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UNITED STATES DEPARTMENT OF AGRICULTURE
Farmers Home Administration

Panel Discussion on "COMMUNITY ASPECTS OF HOUSING"

Talk by

Henry A. Palm, Director, Soil and Water Loan Division
at the 41st Annual National Agricultural Outlook Conference, Washington, D.C.,
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It is certainly a pleasure for me to be with you today and to have an opportunity to join this panel to discuss aspects of rural housing and in particular to Water Supply, Waste Disposal, and Fire Protection in rural communities.

Running water in a home is considered a necessity for modern, healthful living. It is the prerequisite to such things as flush toilets and a ready supply of hot water for bath and kitchen. These days, ample supplies of water for drinking, cooking, and cleaning, and for the lawn, flower garden and livestock are readily available to most of us. I would vouch that all of us here today just have to turn on the tap in our home or apartment to get ample water of a good quality. Such may not have been the case in our homes or the community where we were raised. Out in the countryside, on farms, and in many rural communities, the families don't enjoy the blessings of a dependable water supply and are forced to use shallow wells or cisterns or to haul water a long distance to their homes. Also, wells, small streams, and reservoirs, have a habit of going dry or becoming contaminated, and this year has been a good example of how drought affects the water supply. Anyone who has ever hauled water, waited for it to rain so it could be caught off the roof, or pulled a bucket full from a well or spring knows inconvenience of such methods.

Water requirements of the rural family are continually rising, and in many cases exceed the capacities of existing facilities. As the use of water increases it further aggravates the problem of disposal and pollution. A few years back, and even today in some areas of the country, rural families depend on a septic tank, cesspool, or open field for disposal of human and livestock wastes.

What is the situation in the rural community today? These are the communities where you out there, and all of us here, have direct contact and can let people know what services are available to them to develop or improve a community water supply or a sanitary disposal system. Have you gone into any rural home lately and been afraid or reluctant to drink the water the family offered you? Have you noticed any signs when entering a small village, "water supply approved by state health department", or, "water supply not approved", or "contaminated"?

Without a water supply that is adequate and of good quality, a community will not grow. New houses will not be built, new industries will not spring up, and older homes will not have modern fixtures. In fact, most small communities lose population if an adequate central water supply is not developed.

You notice I mentioned central or community water supply, and perhaps I should elaborate on this point. I think it is high time that we stamp out the idea that installation of a water system is usually an individual problem as contrasted to the prevalent idea that electrical service is a community concern. Where water is a problem it is generally too big a problem for the individual to solve alone. He must, therefore, join with his neighbors to develop a source of water and a distribution system. The same is generally true with regard to community disposal systems. I visited an area last August in Louisiana where there was no surface water, and well water was difficult and expensive to find. The estimated cost of just drilling and casing a well was \$26,000.

What is the situation in the state where you come from? Nationally there are about 15,000 rural towns with populations of 100 or over that do not have community water systems. In most instances these towns also lack sewage disposal systems and fire protection. (Refer to Attached Map) To get the names of these communities you can refer to the U. S. Public Health publication, Municipal Water Facilities Inventory as of January 1, 1958.

The rapid expansion of suburban areas and rural residents into farm communities, together with the increased demand for modern living has resulted in a large increase in the use of septic tanks for waste disposal. Increased use of septic tanks where soil is inadequate for a proper disposal field is continuing. Approximately 14 percent of rural dwellers have sewage disposal systems available to them and about 56 percent use septic tanks for waste disposal, leaving around 30 percent of the rural families without either of these forms of sewage disposal facilities. (See chart).

New technology in animal and poultry production is demanding greater supplies of water and more practical means of disposal of large quantities of animal and human waste. Improper disposal of these wastes contributes to the sanitation problems, affects the health of people and animals, and contaminates water supplies. Flies, dust and odors further aggravate the problem.

Research on water requirements for rural families, design of water systems and sanitary disposal systems is presently grossly inadequate, and should be given immediate attention.

Mrs. Holmes mentioned that the 1960 census showed that individual wells were the source of water for eight out of ten farms and five out of ten rural nonfarm homes. Also, about one out of every ten rural homes--farm and nonfarm--used water from springs, creeks, rivers, ponds, lakes, and rooftops. Just a short time ago a very simple and inexpensive treatment plant resulted in adequate safe water for the rural home. However, the increase in population density in many rural areas, coupled with the increased use of detergents and chemicals is rapidly affecting this situation and has eliminated streams as a safe source of water.

The quality of water in rural areas is also affected by the increased demand for domestic and livestock water, and in many areas the increased use of irrigation water and industrial water. The proper and prudent use of irrigation and industrial water becomes the concern of all water users. For example, over-irrigation, improper application of water, and improper disposal of wastes and effluents adversely affect the quality of surface and ground water in both the immediate and downstream areas. The wider development of recreation on farms and in rural areas will further aggravate the problems of water quality, water pollution, and sanitation.

Research is urgently needed to determine design standards for structural, fire and accident safety appropriate to activities and conditions in rural areas and to incorporate these standards into building codes. Farm fire losses are increasing--presently amounting to about 175 million and 800 lives annually. The burning rate (percent of value destroyed) was about six times that for urban property according to annual reports of state fire marshalls in Illinois, Nebraska, and Oregon.

Protection against fire is one of the important justifications for a waterworks system in a small town. The total amount of water used in a year for extinguishing fires is a negligible part of total consumption. The rate of flow needed to fight a fire is so great that the design of a total water system with full fire protection in mind may often be the deciding factor of economic feasibility.

Small rural communities and rural families are confronted with insufficient sources of available credit for financing water supply, waste disposal systems and fire protection. For example, rural communities have almost no source of credit for group waste disposal facilities, and very little for fire fighting equipment.

There are many other factors contributing to the problem, but let's discuss for a moment how you can assist rural communities that need and want to develop a central water supply and distribution system.

The Department, through the Farmers Home Administration and its predecessor agencies, has, for over 25 years, assisted farmers and ranchers with individual water systems, individual waste disposal systems, and community water systems. Home agents and County Agricultural Agents have in many instances been the prime movers in getting the program underway.

Since the passage of the Agriculture Act of 1961, the Farmers Home Administration has also assisted rural residents, as well as farmers, with these facilities. Prior to 1954, FHA loans to develop community water supplies were limited to the 17 western states. The biggest demand today for such loans comes from the South, Midwest and Northeast. The Farmers Home Administration currently has no statutory authorization for loans for rural community waste disposal systems. We do advance funds for fire plugs and to construct ponds to store water for fire fighting purposes. We cannot loan for fire fighting equipment, fire trucks, or for buildings to store such equipment. During the 1962 fiscal year, the Farmers Home Administration, through its soil and water loan program, assisted nearly 100 rural communities to install community domestic water systems. This increased to about 140 loans in fiscal year 1963, and at the present rate of loan obligation, will likely exceed 200 in this fiscal year 1964.

Through this program, low-cost, long-term loans are made to small towns, districts, and nonprofit groups in rural areas for technical service for equipment, and construction necessary to provide piped-in water for homes, farms, businesses, schools, churches, and other establishments.

Secretary Freeman says: "Loans to rural groups for water systems have a direct, immediate impact on a community's development and housing.

They provide a fundamental resource--ample supplies of clean water--in the development of rural businesses and industries. They help stabilize households and promote more satisfactory family living. They greatly improve health and sanitation conditions in the community.

Water association loans of the Department are made at little cost to the U. S. taxpayer, for they are repaid with interest. Without question, these loans are among the best investments we can make in the development of rural America"

The experience of 37 Negro families living in a small community near Somerville, Texas is a good illustration of Secretary Freeman's point. A few years ago these families lived well beyond the water lines that supplied Somerville. They had built cisterns to catch the rain water. When it didn't rain--not an unlikely happening in the area--they were forced to haul water.

This lack of a dependable water supply placed an especially heavy burden on the wives and mothers in the community. In dry seasons, they would be forced to skimp on water for washing clothes, forget about cleaning up the houses, even ration out the baths.

Late in 1961 Mrs. John R. Reliford, a leader in the community, found out about Farmers Home Administration loan program. She and other women in the community helped their men set up the "Somnerville Rural Water Association." Each of the 37 families bought a \$35 share of stock in the association and by early June 1962, the community's contribution totaled \$1,260. With members of the Association meeting their commitments under the program, the Farmers Home Administration agreed to guarantee a \$24,000 loan from a local bank. The funds were made available late in 1962, to employ a contractor whose crew laid over two miles of water lines in connecting with the central system of Somnerville. Thirty-seven homes in the community were tied into the line, and several fire hydrants were installed, a major improvement in the community's fire protection.

In Henryville, Indiana, lack of an adequate community water supply was putting a damper on the development of the entire area. Families were moving away. Businesses requiring large supplies of clean water could not expand. Churches, schools, and other community institutions all suffered the blight of scarce and polluted water. They lacked water for fire protection. A \$400,000 loan from Farmers Home Administration changed all that. It financed pumping equipment, water lines, meters, storage tank, fire plugs, and labor necessary to provide central water service for 240 families and others in the community.

In Stanley County, North Carolina, Pfeiffer College, a 1,000-student liberal arts institution serving a primarily rural area, obtained a clean, dependable supply of water for the first time as a result of a Farmers Home Administration loan to a local water association. The college would have been forced to close its doors if an adequate water supply had not become available.

The chronic problem of illness among small children resulting from impure water in a New Mexico village was corrected through another loan.

The list of benefits derived from this Farmers Home Administration program is nearly inexhaustable. However, in nearly every case new homes are constructed and older homes are remodeled.

Loans for rural water systems are scheduled for repayment according to the borrower's ability to repay, over a period not exceeding 40 years. The interest rate varies between $4\frac{1}{2}$ and 5 percent depending on the type of loan.

Loans average around \$100,000, but vary considerably in size, depending upon the needs of the applicants. An association's total indebtedness may not exceed \$500,000 when the loan is made from appropriated funds and \$1,000,000 when made from insured funds. Since early in 1961 the Farmers Home Administration has loaned funds or insured loans for 260 of these rural community water systems. These loans have made living more comfortable, convenient and healthier for thousands of families.

These are examples of how the Farmers Home Administration soil and water association loans are helping to improve housing in rural areas and in making the rural communities a better place to live. Each of you have, no doubt, contributed to these improvements, but through the RAD approach, individual contact, and existing local and state organizations, all of us must continue to let people that want to help themselves and their communities know what services are available to them.

