

REMARKS BY SENATOR HUBERT H. HUMPHREY

MIDWEST BANKING INSTITUTE

UNIVERSITY OF MINNESOTA, MORRIS

JULY 20, 1975

I want to speak to you about River City and Main Street -- Rural America and the home place.

I want to discuss with you my hopes and goals for our small towns and farms.

The bankers have an important role and an obvious interest in what happens to rural America.

It occurs to me that we are afflicted with a depression. Not only an economic depression, but also a depression of spirit.

We recently extracted ourselves from a disastrous and soul-rending war. This event has exacted a high price in causing us to find it difficult to respond to challenges.

We need to snap out of it. We have no reason to hang our heads in shame as if we were some huge wart on the world body politic.

But to do that, we need some successes under our belt, and, in today's lingo, we need to "get on with it."

And, although we must have a strong and viable foreign policy, it is urgent that we begin to place some urgently needed attention on domestic policy -- which has been woefully neglected.

It's high time that we begin to concentrate on the problems of Americans for a change. And the problems of rural America clearly warrant a much higher priority than they are now receiving.

For many years we have placed our primary emphasis on urban programs and urban renewal.

Programs concerned with rural development and employment opportunities outside the urban areas were accorded only secondary importance.

The steady migration of people to the large urban centers -- 35 million from 1940 to 1970 -- was accepted as a continuing fact of life.

We have known for some time that there are regional pockets of poverty and economic decline in this country. One early legislative vehicle devised to deal with this problem was the Public Works and Economic Development Act of 1965.

During the past three years, however, this program has been under constant threat of extinction. Regional growth policy has been a very low profile item almost since its inception both in terms of public exposure and in terms of funding.

Annual outlays by the Federal government for regional economic development programs have never exceeded more

than half a billion dollars a year. This stands in sharp contrast to our neighbor, Canada, which spends as much as we do in regional development, even though that nation has only ten percent of our population.

Why is there so much timidity in funding programs to provide people with decent jobs and pleasant communities in which to live?

In 1972 the U.S. Commission on Population Growth and the American Future recommended a policy mix for balanced national growth similar to that being pursued by the Economic Development Administration and the Department of Labor during the 1960's.

Yet we have been systematically abandoning those policies as if they are somehow not worthy of national priority.

Right now, E.D.A. clings tenaciously to life, a neglected and ignored agency within the Department of Commerce. In the Department of Labor, they are quietly abandoning the few manpower and training programs specifically designed for those "people left behind," described by the President's National Advisory Commission on Rural Poverty in 1967.

And the Congress has had to prod and push the Department of Agriculture to implement the rural development programs for which it is responsible.

At present we have a national unemployment level of 8.6 percent.

And, over 1.2 million workers have given up trying to find work.

If you total those not working, the people who have given up looking for work and the part-time employees, you are looking at an 11 or 12 percentage level.

Even administration estimates indicate that unemployment will still be at unacceptable levels by 1980.

We do not have very good statistics on unemployed people in rural areas. This results from both a lack of coverage, and faulty definitions of unemployment.

Those persons over age 45 are largely disregarded. Those who have quit looking-for work because there are no jobs available are not counted as unemployed. People who are doing menial tasks -- and are capable of making a greater contribution -- are considered fully employed.

With high unemployment levels expected to continue, some try to argue that public works programs will not help because of the long lead time needed to begin a project.

It's a very "in" thing these days to say that the WPA, PWA and CCC Programs of the depression were boondoggles-- failures. But those programs put people to work, and the fruits of their labors continue to dot the landscape of America with public buildings, schools and roads, parks and recreation areas.

In 1962, when we enacted the Accelerated Public Works

Act, a serious recession had already bottomed out, but the jobs provided by that act insured that the economy would not lose steam. Again, people went to work.

And this brings me back to River City and Rural America, because much of my state is made up of farmers and rural people.

The tidal wave of rural people migrating to the cities -- mostly family farmers forced off the land since World War II -- caused problems for our cities and helped create social disruption.

But now there are signs that the tide is going back out. Between 1970 and 1973, the non-metropolitan population grew by 4.3 percent, while metropolitan areas increased by only 2.8 percent.

The young men and women who were forced to leave their rural homes because of the lack of job opportunities are now coming back. So are the retired people, who have learned that their fixed incomes will stretch much farther in the rural setting.

The non-metropolitan counties of the United States have become net importers of people, and as a result, between 1970 and 1973, these counties grew at a much faster rate than metropolitan counties, while the cities declined.

Counties that experienced an average annual loss of 300,000 people during the last decade are now growing in population.

In Minnesota, the metropolitan areas have lost 80,000 people in the last few years, while the rural areas have gained 92,000 people. This is a major turnabout, considering that 86 percent of the State's population growth from 1950 to 1970 was in the urban areas.

There is evidence that now the manufacturing sector of the economy is moving into rural America, and at an increasing rate.

Frankly, this shift in population migration and growth of industry in rural areas has been a mixed blessing. It used to be that when the nation was in economic decline, rural areas were not so badly affected, because of the importance of agriculture to the rural economy.

Today, we see that unemployment is as bad or worse in rural areas than in the urban areas because of the growing industry in the rural areas.

During the period between 1965 and 1972, personal income in the United States increased at an annual average rate of more than eight percent -- or over \$1,700 -- in both metropolitan and non-metropolitan areas.

However, the differential between metropolitan and non-metropolitan income increased in favor of metropolitan counties. The amount of increase was greater in metropolitan counties -- \$1,807, compared to \$1,474 in non-metropolitan counties.

The most recent figures released by the Census Bureau show a decrease of 2.4 million people in the poverty cycle between 1970 and 1973. However, while only 10 percent of the

people of metropolitan America met the poverty standard, 14 percent of those in rural America were living below the poverty level.

Of course, these figures do not take into account the current economic recession which has shoved millions of middle class Americans back into poverty.

But the fact remains that much of rural America still remains outside the mainstream of American life.

Many farm families receive a considerable portion of their income from non-farm sources. Yet farmers are not counted as unemployed because they continue to work on their own farms as they look for non-farm jobs.

Certainly, the main problem in today's economy is unemployment, but underemployment, poverty and a lack of education are chronic problems in rural areas.

Low rural income is directly connected with the occupational structure of the work force. It is loaded down with low-paid occupations.

A further problem is educational levels. At the same time the 1970 census was taken, the median years of school completed by all persons aged 25 and over was 12.1 years, but for residents of predominately rural counties, it was 10.5 years.

While the rural population accounts for about a third of the nation's total population, it is scattered over 99 percent of the land at a density of about 19 persons per square mile.

This creates the double-barreled problem of finding work and of receiving various kinds of government services.

Take health care, for instance.

As of December 1972, the ratio of active physicians per 100,000 people was more than twice as high in urban as in rural areas. Rural residents also have considerably less access to specialist care and to doctors with a hospital-based practice.

What this means is that 86 percent of the doctors serve 74 percent of the population, and rural Americans take what is left.

Beyond a concern over services and the quality of life, there must be jobs and economic opportunity, if the rural areas are to prosper.

Congress provided the mechanism when it enacted the Rural Development Act of 1972. I am proud at having helped develop this important legislation.

But efforts to implement the Rural Development Act have been timid -- a lot of pussy-footing around -- when what was needed was bold leadership.

In the proper hands, the Rural Development Act could have been used this year as a rural anti-recession act. Instead, the response of the Administration has been to go slow, don't make waves.

The Rural Development Act includes a number of important programs to stimulate growth and development in the non-metropolitan areas.

I am thinking particularly of programs to encourage industrial development, rural electrification and the construction of water and sewage facilities. And, we have provided programs to improve rural housing since there are over 1.4 million substandard rural housing units.

Again, the Administration has resisted a full implementation of these programs.

A major shortcoming of the 1972 Rural Development Act was the failure to establish a separate rural credit institution. Such a financial institution is essential to spur the economic revival of rural America. Often, rural communities are prevented from taking steps to spur economic development because they lack sufficient capital to attract investors.

The 1971 Presidential Task Force on Rural Development recognized this need and recommended "a new credit institution to provide rural areas with greater access to private capital." Important legislation which I have introduced is designed to carry through this recommendation.

While I have emphasized programs to stimulate development in the rural areas, I would like to make crystal clear that to have a strong rural America, we need to have a viable farm economy.

As bankers, you are certainly aware of what happened to our rural communities in 1973 when net farm income reached \$32 billion.

With farm production costs rising, that figure dipped to \$27 billion in 1974. And it may go as low as \$20 billion in 1975.

I believe that with the strong possibility of bumper crops, we need to have target and loan prices to enable farmers to avoid disaster. Increasing these levels, as provided under the Emergency Farm Bill, would also provide a better balance between grain and livestock prices.

We have asked our farmers to go all out in production, and yet this Administration refuses to share in the risk.

Our consumers receive the world's greatest variety of food and at only about 16 percent of their take home income. Our farm exports - last year have totalled \$22 billion. And our food aid since 1954 has totalled \$27 billion.

No country can begin to touch this record. We need to keep this system in operation, both to feed our people and many others throughout the world.

As bankers, working with the Farmers Home Administration and the PCA, you have an important stake in the success and prosperity of rural America.

We all need to work together in improving these programs. Your prosperity and well-being is also tied up to a large extent with the success of rural America.

Our nation also needs to understand and appreciate more fully the importance of our rural areas.

I believe that this understanding is now dawning. It can lead to a better relationship between rural and urban America.

Your organization is in a critical position to further this understanding between urban and rural America. I urge you to do your part.

#

- Provoost John Imhoff
Imhoff

- Truman Jeffers

- John Chisholm

Chas

- Sen Berg

- Wayne Schumaker } Representative

- Steen Anderson

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NO Expert
Talk together

Bank Practitioners

This Camp

I WANT TO SPEAK TO YOU ABOUT RIVER CITY AND
MAIN STREET -- RURAL AMERICA AND THE HOME PLACE.

I WANT TO DISCUSS WITH YOU MY HOPES AND GOALS FOR
OUR SMALL TOWNS AND FARMS.

X THE BANKERS HAVE AN IMPORTANT ROLE AND AN OBVIOUS
INTEREST IN WHAT HAPPENS TO RURAL AMERICA.

~~IT OCCURS TO ME THAT WE ARE AFFLICTED WITH A unique + disturbing~~

We are beset by not only an
DEPRESSION, ~~NOT ONLY AN ECONOMIC REcession~~ BUT ALSO

A DEPRESSION OF SPIRIT. Watergate, war, + Recession

~~WE RECENTLY EXTRACTED OURSELVES FROM A DISASTROUS
AND SOUL-RENDING WAR. THIS EVENT HAS EXACTED A HIGH PRICE
IN CAUSING US TO FIND IT DIFFICULT TO RESPOND TO
CHALLENGES.~~

Unique Political Situation
Pres U.P. - Democ Congress
new members

WE NEED TO SNAP OUT OF IT. WE HAVE NOT REASON TO

HANG OUR HEADS IN SHAME AS IF WE WERE SOME HUGE WART

ON THE WORLD BODY POLITIC - and a country at the end of the road.

BUT TO DO THAT, WE NEED SOME SUCCESSES UNDER OUR

BELT, AND, IN TODAY'S LINGO, WE NEED TO "GET WITH IT."

AND, ALTHOUGH WE MUST HAVE A STRONG AND VIABLE

X Foreign Policy - (Trade, mts, credits, Resources) Interdependence
FOREIGN POLICY, IT IS URGENT THAT WE BEGIN TO PLACE SOME

X URGENTLY NEEDED ATTENTION ON DOMESTIC POLICY -- WHICH HAS

X BEEN WOEFULLY NEGLECTED.

(more for. Policy -
Lack of Attention to Domestic
affairs)

It's HIGH TIME THAT WE BEGIN TO CONCENTRATE ON

Rural America
THE PROBLEMS OF AMERICANS FOR A CHANGE, AND THE PROBLEMS

OF RURAL AMERICA CLEARLY WARRANT A MUCH HIGHER PRIORITY

THAN THEY ARE NOW RECEIVING.

Ⓞ Changed Economy
+ worlds

FOR MANY YEARS WE HAVE PLACED OUR PRIMARY EMPHASIS

ON URBAN PROGRAMS AND URBAN RENEWAL.

PROGRAMS CONCERNED WITH RURAL DEVELOPMENT AND

EMPLOYMENT OPPORTUNITIES OUTSIDE THE URBAN AREAS WERE

ACCORDED ONLY SECONDARY IMPORTANCE. !

THE STEADY MIGRATION OF PEOPLE TO THE LARGE URBAN

CENTERS -- 35 MILLION FROM 1940 TO 1970 -- WAS ACCEPTED

AS A CONTINUING FACT OF LIFE.

WE HAVE KNOWN FOR SOME TIME THAT THERE ARE REGIONAL

POCKETS OF POVERTY AND ECONOMIC DECLINE IN THIS COUNTRY.

Appalachia

ONE EARLY LEGISLATIVE VEHICLE DEVISED TO DEAL WITH

THIS PROBLEM WAS THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT

ACT OF 1965.

*(Appalachian -
Great Lakes Commission)*

L DURING THE PAST few YEARS, HOWEVER, THIS PROGRAM
HAS BEEN UNDER CONSTANT THREAT OF EXTINCTION. REGIONAL
GROWTH POLICY HAS BEEN A VERY LOW PROFILE ITEM ALMOST
SINCE ITS INCEPTION BOTH IN TERMS OF PUBLIC EXPOSURE AND
IN TERMS OF FUNDING.

L ANNUAL OUTLAYS BY THE FEDERAL GOVERNMENT FOR REGIONAL
ECONOMIC DEVELOPMENT PROGRAMS HAVE NEVER EXCEEDED MORE
THAN HALF A BILLION DOLLARS A YEAR. THIS STANDS IN SHARP
CONTRAST TO OUR NEIGHBOR, CANADA, WHICH SPENDS AS MUCH
AS WE DO IN REGIONAL DEVELOPMENT, EVEN THOUGH THAT
NATION HAS ONLY TEN PERCENT OF OUR POPULATION.

L WHY IS THERE SO MUCH TIMIDITY IN FUNDING PROGRAMS
TO PROVIDE PEOPLE WITH DECENT JOBS AND PLEASANT COMMUNITIES
IN WHICH TO LIVE?

L IN 1972 THE U.S. COMMISSION ON POPULATION GROWTH AND
THE AMERICAN FUTURE RECOMMENDED A POLICY MIX FOR BALANCED
NATIONAL GROWTH SIMILAR TO THAT BEING PURSUED
BY THE ECONOMIC DEVELOPMENT ADMINISTRATION AND THE
DEPARTMENT OF LABOR DURING THE 1960's.

witnessed systematic abandonment of
L YET WE HAVE ~~BEEN SYSTEMATICALLY~~ ABANDONING THOSE
these POLICIES AS IF THEY ~~WERE~~ ^{were} ~~NOT~~ WORTHY OF NATIONAL
PRIORITY.

RIGHT NOW, E.D.A. CLINGS TENACIOUSLY TO LIFE, A
 NEGLECTED AND IGNORED AGENCY WITHIN THE DEPARTMENT OF
 COMMERCE. IN THE DEPARTMENT OF LABOR, THEY ARE QUIETLY
 ABANDONING THE FEW MANPOWER AND TRAINING PROGRAMS
 SPECIFICALLY DESIGNED FOR THOSE "PEOPLE LEFT BEHIND,"
 DESCRIBED BY THE PRESIDENT'S NATIONAL ADVISORY COMMISSION
 ON RURAL POVERTY IN 1967.

Rural Develop

AND THE CONGRESS HAS HAD TO PROD AND PUSH THE
 DEPARTMENT OF AGRICULTURE TO IMPLEMENT THE RURAL DEVELOPMENT
 PROGRAMS ~~FOR WHICH IT IS RESPONSIBLE.~~

Unemployment

The Economic situation

AT PRESENT WE HAVE A NATIONAL UNEMPLOYMENT LEVEL
 OF over 9% - 12%
 OF 8.0 PERCENT.

*Inflation decreases growth
 unemp. up*

~~AND OVER 1.2 MILLION WORKERS HAVE GIVEN UP TRYING TO~~

~~FIND WORK.~~

~~IF YOU TOTAL THOSE NOT WORKING, THE PEOPLE WHO HAVE
GIVEN UP LOOKING FOR WORK AND THE PART-TIME EMPLOYEES,
YOU ARE LOOKING AT AN 11 OR 12 PERCENTAGE LEVEL.~~

~~Even~~ ADMINISTRATION ESTIMATES INDICATE THAT

UNEMPLOYMENT WILL STILL BE AT UNACCEPTABLE LEVELS BY

1980 - 7% #

~~WE DO NOT HAVE VERY GOOD~~ STATISTICS ON UNEMPLOYED

PEOPLE IN RURAL AREAS. THIS RESULTS FROM BOTH A LACK OF

COVERAGE, AND FAULTY DEFINITIONS OF UNEMPLOYMENT.

THOSE PERSONS OVER AGE 45 ARE LARGELY DISREGARDED,

THOSE WHO HAVE QUIT LOOKING FOR WORK BECAUSE THERE ARE

NO JOBS AVAILABLE ARE NOT COUNTED AS UNEMPLOYED, PEOPLE

WHO ARE DOING MENIAL TASKS -- AND ARE CAPABLE OF MAKING A

GREATER CONTRIBUTION -- ARE CONSIDERED FULLY EMPLOYED,

WITH HIGH UNEMPLOYMENT LEVELS EXPECTED TO CONTINUE,

SOME TRY TO ARGUE THAT PUBLIC WORKS PROGRAMS WILL NOT HELP

BECAUSE OF THE LONG LEAD TIME NEEDED TO BEGIN A PROJECT,

IT'S A VERY "IN" THING THESE DAYS TO SAY THAT THE WPA,

PWA AND CCC PROGRAMS OF THE DEPRESSION WERE BOODOGGLES --

FAILURES.

WORK - Jobs -

Unemp. Comp.
Food Stamps

↳ BUT THOSE PROGRAMS PUT PEOPLE TO WORK, AND THE
FRUITS OF THEIR LABORS CONTINUE TO DOT THE LANDSCAPE OF
AMERICA WITH PUBLIC BUILDINGS, SCHOOLS AND ROADS, PARKS AND
RECREATION AREAS.

↳ IN 1962, WHEN WE ENACTED THE ACCELERATED PUBLIC WORKS
ACT, A SERIOUS RECESSION HAD ALREADY BOTTOMED OUT, BUT
THE JOBS PROVIDED BY THAT ACT INSURED THAT THE ECONOMY
WOULD NOT LOSE STEAM AGAIN, PEOPLE WENT TO WORK.

↳ AND THIS BRINGS ME BACK TO RIVER CITY AND RURAL AMERICA,
BECAUSE MUCH OF ^{our} ~~THE~~ STATE IS MADE UP OF FARMERS AND RURAL
PEOPLE.

L THE TIDAL WAVE OF RURAL PEOPLE MIGRATING TO THE CITIES --

MOSTLY FAMILY FARMERS FORCED OFF THE LAND SINCE WORLD

WAR II -- CAUSED PROBLEMS FOR OUR CITIES AND ~~HELPED CREATE~~ ^{contributed to the}

~~social disruption~~ ^{tension and social unrest}

~~16~~
L BUT NOW THERE ARE SIGNS THAT THE TIDE IS GOING BACK

OUT L BETWEEN 1970 AND 1973, THE NON-METROPOLITAN POPULATION

GREW BY 4.3 PERCENT, WHILE METROPOLITAN AREAS INCREASED BY

ONLY 2.8 PERCENT.

L THE YOUNG MEN AND WOMEN WHO WERE FORCED TO LEAVE THEIR

RURAL HOMES BECAUSE OF THE LACK OF JOB OPPORTUNITIES ARE NOW

COMING BACK. L SO ARE THE RETIRED PEOPLE, WHO HAVE LEARNED

THAT THEIR FIXED INCOMES WILL STRETCH MUCH FARTHER IN THE

RURAL SETTING.

THE NON-METROPOLITAN COUNTRIES OF THE UNITED STATES HAVE
BECOME NET IMPORTERS OF PEOPLE, AND AS A RESULT, BETWEEN 1970
AND 1973, THESE COUNTRIES GREW AT A MUCH FASTER RATE THAN
METROPOLITAN COUNTRIES, WHILE THE CITIES DECLINED.

~~COUNTIES THAT EXPERIENCED AN AVERAGE ANNUAL LOSS OF
300,000 PEOPLE DURING THE LAST DECADE ARE NOW GROWING IN
POPULATION.~~
1960's

IN MINNESOTA, THE METROPOLITAN AREAS HAVE LOST 80,000
PEOPLE IN THE LAST FEW YEARS, WHILE THE RURAL AREAS HAVE
GAINED 92,000 PEOPLE. THIS IS A MAJOR TURNABOUT, CONSIDERING
THAT 86 PERCENT OF THE STATE'S POPULATION GROWTH FROM 1950
TO 1970 WAS IN THE URBAN AREAS.

L THERE IS EVIDENCE THAT NOW THE MANUFACTURING SECTOR OF
THE ECONOMY IS MOVING INTO RURAL AMERICA, AND AT AN INCREASING
RATE.

L FRANKLY, THIS SHIFT IN POPULATION MIGRATION AND GROWTH
OF INDUSTRY IN RURAL AREAS HAS BEEN A MIXED BLESSING. IT
USED TO BE THAT WHEN THE NATION WAS IN ECONOMIC DECLINE,
RURAL AREAS WERE NOT SO BADLY AFFECTED, BECAUSE OF THE
IMPORTANCE OF AGRICULTURE TO THE RURAL ECONOMY.

L TODAY, WE SEE THAT UNEMPLOYMENT IS AS BAD OR WORSE IN
RURAL AREAS THAN IN THE URBAN AREAS BECAUSE OF THE GROWING
INDUSTRY IN THE RURAL AREAS.

↳ DURING THE PERIOD BETWEEN 1965 AND 1972, PERSONAL INCOME IN THE UNITED STATES INCREASED AT AN ANNUAL AVERAGE RATE OF MORE THAN EIGHT PERCENT -- OR OVER \$1,700 -- IN BOTH METROPOLITAN AND NON-METROPOLITAN AREAS.

↳ HOWEVER, THE DIFFERENTIAL BETWEEN METROPOLITAN AND NON-METROPOLITAN INCOME INCREASED IN FAVOR OF METROPOLITAN COUNTIES. THE AMOUNT OF INCREASE WAS GREATER IN METROPOLITAN COUNTIES -- \$1,807, COMPARED TO \$1,474 IN NON-METROPOLITAN COUNTIES.

↳ THE MOST RECENT FIGURES RELEASED BY THE CENSUS BUREAU SHOW A DECREASE OF 2.4 MILLION PEOPLE IN THE POVERTY CYCLE BETWEEN 1970 AND 1973.

~~HOWEVER~~ WHILE ONLY 10 PERCENT OF THE PEOPLE OF
were at the Poverty level
~~METROPOLITAN AMERICA MET THE POVERTY STANDARD,~~ 14 PERCENT

OF THOSE IN RURAL AMERICA WERE LIVING BELOW THE POVERTY LEVEL.

OF COURSE, THESE FIGURES DO NOT TAKE INTO ACCOUNT THE
CURRENT ECONOMIC RECESSION WHICH HAS SHOVED MILLIONS OF MIDDLE
CLASS AMERICANS BACK INTO ~~lower income.~~

NOT THE FACT REMAINS THAT MUCH OF RURAL AMERICA STILL
REMAINS OUTSIDE THE MAINSTREAM OF AMERICAN LIFE.

MANY FARM FAMILIES RECEIVE A CONSIDERABLE PORTION OF
THEIR INCOME FROM NON-FARM SOURCES, YET FARMERS ARE NOT
COUNTED AS UNEMPLOYED BECAUSE THEY CONTINUE TO WORK ON THEIR
OWN FARMS AS THEY LOOK FOR NON-FARM JOBS.

CERTAINLY, ^{a major} ~~THE MAIN~~ PROBLEM IN TODAY'S ECONOMY IS
UNEMPLOYMENT, BUT UNDEREMPLOYMENT, POVERTY AND A LACK OF
EDUCATION ARE CHRONIC PROBLEMS IN RURAL AREAS,

LOW RURAL INCOME IS DIRECTLY CONNECTED WITH THE
OCCUPATIONAL STRUCTURE OF THE WORK FORCE. IT IS LOADED
DOWN WITH LOW-PAID OCCUPATIONS.

A FURTHER PROBLEM IS EDUCATIONAL LEVELS. AT THE SAME
TIME THE 1970 CENSUS WAS TAKEN, THE MEDIAN YEARS OF SCHOOL
COMPLETED BY ALL PERSONS AGED 25 AND OVER WAS 12.1 YEARS,
BUT FOR RESIDENTS OF PREDOMINATELY RURAL COUNTIES, IT WAS
10.5 YEARS.

WHILE THE RURAL POPULATION ACCOUNTS FOR ABOUT A THIRD
OF THE NATION'S TOTAL POPULATION, IT IS SCATTERED OVER
99 PERCENT OF THE LAND AT A DENSITY OF ABOUT 19 PERSONS
PER SQUARE MILE.

THIS CREATES THE DOUBLE-BARRELED PROBLEM OF
FINDING WORK AND OF RECEIVING VARIOUS KINDS OF GOVERNMENT
SERVICES.

TAKE HEALTH CARE, FOR INSTANCE,

AS OF DECEMBER 1972, THE RATIO OF ACTIVE PHYSICIANS
PER 100,000 PEOPLE WAS MORE THAN TWICE AS HIGH IN URBAN
AS IN RURAL AREAS. RURAL RESIDENTS ALSO HAVE CONSIDERABLY
LESS ACCESS TO SPECIALIST CARE AND TO DOCTORS WITH A
HOSPITAL-BASED PRACTICE.

"While credit needs of Agriculture, as measured by volume of credit extended for farm Real Estate & operating loans, are being met, there is a clear and present need to increase the supply of funds for Community Development in rural America" (P. 12)

and bankers

1. Nat. Food Policy -

- Supply
- Credit
- Transportation
- Storage
- Reserves
- Research
- Exports

WHAT THIS MEANS IS THAT 86 PERCENT OF THE DOCTORS
SERVE 71 PERCENT OF THE POPULATION, AND RURAL AMERICANS

TAKE WHAT IS LEFT.

BEYOND A CONCERN OVER SERVICES AND THE QUALITY OF
LIFE, THERE MUST BE JOBS AND ECONOMIC OPPORTUNITY, IF THE
RURAL AREAS ARE TO PROSPER. ~~(Transportation)~~

CONGRESS PROVIDED THE MECHANISM WHEN IT ENACTED THE
RURAL DEVELOPMENT ACT OF 1972, I AM PROUD ~~AT HAVING HELPED~~ *to have sponsored*

helped DEVELOP THIS IMPORTANT LEGISLATION.

BUT EFFORTS TO IMPLEMENT THE RURAL DEVELOPMENT ACT
HAVE BEEN TIMID -- A LOT OF PUSSY-FOOTING AROUND -- WHEN

WHAT WAS NEEDED WAS BOLD LEADERSHIP.

↳ IN THE PROPER HANDS, THE RURAL DEVELOPMENT ACT COULD
HAVE BEEN USED THIS YEAR AS A RURAL ANTI-RECESSION ACT,

↳ INSTEAD, THE RESPONSE OF THE ADMINISTRATION HAS BEEN TO GO
SLOW, DON'T MAKE WAVES,

↳ THE RURAL DEVELOPMENT ACT INCLUDES A NUMBER OF IMPORTANT
PROGRAMS TO STIMULATE GROWTH AND DEVELOPMENT IN THE
NON-METROPOLITAN AREAS.

↳ I AM THINKING PARTICULARLY OF PROGRAMS TO ENCOURAGE
INDUSTRIAL DEVELOPMENT, RURAL ELECTRIFICATION AND THE
CONSTRUCTION OF WATER AND SEWAGE FACILITIES, AND, WE HAVE
PROVIDED PROGRAMS TO IMPROVE RURAL HOUSING SINCE THERE ARE

OVER 1.4 MILLION SUBSTANDARD RURAL HOUSING UNITS.

+ Other Community Facilities

AGAIN, THE ADMINISTRATION HAS RESISTED *every major*
IMPLEMENTATION OF THESE PROGRAMS.

A MAJOR SHORTCOMING OF THE 1972 RURAL DEVELOPMENT ACT
WAS THE FAILURE TO ESTABLISH A SEPARATE RURAL CREDIT
INSTITUTION *for Rural communities* SUCH A FINANCIAL INSTITUTION IS ESSENTIAL
TO SPUR THE ECONOMIC REVIVAL OF RURAL AMERICA. OFTEN, RURAL
COMMUNITIES ARE PREVENTED FROM TAKING STEPS TO SPUR ECONOMIC
DEVELOPMENT BECAUSE THEY LACK SUFFICIENT CAPITAL TO ATTRACT
INVESTORS.

THE 1971 PRESIDENTIAL TASK FORCE ON RURAL DEVELOPMENT
RECOGNIZED THIS NEED AND RECOMMENDED "A NEW CREDIT INSTITUTION
TO PROVIDE RURAL AREAS WITH GREATER ACCESS TO PRIVATE CAPITAL."

Nat Food Policy - Shortlist Plan

(1) Production + Supply

(2) Credit

(3) Transport

(4) Research

(5) Storage + ~~Reserves~~

(6) Reserves

(7) Export Policy

Price
Trade

IMPORTANT LEGISLATION WHICH I HAVE INTRODUCED IS DESIGNED
TO CARRY THROUGH THIS RECOMMENDATION.

WHILE I HAVE EMPHASIZED PROGRAMS TO STIMULATE
DEVELOPMENT IN THE RURAL AREAS, I WOULD LIKE TO MAKE *it*

~~CRYSTAL~~ CLEAR THAT TO HAVE A STRONG RURAL AMERICA, WE

NEED TO HAVE A *Profitable* ~~VERY~~ FARM ECONOMY.

*Agriculture Production -
+ Business Profits*

←

L AS BANKERS, YOU ARE CERTAINLY AWARE OF WHAT HAPPENED

TO OUR RURAL COMMUNITIES IN 1973 WHEN NET FARM INCOME

REACHED \$32 BILLION. *(great progress)*

L WITH FARM PRODUCTION COSTS RISING, THAT FIGURE

DIPPED TO \$27 BILLION IN 1974. AND IT MAY GO AS LOW AS

\$20 BILLION IN 1975.

Target Prices

I BELIEVE THAT WITH THE STRONG POSSIBILITY OF BUMPER CROPS, WE NEED TO HAVE TARGET AND LOAN PRICES TO ENABLE FARMERS TO AVOID DISASTER. INCREASING THESE LEVELS, AS PROVIDED UNDER THE EMERGENCY FARM BILL, WOULD ALSO PROVIDE A BETTER BALANCE BETWEEN GRAIN AND LIVESTOCK

PRICES.

Loans, Purchases, Reserves
Exports

WE HAVE ASKED OUR FARMERS TO GO ALL OUT IN PRODUCTION, AND YET THIS ADMINISTRATION REFUSES TO SHARE IN THE RISK.

OUR CONSUMERS RECEIVE THE WORLD'S GREATEST VARIETY OF FOOD AND AT ONLY ABOUT 16 PERCENT OF THEIR TAKE HOME

INCOME. OUR FARM EXPORTS LAST YEAR TOTALLED \$22 BILLION.

AND OUR FOOD AID SINCE 1954 HAS TOTALLED \$27 BILLION.

Reserves - Supply Mgmt

↳ NO COUNTRY CAN BEGIN TO TOUCH THIS RECORD. ↳ WE NEED
TO KEEP THIS SYSTEM IN OPERATION, BOTH TO FEED OUR PEOPLE
AND MANY OTHERS THROUGHOUT THE WORLD.

↳ AS BANKERS, WORKING WITH THE FARMERS HOME ADMINISTRATION
AND THE PCA, YOU HAVE AN IMPORTANT STAKE IN THE SUCCESS AND
PROSPERITY OF RURAL AMERICA.

↳ WE ALL NEED TO WORK TOGETHER IN IMPROVING THESE PROGRAMS.
YOUR PROSPERITY AND WELL-BEING IS ALSO TIED UP TO A LARGE
EXTENT WITH THE SUCCESS OF RURAL AMERICA.

↳ OUR NATION ALSO NEEDS TO UNDERSTAND AND APPRECIATE
MORE FULLY THE IMPORTANCE OF OUR RURAL AREAS.

I BELIEVE THAT THIS UNDERSTANDING IS NOW DAWNING.

IT CAN LEAD TO A BETTER RELATIONSHIP BETWEEN RURAL AND URBAN
AMERICA.

YOUR ORGANIZATION IS IN A CRITICAL POSITION TO FURTHER
THIS UNDERSTANDING BETWEEN URBAN AND RURAL AMERICA. I URGE
YOU TO DO YOUR PART.

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