalachian and Northeastern Area Development Investigations

and

J. H. Southern, Chief
Area Economic Development Branch

Prepared for delivery before
The American Farm Economic Association
Annual Meeting
Lafayette, Indiana
August 19, 1964

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By

E. L. Baum and J. H. Southern
Economic Research Service, USDA

During the past several years, we have witnessed the enactment of numerous programs by the Congress that are directly concerned with the development of the human, physical, natural, and economic resources of our rural areas. In addition to the legislation that has been enacted into law, other bills are being considered by the Congress for the purpose of achieving more rapid national economic growth and a fuller development of our human and other resources. 1/ While many of the new programs are concerned with the low-income, unemployment, and underemployment problems in rural areas, the Congress directed the central responsibilities to Federal agencies other than the U. S. Department of Agriculture, except for the new resource development provisions in the Food and Agriculture Act of 1962. However, the Department of Agriculture has been delegated responsibilities for the development and conduct of some of the other programs in rural areas.

One should keep in mind that the national programs that are of concern in this paper deal also with the problems of urban people and areas. Since 70 percent of our population is urban, it is not surprising that the central authorities are vested in the nonagricultural agencies. 2/ It is of prime importance that the U. S. Department of Agriculture, land-grant institutions, and State and local agencies that have been primarily concerned with agricultural and rural resource development give the

*/ Presented at the Annual Meeting of The American Farm Economic Association, Lafayette, Ind., August 19, 1964. The opinions expressed in this paper are those of the authors, and do not necessarily represent the views of the Resource Development Economics Division, Economic Research Service, or the U. S. Department of Agriculture.

1/ For example, the enactment of the Area Redevelopment Act in 1961; the Accelerated Public Works Act in 1962; the Manpower Development and Training Act in 1962, and amended in 1963; the Vocational Education Act in 1963; and the new resource development authorities in the Food and Agriculture Act of 1962. Now under consideration by the Congress is the comprehensive package of tools to fight poverty contained in The Economic Opportunity Act of 1964 and The Appalachian Regional Development Act of 1964. In addition, the Congress is considering additional funds for the Area Redevelopment Administration.

2/ For example, manpower development and training in rural areas are conducted by the U. S. Department of Labor, and Health, Education, and Welfare in cooperation with State and local agencies.

nonrural-oriented agencies the proper assistance so that these programs achieve the desired results. Although the programs have been developed and are administered at the Federal level, the States and localities are directly involved in program development and implementation.

It would be a mistake to view these national programs that have been enacted for the purpose of increasing employment opportunities, raising levels of family living, and a fuller economic, physical, and social development of our rural areas as strictly Federal activities. These programs have been developed mainly for the people and those areas in the United States that are not sharing adequately in the national economic growth and development. Congress is concerned with the detrimental effects of the unequal growth rates of many areas in the United States, especially our rural areas. These areas not only have high rates of underemployment, but also much hard-core unemployment. Unless corrective measures are taken, these disadvantaged people and areas will likely continue to become relatively worse off, and it will be more difficult in the future to ameliorate their conditions.

In addition to the above-mentioned legislation, legislation has been enacted for the purpose of securing a more rapid rate of national economic growth and higher employment. 3/ Also, there is evidence of an active interest by the Congress in developing a comprehensive national employment and manpower policy. 4/ In this general concern for achieving a viable national economy, specific policies and programs have been developed to stimulate economic growth in our lagging rural areas. 5/

Approximately 925 of the 1,616 counties that are predominately rural are considered to be serious low-income areas. Some 12 million

3/ For example, legislation authorizing tax credits on new investment by industry, more rapid depreciation rates, reductions in the income and some excise taxes, and the training and relocation assistance under the Trade Expansion Act.

4/ U. S. Senate, Committee on Labor and Public Welfare. Toward Full Employment: Proposals For a Comprehensive Employment and Manpower Policy in the United States. 88th Cong., 2nd Sess., April, 1964.

5/ For example, the enactment of the Area Redevelopment Act, May 1961; the Accelerated Public Works Act, September, 1962; the Food and Agriculture Act, 1962; and the Secretary's Memorandum No. 1448, Revised, U. S. Department of Agriculture, June 16, 1961. The Secretary's Memorandum set up the mechanics of the Department's Rural Area Development Program. Supplement No. 1 to the Secretary's Memorandum No. 1448, September 8, 1961 indicates the delegation of responsibilities under Public Law 87-27. The Department's Rural Area Development Program is much broader than the delegated activities in the designated 5(b) areas authorized under PL 87-27. Although the USDA-sponsored Rural Area Development program is concerned with the total economic development of all rural areas, the Department must rely on the programs administered by the other Federal agencies for the full development of rural areas.

people live in these disadvantaged areas, and they control appreciable quantities of resources that are now being used uneconomically, resulting in relatively low levels of productivity. These areas contain many thousands of rural and small town communities that have existed for decades mainly through an involuntary dissaving process. As a result, these communities have experienced both economic and social deterioration, and heavy losses of productive population. Experience indicates that without help such communities are in no position to take on the technical leadership and financial burden of the many activities necessary for economic development. Also, the States that contain most of these depressed areas would experience financial difficulties in carrying a major share of the needed developmental costs. The need for social overhead expenditures by State and local governments in many cases far exceed their present sources of revenue. If the needed programs are to be undertaken the Federal Government has to play an important role through fiscal measures.

It is axiomatic that policies and programs for sound, long-range economic growth of our Nation must provide for the optimum economic and social development of our rural areas consistent with their development potentials. The kinds and amounts of assistance will depend upon the area's resources, the nature of plans for economic and community development, the degree of unemployment and underemployment that exists. Our research and experience indicate that technical, educational, and extensive financial assistance will be necessary to overcome the long-standing problems of substantial and persistent unemployment and underemployment besetting these low-income areas.

The persistence of low incomes and related unsatisfactory economic conditions in rural areas have caused much hardship to many rural people and have placed them at a marked disadvantage in competing with people from more developed areas for employment and higher income opportunities. In line with our present national policy, rural areas development seeks to provide the kinds and types of assistance that will enable such areas to achieve (through sound and practical development programs) improved economic levels consistent with their resources and geographic attributes. Since rural resource development is considered to be a program for the total economic development of rural areas, all programs -- old and new -- will be used when advantageous to accomplish the desired goals of increased employment and incomes. Considering that the U. S. Department of Agriculture is concerned with the total economic development of rural areas, the need for coordination in securing the optimum development product from all such programs becomes a major undertaking. In this context, the Secretary has structured the rural areas development program as a coordinated effort of all U. S. Department of Agriculture agencies assisted by other Federal agencies to help local groups, State agencies,

and private organizations in developing the total resources of rural areas. 6/

SCOPE AND OBJECTIVES OF RURAL AREA ECONOMIC DEVELOPMENT PROGRAMS

Rural areas development is much broader than improved farming and family living -- it includes all activities that will generate higher levels of employment and incomes for rural people, even though this may mean that rural people will have to be retrained for jobs in urban centers and possibly may have to relocate to take advantage of new job opportunities.

Since rural areas possess varying quantities and qualities of human, economic and physical resources, those areas that undertake economic development programs will grow in different directions and at varying rates. The results of research on rural area problems conducted by the USDA and by the State agricultural experiment stations clearly indicate that the problems of unemployment, underemployment, and low per-capita incomes cannot be solved wholly within the agricultural sector. A more efficient agriculture in the low-income areas will help raise incomes for those remaining in agriculture. But, if this process of agricultural rehabilitation is followed closely, more human resources will be released from agriculture to be added to the present unemployed work force unless alternative job opportunities are made available within or outside the area.

Programs developed at the national level that are of direct concern to rural resource development have the following major objectives: (1) efficient and profitable farm business enterprises geared to the changing demands for agricultural commodities; (2) the conservation and full development of our land and water resources, including expanded recreational facilities on private and public lands; (3) the development of industries, businesses, and services in rural communities that possess the resources and potentials for such development; (4) the development of adequate training and retraining programs for the unemployed and underemployed in rural areas so as to give this portion of our labor force the necessary skills to qualify them for more skilled job opportunities in the growth sectors of our economy; (5) the development of modern educational facilities and curricula, including adequate guidance and counselling services so that rural youth will be in a position to compete successfully in the national labor market (These needed educational programs should include

6/ Detailed information on the many aspects of the RAD program and closely associated activities may be secured from the Director, Office of Rural Areas Development, U. S. Department of Agriculture, Washington, D. C. 20250. Local planning has been assigned to local RAD Committees assisted by local Technical Action Panels. The State Extension Services, State RAD Committees and State TAP's are integral parts of the program structure.

adequate vocational and technical training facilities as well as financial assistance to the youth from low-income families who have the capabilities for advanced formal education.); and (6) the development of adequate public facilities for the purpose of creating and fostering the type of environment favorable for economic and social growth.

Some of the major national programs that make up the package of tools that have been developed for economic and social development of our rural areas are briefly discussed below.

ROLE OF FEDERAL PROGRAMS IN AREA ECONOMIC DEVELOPMENT

Time and space limitations permit only brief mention of some of the major Federal programs and progress made to date. The role of the Federal Government in the economic development of local economies has been clearly established through legislation starting with the Employment Act of 1946. Although the Employment Act of 1946 indicated the intent of the Federal Government in maintaining a full-employment economy, the needed programs for local area economic development were not enacted by the Congress until the Area Redevelopment Act in 1961 and the Accelerated Public Works Act in 1962. Through such legislation, Congress recognized that the concentration of high levels of unemployment (and underemployment) in lagging local economies is a national problem.

Area Redevelopment Program

The ARA program should properly be considered as a long-term program aimed at expanding economic growth (via family incomes through increased employment opportunities) in depressed areas. The program was set up to give technical and financial assistance to designated areas to bring about the desired economic activity. 7/ The ARA programs attempted to provide for a comprehensive package of tools to help create economic development in rural areas as in urban areas. The national RAD program conducted through the USDA agencies assisted by State and local agencies and groups was strengthened because the ARA program made possible new forms of financial and technical assistance that local communities could not otherwise secure. 8/ Since the ARA should properly be considered as a long-term development program, it is difficult in a short 3 years to properly evaluate its many activities.

7/ The Act provided for designation of areas eligible to participate in the programs; urban areas were designated as 5(a), and rural areas as 5(b). The criteria for area designation are outlined in the Act.

8/ Although the RAD program includes all rural counties in the U. S. the 5(b) counties include all of the depressed rural areas. Therefore, the 5(b) counties could now secure specialized technical assistance for economic program planning, including special and industrial commercial loans, community facility grants and loans and special training programs for the unemployed to accommodate the expanded economic activity in the particular depressed area.

However, much progress has been made, as evidenced by the new economic activities and increased nonfarm employment that have occurred in local areas. In addition, this program has focused attention on the need for community-wide and area-wide planning for economic development. And it has made evident the important role of social overhead investments in the rehabilitation in those rural areas that have potentials for redevelopment. One can cite the number of new community development organizations, the number of development meetings held in rural areas, the numbers of people on local development committees, etc. as progress. At this point, we do not wish to cite these types of activities necessarily as progress. We would rather have the proper research evaluations made of these activities before citing them as progress.

The ARA program can be criticized, especially as it pertains to rural area development. 9/ Rural poverty has its unique problems. As indicated above, it is deep-rooted and its causes are many.

The agricultural price support programs have had little or no effect on the rural poverty problem. It can be argued, however, that such programs have prevented rural poverty from getting worse.

As a result, new programs were designed to expand economic opportunities. Too many individuals looked upon ARA as a short-term panacea for eradicating poverty. ARA was designed to create new employment opportunities for the people in the designated depressed areas; therefore, no provisions were made for training the unemployed and underemployed labor for job opportunities in other areas. This problem was recognized and was more adequately dealt with in the Manpower Development and Training Act. Another area where the Area Redevelopment Administration may be justifiably criticized is that it neglected the development of a strong technical research program to provide its administrators with (a) the detailed knowledge about the causes of poverty in the designated areas, (b) an evaluation of activities for ameliorating these causes, and (c) the research needed for providing the guide lines for the development of a strong program for developing the economies of depressed areas in the long run. ARA has belatedly recognized its research shortcomings and is striving to close this gap. We consider this to be a much needed step forward, since this information will not only make for a stronger combination of programs for combating rural and urban poverty at the national level but also at the State and local levels.

Levitan criticized ARA because the program tried to deal with too many areas, and therefore, was not accomplishing enough in any one area. 10/ One could argue that the initial approach of a "little" in many areas was wise in that the program acted as a catalyst in stimulating many communities to do more to help themselves. More objective appraisals over time will be needed to pass judgment on the wisdom of this approach.

9/ An excellent appraisal of the ARA program is given by Sar Levitan in Federal Aid to Depressed Areas, Johns Hopkins Press, 1964.

10/ Sar Levitan, Op. cit., p. 250.

Accelerated Public Works

Another program closely allied to ARA is the Accelerated Public Works Program. ^{11/} APW was set up to complement the ARA Program in that it was concerned with near-term development activities. This program provided for "immediate useful" employment in communities with substantial unemployment. The APW projects had to be (a) initiated or accelerated within a reasonably short time, and (b) be 50 percent completed within 12 months. As with ARA, APW was directly concerned with rural area economic development, since one-third of the APW funds were allocated to 5(b) areas. No State was allowed more than 10 percent of the total funds. The funds allocated to the USDA were used primarily for conservation measures (e.g., trail building and forest clean up by the Forest Service). The Accelerated Public Works Program has provided on site employment in depressed rural areas (such as, employment in the construction of hospitals, water and sewer systems), and has accomplished some conservation measures that may not have been carried out otherwise. The Federal share of the APW project costs varied from 50 to 75 percent of the total, depending upon the level of unemployment and per capita income in the area. The limitation on the extent of grants under the APW program does not apply to projects which have been traditionally undertaken by the Federal Government, such as the conservation activities conducted by the USDA. In some cases, Federal projects were financed by a combination of APW and regular agency appropriations.

The APW program was intended to increase public works; not to replace other aid programs such as those carried out under the ARA, Community Facilities Administration, USDA, and the like. This program was made available to approximately 150 more communities than those designated eligible for assistance under the ARA program. The APW program enabled many economically underdeveloped areas to make much needed social overhead investments that could not otherwise have been accomplished in this short period of time. These APW activities broadened the basis for the development of public facilities in ARA designated areas. This was a needed tool in assisting underdeveloped areas since the ARA program had relatively limited funds for such development. Under the present APW Act, the authority to obligate funds expired June 30, 1964. No new authorizations have been proposed in the Congress, as of this date.

Manpower Development and Training

The new and broader types of assistance to equip unemployed and underemployed labor in depressed areas is important for workers in rural areas as well as in urban areas. Unemployed individuals could secure 16 weeks of training under the training provisions for occupational training and retraining under ARA, but such unemployed individuals are eligible to receive 52 weeks of training under the

^{11/} This program is administered by the Area Redevelopment Administration.

Manpower Development and Training Act. The provisions of this Act were not limited to depressed areas. However, the vocational training provisions of the MDTA made possible the strengthening of vocational training in depressed rural and urban areas. Since job opportunities for a major proportion of the unemployed and underemployed labor in depressed areas exist outside of these areas, it was logical for the Federal Government to provide for programs to enhance labor mobility.

In addition to providing for training of the hard-core structural unemployed and the new entries to the labor force provisions were made to provide training for "underemployed" agricultural workers. An arbitrary figure of \$1,200 or less income for farm families classifies adult family members as underemployed and makes them eligible for training and educational benefits under the MDTA. This program also provided for the upgrading of educational levels and scientific and technical skills of individuals qualifying under the Act. The away-from-home subsistence benefits and transportation provisions of the Act are especially important for rural members of the labor force. These provisions enable rural workers to secure training in distant areas where the opportunities for jobs are greater. Since provisions were made to include underemployed farm workers, it is especially important that those who are concerned with rural area economic development activities become better acquainted with the Manpower Training Provisions Act of 1962, and its amendments.

Amendments to the Act designed to help youths bridge the gap between school and work provide for broader youth-training programs. Rural youths as young as 17 years of age are now eligible for training allowances provided they are disadvantaged. The MDTA, as amended, attempts to keep disadvantaged youths in school. Before these youths can become eligible for the benefits under MDTA, they must first attempt to work out a work-study program under the Vocational Training Act of 1963. Language was written into the Act to ensure that there would be no duplication of effort between the vocational education and manpower training activities. Also under the MDTA, there is a 1-year waiting period for school dropouts before they can become eligible for training allowances. However, there is no waiting period to become eligible for the training activities.

New USDA Rural Resource Development Activities

Titles I and IV of the Food and Agriculture Act (PL 87-703) provide new authorities and resources to help make the Department's national rural area development program more effective.

Under Title I, many individual farmers become eligible for additional help under long-range agreements with the Department to change cropping systems and land use for the purpose of developing soil, water, forest, wildlife and recreational resources on privately owned lands. Under Title IV, the Farmers Home Administration is

authorized to make loans for the development of recreational facilities, to help farmers develop new income-producing opportunities. Title I of the Act also provides for rural renewal projects, resource conservation and development projects, and watershed recreational development. Title IV provisions make possible the FHA credit sources for carrying out these new programs.

The rural renewal projects are of special interest. This new authority provides help for severely disadvantaged rural areas where much of the land is not in its most desirable use. The objective of this program is to create conditions that will make these communities attractive for increased economic growth. Programs under this authority are being developed in 5 areas on a pilot basis.

The RC & D projects are locally initiated and locally sponsored. These projects provide a framework for accelerated programs of conservation, development, and use of all land, water, and related resources to enhance additional economic opportunities. In addition, PL 566 was amended to provide for new recreational opportunities and new sources of future water supply for municipalities and industries can now be created in small watershed projects. The new programs authorized on the Food and Agriculture Act of 1962 12/ complement the aid received by rural people under ARA and APWA.

Vocational Education

There has been much concern in recent years about the quality and quantity of vocational education at the high school and post-high school levels. A large proportion of the secondary school students were and are enrolled in courses for training in occupations where employment opportunities are not expanding -- mainly agriculture. To cope with this new situation greater emphasis should be placed on the development of vocational education programs in those occupations with expanding employment potentials. These conditions lead to the passage of the Morse-Perkins Vocational Education Act of 1963 which broadened the occupational structure of Federal support and made other needed reforms.

Of importance here, the Act authorizes Federal grants to States to assist them to (a) extend and approve existing vocational education programs, (b) develop new programs of vocational education, and (c) to develop part-time employment for youths who need such employment to continue their education on a full-time basis. In addition, States are now authorized to transfer funds allotted under the George-Borden and Smith-Hughes Acts from one category to another, or to any occupational training covered by the new vocational programs to insure that Federal funds will be utilized to meet the actual manpower training needs. The new authorizations of the Vocational Education Act of 1963 will provide for greatly increased flexibility in meeting training needs for rural people.

12/ The detailed provisions under Titles I and IV may be found in Public Law 87-703, September, 1962.

Other Development Programs

The Appalachian Regional Development Act of 1964 and the Economic Opportunity Act of 1964 are now before the Congress. The Appalachian program is primarily public-works oriented for the purpose of building modern infrastructure in the relatively underdeveloped regions. The philosophy underlying this program is that if public funds are used to properly open up this underdeveloped region and this area is made attractive for economic development, then private funds will flow into the area for industrial, commercial and recreational development. The Appalachian Regional Development undertaking is the first Federal-State approach to comprehensive regional economic development.

On the other hand, the Economic Opportunity Act of 1964 is national in scope and was designed to break the perpetuation of poverty conditions in the hard-core areas. The "Poverty Bill" contains programs for (a) youth development, (b) community action programs, (c) strengthening the family farm, and (d) the creation of employment and investment incentives.

AREA ECONOMIC DEVELOPMENT RESEARCH NEEDS

Those who have been working closely with low-income and underdeveloped area problems are keenly aware that in many cases programs had to be developed in the absence of (a) detailed analyses of resource inventories; (b) knowledge of the interrelationships among the development of closely related resources and expanded economic activity among the many sectors within the region, and between the region and other regions; (c) knowledge of details concerning the poverty conditions of families, e.g., employability, skills of the unemployed and underemployed, medical facilities and levels of health conditions, and the like.

From the standpoint of providing guidance for program development, legislators and those concerned with program development and implementation are confronted with a paucity of relevant and related economic studies. In areas where research has been conducted, much of it is of a descriptive nature for a particular point in time. Therefore, it is difficult to fit these fragmented studies into a workable framework. In the future, we must consider the effects of proposed regional or area developmental activities within a region, on other regions, and the Nation. Emphasis on future research is suggested as follows:

1. Development of criteria for the delineation of functional economic areas within regions.
2. Identification of the nature and extent of economic activities associated with resource mixes that have resulted in economic progress in subareas of a region.

3. The development of analytical techniques and data for studying small area economies, as well as the evaluation of the impact of programs and policies for small area development and local government services. There is an urgent need for the development and utilization of econometric models for planning development in small areas. Some progress has been made in the development of models utilizing a highly disaggregated form of linear programming. Such models can be used to determine (a) the amount of outside financing needed to meet the increase in income and consumption adapted as the targets for a given development plan; (b) the mix of new manufacturing and agricultural activities that would cost the least in outside financing; (c) the techniques of production to employ in those cases where alternative techniques are available; (d) the amount of technological change required in existing sectors especially agriculture; (e) the amount of labor by level of skill required for a particular development plan; and (f) the amount of local capital formation required. Operational solutions to such models provides key information about the projects and potentials of economic development in particular areas. Also, by making changes in the parameters of the model and recomputing the solution, the sensitivity of planning requirements to changes in economic phenomena can be determined.
4. Studies on the changing structure of rural and urban institutions within regions, and the determination of what can be done to accommodate such changes to accelerate economic and social development. Such studies should indicate how rural area planning can be integrated with urban area planning to secure maximum growth effects.
5. Studies to determine the potentials for specific types of industries in particular rural areas of underdeveloped regions. Such studies would assist development groups to pinpoint their efforts.
6. Current data is needed on the extent and nature of capital movement out of and into depressed regions, capital movement within regions, and flows of capital into rapid growth regions. A big gap in the capital needs for economic development is being intensified in underdeveloped areas because there is a movement of capital out of these areas. Investors are seeking less risky investments, even though returns may be much lower. The availability of investment capital is a crucial factor in the economic development of depressed areas. Since much of the needed local capital leaves the area, this has created an important gap between the demand for and supply of this needed capital. This

situation should be made clear to State governments and local development groups, so that programs can be developed with the banking institutions in their region to insure their full participation in the region's future development. Public capital (Federal) cannot be expected to fill this widening gap. Based on existing data, capital flows should be determined as well as the "gap" so levels of needed private and public investment can be ascertained for given levels of development and be made known to State and regional development groups.

7. There is a need for a comprehensive determination of areas that have potential for major recreation development complexes and the auxiliary activities that must be undertaken to support such development. In each region, the development of the recreation sector must be coordinated with a regional plan for major highways and feeder (special access) highways, so that major recreation development undertaken by public (State, Federal, local) and private interests will be able to take care of future demands by having the needed accessibility and ease of transportation to and from population centers. In considering the outdoor recreation sector, due consideration should be given to topography, availability of adequate transportation, water resources, drainage, adequacy of the needed acreage and desired kinds of land, etc.
8. In cooperation with the State Departments of Labor and Education, there is a need for the development of a systematic program for securing profiles of the labor force skills in depressed areas. Based upon these profile studies, vocational and related adult educational activities can be developed so as to (a) make the present labor force in underdeveloped areas more competitive in the national labor market, (b) provide a highly skilled manpower pool to accommodate expanding industries within regions, and (c) provide a basis for attracting new industries to underdeveloped areas. This program would have to be coordinated with those colleges and universities who are directly concerned with adult education activities.
9. More studies are needed on the adequacy of educational facilities, and of the ability of State and local governments to finance education systems that would train youth to be fully competitive in the national labor market. The overall program of development should provide for adequate financial aid and for special financial assistance by the Federal and State governments to provide "have-not" areas with facilities and teaching staffs comparable to the progressive areas in the Nation. It may be necessary that the States take aggressive steps in broadening curricula, developing retraining programs and special training programs to update

teachers at the primary and secondary levels of education. Such programs will need the close coordination between Federal, State, and local governments.

10. A comprehensive evaluation is needed to determine the adequacy of the water resources in particular regions, so that we can determine the supplies of and the various levels of demand of water under existing conditions; and whether the known supplies can take care of the increasing demands for water as given projected types of economic development occur in the particular regions. Projections will have to be made for various types of industrial needs, municipal needs, recreation needs, and agriculture needs for water. The developments to meet these water needs may require the construction of various types of single or multipurpose structures. The location of future recreation needs will have to be made known within this context. Future needs, plans, and priorities for such construction of structures will have to be developed and properly evaluated so that investments in developing a region's water resources will yield the highest payoffs from the standpoint of generating increased employment and incomes. The national program for comprehensive river basin studies will provide the framework for local water studies.
11. A special evaluation of land resources in particular regions will have to be made with respect to topography, drainage, and productivity for selected uses so that land use can be programmed for agriculture, industrial development, recreation, forestry, etc. These physiographic considerations may become obstacles to the future development of present viable economic areas. If such information were known, then the regional planning could accommodate these obstacles.
12. Studies are needed to determine the adequacy of social overhead investments in particular regions, so as to determine the present state of such investments (public facilities) with respect to accommodating industries and other forms of economic development. In many areas located in depressed regions, needed social overhead investments cannot be made by local governments, and the environment is not conducive for economic development. The planning processes will have to have such knowledge so that the extent and nature of investment necessary is known before tangible development results will be evidenced, for example, increased employment and income.
13. It is important that we know the adequacy of the structure of State and local governmental agencies to

promote and accommodate economic development. In some cases, there is an inadequacy with respect to financing, coordination, and implementation of development programs. In other cases, the structure of government may be outdated and may be a major obstacle in securing the desired economic development. It is the responsibility of the States to take a realistic look at the adequacy of State and local governments -- its financing, its policymaking processes, its representativeness, its regulatory processes, and present legislation that effects State and local economic development. We may find that this consideration, if not corrected, may be one of the major obstacles to development of underdeveloped areas.

14. There is an urgent need to know more about the nature and extent of (a) underemployment in rural areas, and (b) the nature and extent of migration patterns within rural areas and between rural and urban areas. At present there is a paucity of data to make these needed determinations for proper program development for assisting rural people to better their economic and social status. In addition to broadening the base of research on underemployment and migration at the land-grant colleges there is also a need for the States and Federal Government to compile more frequent data relative to these two very important problem areas.

Concluding Remarks

Much progress has been made in the development of programs for the purpose of combating poverty in rural America, as well as in urban areas. Although, progress is being made in program coordination among the many Federal agencies, we still do not have the necessary legislation and authorities that will permit a coordinated and comprehensive program to plan, create, and guide economic and social development in all of its aspects in those areas or subregions that are potentially excellent economic growth points. Much of this discussion has been concerned with particular programs conducted by one or more Federal agencies to accomplish a particular job. The range of jobs necessary to insure a sound coordinated foundation for regional and National economic growth is yet to be put in a proper focus.

The agricultural economics profession has much to offer to the development, implementation, and evaluation of Federal-State-local economic development. In the face of this tremendous need for economic development know-how, our profession has generally shied from such responsibilities, in favor of problems of the firm and related aspects. Current and emerging questions of policy should lead more of us in the

direction of these broader and extremely relevant issues. Greater attention needs to be focused on the development of better data and research analyses (e.g., the development of criteria for identifying economic growth points within underdeveloped regions) for the purpose of providing the kinds of guidelines that would help insure program success. We are optimistic that more members of our profession will undertake the challenge to utilize their technical talents in assisting in the development and conduct of comprehensive economic development programs in underdeveloped domestic areas that have economic potentials. The well-being of many centers and their rural hinterlands depends on how well this challenge is met in the near future.