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ABSTRACT

Printed for use by the Select Committee on Small Business (House of Representatives), these hearings present the testimony of 23 individuals on "The Future of Smalltown and Rural ~~America: The Impact on Small Business" held before the Subcommittee~~ on Small Business Problems in Smaller Towns and Urban Areas (May 2-4, 1972). These hearings present testimony by representatives of the: (1) Appalachian Regional Commission (Executive Director; Intergovernmental Programs; and Federal Cochairman); (2) Rural Housing Alliance (Director of Information; Assistant Director; and Executive Director); (3) Department of Commerce (General Counsel and Assistant Secretary for Economic Development); (4) National Federation of Independent Business (Legislative Director and Congressional Liaison); (5) Department of Housing and Urban Development (Director, Office of Planning and Management Grants; Assistant Secretary for Community Planning; Director, Division of Urban Growth; and Director, Office of Environmental Standards); (6) Member of Congress (Arkansas and Kansas); (7) National Association of Housing and Redevelopment Officials (Executive Director and 2 representatives); (8) Coalition for Rural America (Executive Vice President; Associate Director; and a Professor); (9) Tennessee Valley Authority (Chairman of the Board). Supportive information is provided in the appendices via letters, tables, maps, etc. (JC)

THE FUTURE OF SMALLTOWN AND RURAL AMERICA: THE IMPACT ON SMALL BUSINESS

HEARINGS

BEFORE THE

SUBCOMMITTEE ON SMALL BUSINESS PROBLEMS IN SMALLER TOWNS AND URBAN AREAS

OF THE

SELECT COMMITTEE ON SMALL BUSINESS
HOUSE OF REPRESENTATIVES

NINETY-SECOND CONGRESS

SECOND SESSION

PURSUANT TO

H. Res. 5 and 19

RESOLUTIONS CREATING A PERMANENT SELECT COMMITTEE TO CONDUCT STUDIES AND INVESTIGATIONS OF THE PROBLEMS OF SMALL BUSINESS

VOLUME 1

WASHINGTON, D.C., MAY 2, 3, AND 4, 1972

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THE FUTURE OF SMALLTOWN AND RURAL AMERICA: THE IMPACT ON SMALL BUSINESS

TUESDAY, MAY 2, 1972

House of Representatives,
Subcommittee on Small Business Problems
in Smaller Towns and Urban Areas of the
Select Committee on Small Business,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:10 a.m., in room 2359, Rayburn House Office Building, the Honorable John Kluczynski (chairman of the subcommittee) presiding.

Present: Representatives Kluczynski (presiding), Corman, Conte, and Stanton.

Also present: Representatives Bergland and Hungate of the full committee; Donald B. Roe, subcommittee counsel; John M. Finn, minority counsel; and Myrtle Ruth Foutch, clerk.

Mr. Kluczynski. The hearing will come to order.

The Subcommittee on Small Business Problems in Smaller Towns and Urban Areas today commences hearings on the Future of Small Town and Rural America: The Impact on Small Business.

Under the very capable leadership of our full committee chairman, Representative Joe L. Evins of Tennessee, our subcommittee has been able to continue its work in the field of rural America. Chairman Evins has been one of the most able and forceful spokesmen in the Congress to improve and enhance life in our countryside.

Our hearings today represent an effort to determine the future of Small Town America. The impact on small businesses in rural areas is, of course, directly related to the question of whether small towns are able to continue in existence.

The problems of rural areas have too often been ignored at their expense and that of the big city. Having the honor and privilege to represent the 5th Congressional District of Illinois (Chicago), I have a deep commitment to resolving the plight of metropolitan areas. Like many of my colleagues who also represent big cities, it is evident to me that the dilemmas facing the countryside must be properly dealt with before we can adequately stem the difficulties of metropolitan areas.

Reports have reached us that the Federal Government is lessening its efforts to aid and assist Small Town and Rural America. I hope this is not the situation, and we look forward to testimony from federal officials resassuring us that the Government is actually increasing its efforts to provide Americans living outside of metropolitan areas the kind and quality of help that is so desperately needed.

(The full statement of Chairman Kluczynski follows:)

OPENING STATEMENT OF HON. JOHN C. KLUCZYNSKI, CHAIRMAN, SUBCOMMITTEE ON SMALL BUSINESS PROBLEMS IN SMALLER TOWNS AND URBAN AREAS

The Subcommittee on Small Business Problems in Smaller Towns and Urban Areas today commences hearings on the Future of Small Town and Rural America: The Impact on Small Business.

Under the very capable leadership of our full Committee Chairman, Representative Joe L. Evins of Tennessee, our Subcommittee has been able to continue its work in the field of rural areas. Chairman Evins has been one of the most able and forceful spokesmen in the Congress to improve and enhance life in our countrysides. His efforts have gone a long way to improving the entire Nation by revitalizing rural areas. Our Chairman is to be highly commended for his concern and dedication, not only to his constituency, which he serves so admirably, but to the people of small towns and rural areas everywhere.

Our hearings today represent an effort to determine the future of Small Town America. The impact on small businesses in rural areas is, of course, directly related to the question of whether small towns are able to continue in existence and whether people living in rural areas can continue to reside in their present location. There is an increasing concern over the problems faced by the American countryside. 70 percent of the Nation's population live on one percent of the land, but migration from rural areas to big cities continues, although at a lesser rate—stagnation exists in many parts of rural America stemming mainly from lack of economic diversification—health and medical services are oftentime not adequate—education and training fall short of desired goals, and so forth.

There is not time to list all the ills presently being encountered by rural areas, but we intend, during the course of these hearings, to explore some of the more important and pressing problems. Specifically, we will study four basic areas: (1) the extent to which the Federal Government has responded to existing problems confronting rural America; (2) the definition of existing and projected problems; (3) the development of recommendations as to how the Federal Government can best meet the needs of Small Town America; and (4) the exploration of the casual relationship between domestic difficulties generally, and problems confronting rural areas.

The problems of rural areas have too often been ignored at their expense and that of the big city. Having the honor and privilege to represent the 5th Congressional District of Illinois (Chicago), I have a deep commitment to resolving the plight of metropolitan areas. Like many of my colleagues who also represent big cities, it is evident to me that the dilemmas facing the countryside must be properly dealt with before we can adequately stem the difficulties of metropolitan areas.

Reports have reached us that the Federal Government is lessening its efforts to aid and assist Small Town and Rural America. I hope this is not the situation, and we look forward to testimony from Federal officials reassuring us that the Government is actually increasing its efforts to provide Americans living outside of metropolitan areas the kind and quality of help that is so desperately needed.

Mr. KLUCZYNSKI. I recognize the gentleman from Massachusetts, the ranking member of this committee, Silvio Conte.

Mr. CONTE. Mr. Chairman, I want to join you in commending the chairman of our full committee, Mr. Evins, for his support of this subcommittee's efforts to spotlight the need to revitalize smalltown America. That effort, of course, would bear little fruit without the active leadership which you, Mr. Chairman, have also provided.

I need not refer to our past hearings to demonstrate the importance of your leadership. One need only note the outstanding caliber of the witnesses that we will hear in these next few days to appreciate the influence and significance of this inquiry. We are honored to have such witnesses as the former Governor of Arkansas, my good friend, Winthrop Rockefeller; the Agriculture Secretary, Earl Butz, as well as many other distinguished witnesses.

Mr. Chairman, you have already made clear why the subject of these hearings is vital to all Americans. Unless we stem the tide of migra-

tion to the cities, the quality of life for all Americans will suffer. Our overburdened cities can't adequately provide the services required today, much less accommodate new arrivals from rural areas, and those rural areas will find themselves even more disadvantaged unless we can help to generate new economic life there. I look forward to examining what can be done to improve the situation during these hearings.

Thank you, Mr. Chairman.

Mr. KLUCZYNSKI. Thank you.

The Chair recognizes the gentleman from California, Mr. Corman, the ranking member of this subcommittee, and a very able and valuable member.

Mr. CORMAN. Thank you, Mr. Chairman. I just want to join you and Mr. Conte in saying I think these hearings are extremely important. I come from a very large city, Los Angeles, and we have all of the complex problems of suburbia, but all of us who came originally from small towns recognize that there is tremendous value to being able to raise a family in a small town and that the Federal Government must pay attention to what its programs do to either encourage or discourage the vitality and health of small communities.

Mr. KLUCZYNSKI. Thank you. The gentleman from Ohio, Mr. Stanton, would you care to make any remarks?

Mr. STANTON. Thank you, Mr. Chairman.

It is a pleasure, Governor, to have you before our committee and, Mr. Chairman, I did have a short statement of welcome for the Governor. With unanimous consent, I would like to have it put in the record at this point.

Mr. KLUCZYNSKI. Without objection, so ordered.

(The statement follows:)

OPENING STATEMENT BY MR. STANTON

I too want to express my appreciation to you, Mr. Chairman for initiating these outstanding hearings, and I also want to welcome Governor Rockefeller and the other fine witnesses we have before us today.

As a representative of a number of small towns in Ohio, this inquiry has special importance to me. I am confident it will prove useful not only to my constituents, but to many others from rural areas across the country. And, as has been noted already, all Americans, both rural and urban, are now so interdependent that the future of smalltown America is of vital concern to everyone.

Thank you, Mr. Chairman.

Mr. KLUCZYNSKI. The gentleman from Missouri, Mr. Hungate, although not a member of this subcommittee, is nevertheless very much interested in the problems of rural America. He is a very dedicated member of our full committee and is chairman of the Environment Subcommittee. Mr. Hungate.

Mr. HUNGATE. Thank you, Mr. Chairman. I appreciate the Chairman and members of the committee taking up this problem. It is certainly of vital concern to my district. I am very pleased to see Governor Rockefeller here and the man who brings him here, a very distinguished gentleman, Congressman John Paul Hammerschmidt.

Thank you, Mr. Chairman.

Mr. KLUCZYNSKI. Mr. Bergland, any comments?

Mr. BERGLAND. Thank you very much, Mr. Chairman. I am a freshman member of this Congress, representing a rural district of Minnesota. During my tenure, I have voted consistently to support pro-

grams aiding the big cities of the United States even though I do not have a big city in my district. I have done so because I firmly believe that a problem left untended in the cities of this country will soon affect the bloodstream of the whole United States. The fact is that half the poverty in this United States is in the rural areas. My people don't march, they don't demonstrate, they suffer in silence, and the problems of the rural areas have generally been overlooked in the big city press. My people need help. I am convinced that the problems of our cities will get progressively worse until we find an effective way to stem this aimless, aimless drift of people out of the rural areas streaming into the cities searching for opportunities that are extremely limited in the countryside. I am pleased that the hearings have been scheduled today to focus attention on this very important question of the rural areas.

Mr. KLUCZYNSKI. Thank you.

At this point we will insert the statement of Representative Sebelius, without objection.

(The statement follows:)

STATEMENT OF HON. KEITH G. SEBELIUS, A MEMBER OF CONGRESS FROM THE STATE OF KANSAS

Mr. Chairman, I appreciate this opportunity to offer testimony regarding "The Future of Small Town and Rural America: The Impact on Small Business."

I would like to commend Subcommittee Chairman John C. Kluczynski and Committee Chairman Joe L. Evins and the members of the Subcommittee for their leadership and dedication to solving small business problems throughout America.

There is no question of the urgent need for action to revitalize our rural areas. The long-standing cost-price squeeze and the effects of inflation have combined to force an ever-increasing amount of our rural citizens off of the farm and out of our rural communities. We must provide adequate economic opportunity for those of our citizens who prefer to live and enjoy the proven and traditional way of life in our rural areas.

I think it is appropriate to focus attention on the Rural Job Development Act of 1971. This proposal initiated by Senator James Pearson has the bipartisan support of 50 Senators and over 40 Representatives.

As principal sponsor for this legislation in the House of Representatives, I am honored to have been joined by the following who are cosponsors of the Rural Job Development Act of 1971: Mr. James S. Abourezk, of South Dakota; Mr. Bill Alexander, of Arkansas; Mr. Mark Andrews, of North Dakota; Mr. Bill Archer, of Texas; Mr. John N. Camp, of Oklahoma; Mr. W. C. Daniel, of Virginia; Mr. William L. Dickinson, of Alabama; Mr. Harold D. Donohue of Massachusetts; Mr. John J. Duncan, of Tennessee; Mr. Bill Frenzel, of Minnesota; Mr. Don Fuqua, of Florida; Mr. Seymour Halpern, of New York; Mr. Orval Hansen of Idaho; Mr. Michael Harrington, of Massachusetts; Mr. James F. Hastings, of New York; Mr. Edward Hutchinson, of Michigan; Mr. Ed Jones, of Tennessee; Mr. Peter Kyros, of Maine; Mr. Arthur A. Link. of North Dakota; Mr. Manuel Lujan, of New Mexico; Mr. Romano L. Mazzoli, of Kentucky; Mr. James A. McClure, of Idaho; Mr. John Melcher, of Montana; Mr. Clarence E. Miller. of Ohio; Mr. Wilmer Mizell, of North Carolina; Mr. John T. Myers, of Indiana; Mr. Bill Nichols, of Alabama; Mr. William R. Roy, of Kansas; Mr. William J. Scherle, of Iowa; Mr. Garner Shriver, of Kansas; Mr. Robert L. Sikes. of Florida; Mr. Robert H. Steele. of Connecticut; Mr. John Terry, of New York; Mr. Charles Thone, of Nebraska; Mr. Al Ullman, of Oregon; Mr. Victor V. Vesey, of California; Mr. Richard C. White, of Texas; Mr. Lawrence G. Williams, of Pennsylvania; Mr. Jim Wright. of Texas; and Mr. John M. Zwach, of Minnesota.

Every day we hear of the crisis in our nation's cities. Crime escalates, pollution threatens the health of urban life, complexities of everyday affairs multiply, and the quality of life in general continues to decline. No one disputes the severity and crucial nature of the urban crisis, but there is another and equally

important related crisis in this country: The declining economy and eroded vitality of rural America.

These problem areas are distinct; however, in terms of cause and effect, they are related. Over the past several decades, rising production expenses, higher taxes and declining farm prices have forced millions of farmers out of business, as well as the closing of many business establishments in rural communities. This coupled with the lack of adequate housing, educational opportunity, water and sewer facilities, health care facilities, community services, and general economic opportunity has created the tremendous population migration from rural to urban America.

Into the cities have come the unskilled rural poor attracted by the lure of economic advancement. Many gain, but a tragically high number do not. Instead of economic salvation, too many of the rural poor, both white and black, find tenements, unemployment, welfare and the depersonalized, demoralized environments of the slum-ghetto.

Into the cities also come the young, the educated and the talented. They often do much better materially, but for this economic gain they pay the social costs of the loneliness of the crowd, the frustrations of congested streets and crowded stores, the stultifying sameness of the bedroom suburbs, the loss of community identity, and the lack of contact with nature.

These overcrowded conditions in our cities have imposed impossible demands on urban resources to meet the requirements of transportation, education, welfare, crime control, pollution control, health care, public services, and housing. If answers are not found, the pressure of people against the resources and services of our cities of the future may simply break them down.

In short, too many communities are underdeveloped. Too many of our metropolitan areas are overcrowded. This unequal distribution of population and economic activity will surely worsen unless we take strong positive action.

To underscore this fact, statistics show that even if today's rural population were doubled by the end of this century, there would still be up to 40 million people added to the metropolitan areas.

Former President Dwight D. Eisenhower was one of the first to recognize this problem in the decade of the 1950's. His proposed solution include the location of industry in rural areas and the possibility of creating new towns in the country. This proposal, in part, reached fruition with the development of the new pilot city, Jonathan, located 20 miles southwest of Minneapolis, with an eventual population of 50,000 as its target.

The former Secretary of Agriculture, Dr. Clifford M. Hardin, in announcing the creation of President Nixon's Rural Affairs Council, succinctly outlined our task in solving the problems of rural and urban America. Dr. Hardin said:

"We have to make the whole of rural America more attractive, economically, culturally, and socially. We must expand opportunity not only for the ten million farm people, but for the other 45 million residents living in the countryside. It is not enough that we think in terms of improving conditions and opportunity for the people living today in rural America, and thereby stemming the flow of people to the cities. We must do much more. We must make it a matter of national policy that we create in and around, the smaller cities and towns sufficiently good employment opportunities and living environments that large numbers of families will choose to rear their children there."

The economic potential resulting from rural job development is tremendous. Recently a community in my Congressional District of Western Kansas revealed the projected impact of 100 new jobs. In Hays, Kansas, according to the statistics 100 new jobs would mean: A population increase of 296 people, 112 more households, 174 total additional workers employed, 107 more registered passenger cars. four more retail establishments, \$360,000 more in annual retail sales, \$270,000 more in bank deposits, and \$590,000 additional personal income in the community.

We must work together to find solutions to the dual crisis in rural and urban America.

When we speak of rural development we are, of course, talking about government action and what government can do for our citizens in relation to a specific problem. I am also most concerned about a related problem—what government is doing to citizens under the auspices of Federal assistance.

The number one issue of concern right now in my Congressional district is in regard to the Occupational Safety and Health Act of 1970. This legislation is most representative of a Federal program designed to help and assist people but whose practical application has opened up a box of arbitrary and unreason-

able nightmares for the small businessman. The result has been that this act could force many of our small businessmen out of business.

This glaring example of small business neglect by Congress and the Department of Labor is shockingly apparent in the requirements of this Act. The ridiculous and burdensome regulations that have been imposed threaten the foundation of the small business community. Without some responsible relief through action by Congress on comprehensive reform amendments and administrative flexibility, we are facing a crisis of business closures and unemployment in our rural and small-town communities.

These individuals do not have the capital or the income to comply with regulations that were established for corporations and factory workers. This problem is currently the number one concern in my district in Western Kansas. I am hopeful that this subcommittee will recommend positive action on H.R. 13941 to provide some immediate and responsible relief.

The Federal government should provide services for the people as opposed to action that is arbitrary and restrictive. Recently, a businessman in my district in Western Kansas told me that it requires one week out of every month to fill out all of the necessary forms and reports required by state and Federal government departments and agencies.

Instead of regulating the small business community, government should serve the businessman. This can be done through a small business coordination or "ombudsman" such as specified now by the Concerted Services Training and Education Program. The CSTE Program is designed to coordinate all of the Federal services and programs designed to benefit the small businessman through assistance and awareness. Though still in "pilot" status, I am hopeful this kind of program can truly mean Federal assistance and direct help to our rural areas.

As the principle sponsor of Rural Job Incentive and Development legislation with Chairman Joe Evins, I also feel that a series of tax incentives as proposed by this legislation is most essential to rural redevelopment. We must provide jobs and economic opportunity if we plan to stimulate business activity.

Another bill that is much overdue is the Small Business Tax Simplification and Reform Act of 1972. For too long the small businessman has been forced to shoulder a disproportionate burden of business taxation. It is time that we provide tax reform so that the small businessman has more dollars after taxes. We must reverse the trend that has seen business costs rising and income falling.

Again, I want to commend you for your forthright efforts to provide some much needed administrative and legislative relief for the small business community. I am hopeful that these hearings will produce substantive recommendations for the 92d Congress so that some meaningful relief and reform can be enacted to benefit the small businessman.

The future of the business community and the future of rural and small town America weigh in the balance.

Mr. KLUCZYNSKI. The Chair now recognizes a gentleman, a very good friend of ours, Representative John Paul Hammerschmidt of Arkansas, to introduce the witness.

TESTIMONY OF HON. JOHN PAUL HAMMERSCHMIDT, A MEMBER OF CONGRESS FROM THE STATE OF ARKANSAS

Mr. HAMMERSCHMIDT. Mr. Chairman, distinguished members of the committee.

It is a great honor and pleasure for me to be here to introduce this witness. I agree with Mr. Conte, when he says that you have some outstanding witnesses, and the next witness is certainly one of them.

I know that many of you know him and he really needs no introduction. But for the record, I would like to make some brief comments to tell you about his life of service.

I want to go back to pre-World War II. He went into the Army 2 years before the draft, and served 6 years. He went in as a private, came out as a lieutenant colonel. Among his decorations is the Purple Heart. The reason I go back that far is that now, a quarter of a century later, he is still involved in the U.S. Infantry. To bring you up

to date on what Win has been doing very recently, among his many activities, he has been deeply involved in establishing an infantry museum at Fort Benning, Ga. He is at the forefront of that movement in raising the multimillions needed for the museum.

Win served 8 years as the Arkansas Industrial Development Commission chairman in Arkansas when he first went there. That activity brought 600 plants, it brought 100,000 jobs, and Arkansas is still feeling the benefits of his great leadership. Of course, later, he became the chief executive officer of the State and conducted many reforms in government.

I know that your committee is well aware of the economic deveolepment program. It has interrelated interests, and particularly in this subject matter, the future of small towns in rural America. Win helped establish the economic development district program before the FDA Act of 1965. It merged so well into Arkansas' planning and economic development efforts that it is almost a pilot model for the Nation now.

Your witness lives on a farm in the rural area. He has been in Arkansas for 20 years now. But he comes before you today wearing a different hat— as the executive vice president of the Coalition for Rural America. It is my real pleasure to introduce to the committee the former Governor of Arkansas, Winthrop Rockefeller.

Mr. KLUCZYNSKI. It is a pleasure to have you, Governor.

You may proceed as you wish.

TESTIMONY OF HON. WINTHROP ROCKEFELLER, EXECUTIVE VICE PRESIDENT, COALITION FOR RURAL AMERICA, ACCOMPANIED BY MISS AUGUSTA WILSON, ASSOCIATE DIRECTOR, AND PROF. EUGENE L. MOONEY

Mr. ROCKEFELLER. Thank you very much, John Paul.

I would like to commend the chairman. You are having me today; I understand that you are having another of my brothers, who is going to give you his thinking. I am not suggesting that we necessarily always agree. He is a very conscientious guy; I commend him to you, and I commend you for asking him to testify.

But today I come before you and I am so happy to be with you and the subcommittee. I am happy to have this opportunity to appear at these hearings on a matter which has concerned me for many, many years, much of my adult life. My love and my concern for rural America is evidenced by my having chosen to make my life's home in rural America; by becoming a cattleman and farmer in the State of Arkansas; by my serving two terms as Governor of that great State which is predominantly rural; and now this same love and concern leads me to be here with you today to talk about those things which relate to the Coalition for Rural America.

Thus, a personal and private commitment to rural America, coupled with official capacities as a participant in the problems and concerns of rural America for almost two decades, makes doubly pleasurable this opportunity to appear before this subcommittee.

The Coalition for Rural America was formed in September of 1971 for the following purpose as stated in its articles of incorporation:

"The purpose of incorporation is to advance the broad interest of rural America defined as that part of the United States lying outside

the major metropolitan areas and embracing nonmetropolitan cities, towns, villages and the open countryside,"—because there is so much of it. "The Coalition is committed to the objective of balanced national growth in the United States. It recognizes that achievement of a higher standard of living and an improvement in the quality of life for all Americans, whether they live in our large cities or our countryside, can only be achieved through the pursuit of such a policy. The Coalition shall pursue its objectives by serving as a spokesman for rural America in the nation's councils. It is public advocate and public educator, and it seeks to mobilize in a common effort all the many national, regional, State and local organizations and individuals that share its goal."

I could take more of your time, but I would like to include in the record, if I may, a statement of what or why the Coalition for Rural America is. If I may introduce that and save your time, I would like to put it in the record.

Mr. KLUCZYNSKI. Hearing no objection, it is so ordered.

Mr. ROCKEFELLER. Thank you, sir.

(The information referred to follows:)

WHY A COALITION FOR RURAL AMERICA?

"The problems of urban life and rural life in America today are bound together so tightly that the plight of the cities will be relieved only to the degree that solutions are found to pressing rural problems. Call it "Rural Renewal" or "Rural Revitalization" or call it what you will, but the goal boils down to one thing—we must achieve a proper rural-urban balance of population, to ensure the vitality and economic well-being of our total society.

"The glaring deficiency within our vast array of declared national goals, dealing separately with urban and rural problems, is that these goals have failed to consider the problems in their most interrelated sense—that is, the migration of people. . . .

"To the extent that urban decay is a direct result of rural migration, it would seem that viewing these things jointly is the obvious approach to problem-solving."—*Honorable Winthrop Rockefeller, Governor of Arkansas . . . at the Calvin Bullock Forum, 1 Wall Street, New York City, November 28, 1967.*

INTRODUCTION

Conceivably, an introduction to the Coalition for Rural America should begin with a glossary. As times have changed so, dramatically, have the meanings of certain words rooted deep in our language. Perhaps no word offers its own more challenging example of this change than "rural" itself.

Dictionary definitions of "rural" cling generally to that traditional pastoral setting of yesteryear. Granting the niceties of nostalgia, these definitions hold little actual relevance to what life is really like for Americans living outside of metropolitan areas today.

Compounding the challenge is a profusion of governmental concepts which relate "rural" to such diverse measuring devices as village population, geographical proximity to airline routes, annual income from farming, and so on. Such bureaucratic gobbledygook results in, at best, confusion and, at worst, outright semantic deceit. As an illustration of the worst, national policy continues to equate the well-being of rural communities with the health of agriculture. Yet fewer than twenty percent of all Americans living outside metropolitan areas actually live on farms; and of those, few indeed depend solely on the land for their livelihood.

If "rural" is a problem semantically then so, obviously, is "urban". What is a city? Again governmental agencies do not agree. Depending upon whose criteria get involved, the extent of disagreement can range to hundreds of thousands of citizens.

There are many other words that come to mind, and too often we find that although we are speaking the same language we are not conveying the same meaning. For the purpose of this document we are accepting the definition of rural

America as follows: That part of the nation lying outside the major metropolitan areas and embracing nonmetropolitan cities, towns, villages, agriculture and the open countryside.

Significant above all, the Coalition for Rural America does not presume to define what is "the good life" for all Americans. This nation's promise to its citizens is that each shall have the freedom to work toward a quality of life individually chosen. In many ways—some shocking, others even more ominous because of the subtleties of change—freedom for many Americans has been substantially eroded, and for future generations is threatened even more. Acknowledging the certainty of continued growth, we must accept the stark predictions of what the character and quality of that growth will be—if left unplanned to the present course which finds 93 percent of our national population jamming into seven percent of our national land mass.

The Coalition for Rural America believes that these conditions can be reversed and solutions found, but only with vision, planning, national commitment, and aggressive leadership. We believe that the future vitality of America is dependent upon revitalizing her countryside, thereby creating an environment of new hope and opportunity for all our citizens, wherever they now may live.

BACKGROUND AND HISTORY

One hundred years ago we were a Nation 75 percent rural. Today we are a Nation 73 percent urban. Since the beginning of World War II there has been a net migration from rural America of more than 25 million persons—this being one of the largest movements of people in recorded history. Each year more than 500,000 Americans from rural areas migrate to the big cities.

Should present migratory trends persist, the predicted growth in our national population will exaggerate the demographic profile which has emerged from the past two decades. Experts are predicting that our population will reach 300 million by the year 2000—an increase of some 100 million persons. Based on what has gone before, most of these people will be settled in five small geographical areas, with three-fifths of our population residing in four huge megalopoli. The 450-mile strip from Boston to Wa' 'ngton already contains almost 40 million people—18 percent of our national population. This doesn't have to be so!

This gigantic exodus lies at the heart of many of our most intractable national problems. Redress of the national imbalances created or exaggerated by this migration is central to any solution of these problems.

There is at the same time an imbalance, between vision and reality, regarding rural areas in this country. Enshrined in the national consciousness is the vision of rural areas composed of gentle towns and small cities, intimate schools, quiet churches, peacefl fields and mountains, rivers flowing in a world without time or human misery. This vision of open spaces and winding roads, lakes and quiet spots, beckons to vacationers, calls to the overworked and offers brief therapeutic relief to our families. But the dreary statistics of rurality stand in sharp contrast to this image.

By some official definition, one out of every four rural inhabitants is poor.

Rural unemployment rates are two to three times greater than elsewhere.

30,000 rural towns have no water systems and 45,000 lack adequate sewer facilities.

Per capita, twice as many rural citizens suffer from chronic poor health conditions, and twice as many die from accidents due to lack of emergency health services.

Although 27 percent of the Nation is rural, only 12 percent of our doctors, 18 percent of our nurses, 14 percent of our pharmacists and eight percent of our pediatricians live and work in rural areas.

Some general propositions about American history underpin our regard for the potential of rural America.

Our people aspire to a national society based on a high degree of personal control by the individual over his personal environment, life circumstances and destiny. Our national history and our constitution attest this goal. American society is grounded on those traditional values of Western Civilization which encourage the individual to exercise the greatest latitude for personal development consistent with the interests of all.

Most Americans would prefer to live out their lives in a non-megalopolitan environment. Every recent public opinion poll on this subject bears witness to these yearnings. This alternative can and must be made attainable by all Americans. Those who would must be permitted to live, work and raise their families in such

surroundings, without foreclosing themselves or their children from a full measure of the American experience.

The potential to master our environment distinguishes this era in world history. That environment consists not only of clean air to breathe, pure water to drink, room to exercise—but also decent housing, good nutrition, useful education, vital health, just government, transportation, recreation, arts, even attitudes toward one another. Our environment thus envisioned is the sum of these elements of our culture. Achievements of civilization have been motivated by a desire for something more than bare survival and have been produced by our best personal, governmental and scientific efforts.

Our rural areas enjoy an abundance of the clean physical environment we want; they must be augmented by the abundance of the societal environment we crave.

Predictably we will proceed to urbanize our rural areas. We must ensure that this process is planned, orderly, sensitive, constructive and beneficial to the nation—a plan balanced for people.

THE INTERRELATED COMMUNITIES

The planned growth of rural America must be designed for the dual benefit of rural and metropolitan areas. New opportunities created become viable alternatives for the city dweller and rural citizen alike. While the Coalition for Rural America's focus of attention is on rural areas, our concern is for the entire nation. Indeed, the massive out-migration from rural towns and farms has been a major producer of urban catastrophies. Insolvent and unmanageable, our metropolitan areas are infected with pollution, crime, human misery—virtually every ill known to mankind's history, and some heretofore unknown. Even the peripheral suburbs, once seen as the oasis of escape, are inextricably caught in these problems, and are themselves potentially ripe for deteriorating human and material values.

As a viable Coalition our thrust must be affirmative and future-oriented. Common experiences teach that an ethic of protest or negativism limits its own exponents and invites the contempt of others. We are concerned with constructively influencing the practices of our society. We propose to contribute toward creative action in the furtherance of our central concern—the revitalization and—yes—the vitalization of rural America.

Complexities abound. Particularly problems and potentials in rural growth are presented by the interdependence of commercial cities, industrial cities, rural trading centers, suburban complexes, rural countryside, and the fact that all are constantly in transition. Acknowledging this, we must adapt our best intellectual, scientific and sociological capabilities to our objectives.

As suggested previously, the many governmental definitions of rurality reflect that the concept of Rural America is amorphous. Both the United States census definition and the Standard Metropolitan Statistical Area guideline definition seem meaningful for some purposes and not others. These definitions are grounded on bare demographic criteria. Other definitions can be designed to suit particular purposes. Rural areas may be defined in terms of entire states for purposes of regional planning; in terms of population densities for particular types of programs; in terms of economic criteria for business purposes; and in terms of social, political, geographical, environmental or psychological conditions for yet other purposes.

We must be able to envision these divergent possibilities in order to operate rationally in this complex and dynamic field. Clarifying the goals of rural development, we must envision the kind of societal mix which the preponderance of Americans desire, and determine the role of rural America in that context. it is essential to identify and comprehend the flow of events in our history, along with the cross-currents. We must then be capable of devising alternatives that will alter traditional and current trends which are not compatible with our goals.

Past efforts too often have been preceded by lack of knowledge, timid planning and limited vision. The expenditure of billions of dollars and millions of manhours not only has not ensured constructive solutions, but in the guise of illusory progress has served frequently to perpetuate social problems, waste, failure and human bitterness.

Our total process must continue over time as we assess and reassess every developmental stage in light of reality, and modify our fanciful expectations and actions. Hypotheses must be framed, and we must pretest our social proposals. That which is good can be replicated where appropriate. The dysfunctional, un-

successful or negative can and should be discarded. This approach envisions mobilization of many segments of our society—governmental and nongovernmental—to accomplish the objectives sought. Above all, the precious human values we seek to further must not be sacrificed or distorted. We seek to enhance the dignity of the individual American citizen, wherever he chooses to live.

A national consensus should be articulated. The Administration, the President, must voice and move for implementation of a national rural America development policy. That policy should be stated succinctly, possibly following these lines: "The development of a supportive, vigorous nonmetropolitan environment is essential to the healthy growth of America. As our people seek alternatives to their present unsatisfactory lives, this choice must be available. To be a viable choice that life must have an economic base, public services, a cultural attractiveness, and continuing opportunities for succeeding generations."

Needs and national policies are the raison d'etre for governmental programs. National programs to revitalize rural areas can only be accomplished through harmonious efforts by Federal, State and Local governments. A higher degree of coordination of governmental effort can be effected through re-examination and modification of the systems which deliver governmental services to our communities.

The present configuration of Federal undertaking once again is being reviewed to reorganize the agencies which administer categorical assistance programs.

A variety of plans for restructuring the present chaotic Federal-State-Local government delivery system are being developed.

New and different approaches for financing government services are being proposed.

The role of our rural areas in these proposals, and their relationship in the American society which would consequently evolve, must be clarified and evaluated in light of our National rural area policy. Functional efficiency at the Federal level to develop our rural areas is surely needed, but it must be matched by increased local capabilities, state responsibilities and regional flexibility.

We must devise, assist and support formulation of governmental innovations which will further the objectives of the National Rural Area Development Policy, more by pursuing new opportunities than by preserving lost eras.

At no time would the philosophy of grassroots action be more meaningful and productive than in this context. Those who are experiencing the frustrations and the rewards of today's regrettably uncoordinated rural emergence have a tremendous input relative to the maximizing of this, one of America's great undeveloped assets. The leadership that exists should first be recognized and appreciated and, second, be excited, inspired and motivated to redouble already heroic achievements.

FREE ENTERPRISE AS A SOURCE OF SOLUTION

The principles which infuse our efforts must encourage private initiative, personal motivation and rational participation by each in accordance with his capabilities. The ultimate of good government is to inspire and assist the efforts of men of good will, working singly and in concert, to improve their world.

Orderly growth on our vast countryside can be effected through planned extension of urban services to rural areas, development of existing small municipalities and creation of viable new communities. There are in existence literally hundreds of Federal categorical assistance programs designed to aid rural areas.

Too often the availability of Federal funds dictates the local "need", and inadequate palliatives are constructed at great cost. Tempting categorical matching grants are used, sometimes deceitfully, in contrast to the wise use of block grants or some possible form of revenue sharing. The entire approach should be critically re-examined before new or bigger programs are instituted.

Consistent with the Coalition's feeling that the whole Federal rural assistance program should be carefully restudied, the President's Commission on Population Growth and the American Future in its recently released report and recommendations emphasizes human resource development to improve the quality and mobility potential of individuals. Similarly the report recognizes the need of programs to develop and provide worker-relocation counseling and assistance to enable an individual to relocate with a minimum of risk and disruption.

Our economic system persuades men to their best efforts by rewarding the enterprise of individuals and encouraging those who contribute to our progress. Economic incentives and cultural opportunities must be implicit to those who choose to live in nonmetropolitan circumstances.

Economically viable communities in rural areas promise to maximize the multiple incentives which motivate men. Public investment in the social infrastructure of roads, schools, and public facilities must be employed to maximize the private investments which produce homes, businesses, industries and services. These coordinated investments, public and private, are the prime means to the end of rural area development.

Differentiated approaches will be required to stimulate the environmental growth which produces a wide range of economic opportunities. Our rural areas are both undeveloped and under-developed, and development capabilities among them vary tremendously.

A national economic growth policy must be framed frankly to maximize private economic opportunities in our rural areas, and incorporate a searching minimizing of our dependence on soft loan programs.

The aims and objectives of rural America must be framed and articulated in terms of national perspectives.

To be effective we must develop the competence to devise, recommend and support public policies and private efforts which tend toward realization of our goals.

We must be able to create viable alternatives to those proposals which do not contribute to constructive resolution of the problems of Rural America and the Nation as a whole.

The most scientific tools and our most sophisticated processes must be employed to address the tasks we have set for ourselves.

Most of all we must proceed upon a firm base of knowledge—knowing who we are, what we are about, where we propose to go and how we intend to get there.

To get there, first, we need the services of an organization that can compile, coordinate, interpret and disseminate knowledge that is increasingly rapidly being developed; second, the fruits of these efforts must be implemented by the development of legislation in both the National and State legislative halls.

The future of the Coalition for Rural America is clearly in the legislative field, creatively as well as analytically. It must proceed on premises at least as elevated as those envisioned herein. To aspire to anything less would brand us unworthy of our heritage.

How will America grow?

"Directions for the Seventies"

Coalition for Rural America

78-617 O - 72 - 2

Approaching her 200th birthday America faces serious questions about her future quality of life. Semantically these questions have been divided into two broad areas — to problems of urban crush and problems of rural decay. In truth both flow from a single wellspring: Spectacular national growth — unplanned.

Fifty years ago America was a nation half rural and half urban. Today, either pursuing opportunity or driven by necessity, 93 percent of our people are jammed into seven percent of our living space. In one 450-mile strip alone — from Boston to Washington — live almost 40 million people, 18 percent of our national population.

The problems resulting from mass crowding together are awesome and well known — slums, crime, pollution, blight . . . every ill known to mankind's history, and some now identifiable only with our times.

The crisis of urban America has vastly overshadowed recognition of the needs of rural America. Against the vision of open spaces and winding roads, quiet towns and a world at peace, the realities of rural America stand in stark contrast — declining job opportunities, poor housing, inadequate medical care, irrelevant education. Just as is urban America's promised quality of life rapidly diminishing, so is the true quality of life in rural America.

Getting Destiny Back in Hand . . .

In a free nation governmental institutions, of themselves, cannot envision and execute major societal changes. Our government merely reflects changes and reacts to the dilemmas brought by change. So great have become the problems resulting from the phenomenon of our growth pattern in the past half-century that government finds itself in a now constant state of ineffectual reacting. It can be fairly said, as a result, that

the destiny of American society is at least momentarily out of hand.

It is inconceivable that a nation so sophisticated in technology as to be wondering, almost literally, which Planet to aim at next cannot find solutions to the problems of its own people. America can solve these problems. We have the wealth, the intellectual capacity and the national will, but we have not coordinated these resources in dealing with the problems before us.

What We Have Lacked Is A Plan . . .

The Coalition for Rural America has been formed to advance the broad interests of rural America, defined as that part of the United States lying outside the major metropolitan areas and embracing non-metropolitan cities, towns, villages, and the open countryside. We do not propose that rural America can or should be restored as history knew it. Least of all do we support unrealistic and cosmetic preservation, through Federal programs, of rural communities where no longer exists the required inner-vitality for healthy community growth. It is our belief that the interests of rural America can be advanced only through policies that recognize the achievement of an improved quality of life for all Americans.

Such a quality of life in our conviction can be ensured only through the creation of a viable new environment on America's essentially unspoiled countryside — an environment of new hope and opportunity, of new choice for America's citizens now and in generations to come.

The Coalition, which is non-partisan in its thrust, but has its greatest strength in the fact that it is bi-partisan, will pursue its objectives by serving as a spokesman for rural America in the nation's councils. It is public advocate and public educator, and it seeks to mobilize in a common effort all at the na-

tional, regional, state and local levels who share its goal. We are aware of much which is good and available. We seek to distill the best of our national energies and thinking, and sell the collective product in the legislative halls of America, thereby molding the limitless opportunities before us as a free people.

As concerned Americans, to proceed on premises less elevated than these would brand us unworthy of our heritage.

Will you work to help plan America's destiny?

To make maximum effectiveness of our concern for our national future it is essential that we talk and understand the same language. There is by no means a consensus on even the most basic definitions in the problems before us.

What is rural America?

What is a healthy community?

What makes up a viable environment?

How do we measure a "quality of life?"

These and other questions are explored in a working document which the Coalition for Rural America would like to send to you. We urge you to write for this document and become an associate in the efforts of the Coalition for Rural America.

Coalition for Rural America

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Mr. ROCKEFELLER. The Coalition for Rural America has a 50-man board of directors, of which 11 are former governors—I have never been able to find out whether we are six Republicans and five Democrats, but we are a balanced board, which includes these governors of States. It is bipartisan, it is non-partisan. The other members of this board are representative of industry, labor, farm, private interests and ordinary citizens concerned with the quality of life in rural America. Our membership will be representative of all segments of rural America. Although we have been in existence only a very short time, the response to our efforts and proposals throughout the Nation has been tremendously encouraging.

I believe that examination of the working paper entitled "Why a Coalition for Rural America," which I have just tendered into the record, and you have been so kind as to accept as part of the record, will tell you a little bit more of the philosophic attitudes about why the Coalition for Rural America. Also I believe that the examination of that working paper will establish that our central concern of the Coalition for Rural America closely parallels that of this subcommittee in its continuing concern with the problems of this Nation, as evidenced particularly by its hearings and report, in 1967 and 1968, on small business in smaller cities and towns; and again by the committee's hearings in 1970 on rural and urban problems of small businessmen.

Mr. Chairman, you are to be commended for pursuing this inquiry at a time when maybe some people are faulted. But you are giving the leadership to solving what I believe is one of the most important of our domestic problems.

I should like to make clear that the Coalition for Rural America vigorously and enthusiastically supports the proposed 7 percent tax credit for industries locating in rural America, as proposed in House resolutions introduced by Chairman Evins and others before the 92d Congress. Indeed, the Coalition's preliminary statement of goals and objectives adopted in September, 1971, states specifically:

> In the consideration of President Nixon's proposals for establishment of an investment tax credit, we will support amendments that will provide a differential in favor of enterprises that locate in rural areas and increase employment of residents of areas where located, including the chronically underemployed and unemployed.

The Coalition for Rural America earnestly supports the assertion made by Chairman Evins when, in introducing the Rural Development Incentive Act of 1971, he described an urgent need for programs to encourage greater development of our free enterprise system in our small towns and rural areas. To this we would add the strong belief that, along with new jobs and employment opportunities, Americans who choose to live in rural areas should have the opportunity to secure ownership of productive private property so that they too may accumulate an estate, enhance the local tax base and be secure in their own lives.

Evidence is accumulating that the Nation is commencing to turn its attention to the development of rural America. The present configuration of Federal undertakings is once again being reviewed with an eye toward reorganization of those agencies which administer the many categorical assistance programs designed to assist the rural areas of this country. A variety of plans for altering the present governmental delivery systems is being developed. Several new and different ap-

proaches for financing Federal Government services are being proposed.

We all recognize that functional efficiency at the Federal level to develop rural areas is surely needed, but this must be matched by increased local capabilities, State responsibilities and regional flexibility and particularly planning. The Coalition for Rural America intends to examine very carefully these various proposals and evaluate them in light of an appropriate future role for rural America, and the larger American society into which we shall all evolve. These various proposals must be closely examined in order to determine they are not mere cosmetic changes in organization charts of Federal agencies. They must be examined in terms of the fact that they are going to be permanent. So when we talk about Federal programs, we must not be talking about fool's gold; we must be talking about that which will create a strong rural America. We assert the need for a national commitment to develop the rural areas of this country. We do so in the belief that rural America should present to every American citizen a viable alternative—you will find one when my brother testifies. I believe we can present this viable alternative which every American citizen can choose in pursuing his private interests, his family concerns, and his personal life style. We believe that this national commitment should embody at a minimum a national policy statement and appropriate Federal programs to implement that policy over the next decades.

I will not here burden the record with a reiteration of the long lists of present deficiencies in housing, health services, education, economic opportunity, and quality of life with which the rural areas of this Nation are afflicted. These statistics are depressingly familiar to us all. Still by no means can the true quality of life be measured by application of mathematical ratios or statistical profiles. Life, like the environment that the ecologists describe to us, is all of a piece and contains subtleties not reducible to mathematical formulas. The Coalition for Rural America believes that a national commitment to rural development must go beyond policy statement and governmental programs, and extend itself into the very lives of the individuals who, in increasing numbers, are seeking their destiny in nonmetropolitan areas of this Nation. I am going to repeat there that it relates to the lives of people, not to formulas.

There is some evidence for the proposition that rural-to-metropolitan migration is waning. For this, I am happy. The 1970 census data indicates that outmigration from rural communities slowed from 4.6 million during the 1950's to 2.4 million during the 1960's. Most of the population losses during the past decade were in the Great Plains and certain mountainous areas of the Far West. At the same time, population gains were being realized in the southeastern quadrant of the United States, eastern Oklahoma and northern and western Arkansas. I am happy to say that my neighboring State of Oklahoma and Arkansas have a gain.

This information offers a potential blessing, if you will. It indicates that the tide of migration is changing, or maybe reversing in some instances. But unfortunately, we do not know the reasons why: Why are people moving, why are they not? That is why, Mr. Chairman, I am so glad that you are getting people together to talk about this particular thing.

The Coalition for Rural America believes that a serious and sustaining research effort should be aimed at determining some of the

critical information upon which any realistic national commitment and programs must be based. We wish to know, for example, much more than we now know about those individuals who moved in the 1960's and why? What were they seeking when they moved? What did they find after they resettled? We feel it is imperative to know factors involved in their personal decisions as they sought new opportunities, new jobs, new homes in other areas of the Nation where they had not lived previously. With such information it is reasonable to anticipate that we can discover the motivating influences upon which meaningful public and private programs can be based.

This committee has concerned itself with another major factor in the economic development of rural areas—venture capital. Indeed, the creation and expansion of rural small business often is directly affected either favorably or unfavorably by the availability of development capital. Your pending legislation looks toward inducing private investment to the larger task of rural development.

The Coalition for Rural American believes that we need to know much about the availability, the flow, the magnitude and management of investment capital inside the United States, thus to determine how and to what extent the present capital circulation system can be utilized to the large social task of economic development of rural America.

Many studies reflect the availability of total investment capital, both public and private, but seldom is a study of capital flow related to geographic areas in the Nation. We would hope to interest this committee in concerning itself with these problems of research, particularly with regard to the need and availability of investment and development capital in rural America.

While the Coalition for Rural America is too young to have developed a comprehensive program to recommend to the Congress and to the Nation, we do have sufficient insight into some of the problems of rural areas, the programs which the Federal Government now operates, and proposals now pending to suggest certain aspects which might be profitably explored by this committee. Regretably, we are not here to give you all of the answers. But we do have the insight, I believe, in developing certain aspects.

This committee might well examine the possibility of expanding some of the existing Federal programs which relate most clearly to economic development of rural areas, specifically the so-called 502 program of the Small Business Act. The apparent success of the local development company vehicle under the 502 program suggests the possibility for a vital counterpart vehicle. The local development company and the 502 program provide soft loan money to be used for acquisition of new plants and equipment for rural industries. Too often, however, we have seen that this is not enough to assure creation or expansion of small business in rural areas. There is also the vital need for working capital. This committee should explore the possibility of legislation authorizing local investment companies as counterparts to local development companies as a new source of working capital for rural small business development and ultimately, equity ownership.

The almost unqualified success of the Federal guarantee program further suggests that such local investment companies should be backed by Federal guarantees. These local investment companies, like their

local development company counterparts, would be territorial. Unlike local development companies, however, the local investment company should be a profitmaking enterprise, its funds composed of federally guaranteed private investment capital. There is no substitute for the hard business judgment of the private sector in evaluating the worthiness of a proposed small business venture. And I think that the local private investor belongs in the picture with this cooperative, maybe guaranteed, program of the Federal Government.

The Coalition for Rural America believes that national rural economic development policy should not proceed upon political judgments concerning economic matters. Our conviction is that control and management of the local investment company should rest in the hands of the private sector within a structure of Federal rural policy.

The investment tax credit device has been utilized by this nation in a number of different contexts, both domestically and in developmental approaches abroad. The proposed Rural Development Incentive Act of 1971 would provide a system of tax incentives to encourage commercial and industrial tax credit obtainable by industry within the rural context.

The Coalition for Rural America would like to suggest that this committee also investigate the feasibility and consequences of a personal investment tax credit to be earned by private individuals by investing their private capital in rural areas. You have available to you statistics of the amount of money, for instance, going out of Appalachia into other areas, not being reinvested. I think we need to push to encourage investment of capital within our local areas. But that is an aside, and I think it is needed. The potential impact of such a program where the individual would have some tax incentive, I think, is a very important aspect to the involvement of rural America.

The Coalition for Rural America feels that before any new and sweeping rural economic development programs are implemented much more needs to be known about the relevance between rural and urban—and to me, this is one of the major aspects in terms of orderly population growth within our Nation.

These areas of research could conceivably extend from significant crossroads, recreational areas, to viable towns, to small cities, counties and even a regionalization of States. Why should I suggest the covering of such a diversity of areas? The answer I think is very simple. It's there that people live. And therefore, we must have a program that is sufficiently flexible to accommodate people and their lives, their desires, and allow the people to work with and determine our destiny and what is going to be the quality of our destiny.

Mr. Chairman, in your welcomed letter, you invited comment about any area wherein the Federal Government might not have responded constructively to the plight of rural America. So as I close, I would like to make reference to that. In this regard, I have chosen to emphasize my own long-time vigorous advocacy of the concept of revenue sharing. This concept is inherently fair, inherently sound and inherently wise. It is supported by the President, by the Governors of the States and by many others. Perhaps the perfect formula has not yet been found, but I urge diligent pursuit of the means by which significant revenue sharing can be effectuated, thus affording the flexibility, and I will repeat the word "flexibility," because I think

that is so important here—so badly needed by the States to solve their problems through innovative and creative State leadership.

I am compelled to urge consideration of broad re-evaluation and reform in our Social Security and Welfare programs. In our desire to fulfill with compassion and sincerity our role as, we might say, our brother's keeper, regrettably—and I trust unwittingly—we have resorted to material solutions to highly personal problems, thereby overlooking that most precious of human traits—human dignity. So in terms of where can the Federal Government become involved, this is an area that I think it terribly important for further investigation.

Finally, I hardly need to bring to your attenion both the economic and sociologic impact of the Federal Interstate Highway program on this great country of ours. That program has had tremendous impact on this nation of ours. What the future of the Highway Trust Fund is going to be, I don't know. I would be foolhardy to speculate. But I can tell you that the impact of that which has happened with the Federal Highway program to date can be expanded and do much for the goals of rural America.

But in my concern for the better life of all Americans, and as one who is deeply grateful for that which rural America has given to me and could readily give to so many others, it is my sincere hope that this distinguished committee will give serious thought to the comparable impact that Federal involvement in our secondary highway system could have on the making of rural America—these great and all too often misunderstood regions—a pleasant, dynamic aspect of this God-given bounty, the land that we love and of which we are so rightfully proud. It should be made more available to many, many people.

So, Mr. Chairman, my emotion and my deep feeling for rural America may have allowed me to talk too long. I would like to thank you for the opportunity to be here and to let you know that a transplanted Yankee who is now, for 20 years, as Congressman Hammerschmidt has pointed out, so totally happy in rural America, I am grateful indeed.

Mr. KLUCZYNSKI. Thank you, Governor, for a great statement. Your testimony will be very helpful to the committee when we sit in executive session to issue a report to the Congress.

I have several questions to ask of you and time is running short, so I will have Mr. Roe, our Subcommittee Counsel, send these to your staff. I would appreciate the answers so we can have them for the record. You have had a lot of experience, you are a great man and, it is a pleasure to have you before this subcommittee. So if you will take care of this and get the answers, we will put them in the record.

Mr. ROCKEFELLER. I would love to.

(The information follows:)

RESPONSES TO QUESTIONS SUBMITTED BY THE SUBCOMMITTEE TO THE HONORABLE WINTHROP ROCKEFELLER, FORMER GOVERNOR OF ARKANSAS

1. From your experience as governor of Arkansas, what do you feel contributes most to industrial development in rural areas?

In industrial development for rural areas, one must start with what the possible new industry will produce and the specific, precise elements that it will need—water, power, transportation, communication, and raw materials.

The Arkansas Industrial Development Commission, in the days when I was chairman, did an inventory of every community in the state of 2,500 or more. What did they have in terms of manpower, water, transportation, facilities, etc.? In the process of presenting these various towns to industry officials, we dis-

covered two additional ingredients for our inventory: recreational and cultural opportunities. The proximity of these latter two elements is particularly important to those coming with a re-locating company and become important as the horizons are broadened for those working in the plant.

One factor that has been particularly advantageous to Arkansas is its central location. New plants locating in our state are less than twenty-four hours by truck from seventy-five million persons—an excellent and economical market potential.

Low-paying, labor-intensive factories came to our state first. During my years as governor, we sought higher-paying industry. Growth of the durable good industries resulted purely and simply from two things: one, we identified the type of industry we would want and went in search of it; two, we created task forces in specific fields of industry. As an example, we have a task force on metals that has studied the potential of bringing more forging to the state. The aluminum industry gets a major portion of its domestic bauxite from Arkansas' earth—but only a fraction of it has been processed within our state. We are now correcting the problem.

These task forces are comprised of specialists within an industry who can win the confidence of other specialists. When a company is moving toward expansion, we can present a package designed for their particular product.

In short, industrial location requires determining your resources, deciding the kinds of industry you want and need, and forming groups that can discuss the particular problems of each specialized industry.

2. Would you like to comment on the "new communities" program administered by the Department of Housing and Urban Development?

The concept of new communities is an extremely exciting one to me. Particularly, I would like to see more research and effort directed toward true non-bedroom new communities. That is to say, I should like to see us locate areas of probable future growth—areas still nearly virgin—and build strong new cores for future cities.

I believe with our corporate expertise as a nation we should be able to prevent the ill-planned, mushroom suburban cities. With long-range planning, we can create instead sensible, liveable new cities.

3. On page five of your statement you talk about "cosmetic changes in organization charts of Federal agencies." Is it possible that the President's proposed reorganization is merely "cosmetic"?

I have been impressed with the President's re-organization program—particularly with some of the later clarifications and re-structuring.

Nevertheless, no re-organization program within itself will solve the problems of our government. The issue to which we must address ourselves is the determination of our basic national goals and priorities. Too often we feel that simply moving a program from one department to another will solve a problem; but this will solve nothing unless our total bureaucratic structure is built upon a well-articulated national policy. Programs must reflect policy, not establish it.

4. On page six of your statement you mentioned that a national commitment must go beyond policy and programs and extend itself into the very lives of individuals. Would you explain this in more detail?

When I said that a national commitment must go beyond policy and programs, I was expressing the concern that all too often our federal commitments have not arisen from the people. Rather, they have resulted from positions to which certain officials think our nation should be dedicated. It is absurd to create national commitments that have little indigenous understanding or support.

Mr. KLUCZYNSKI. The Chair would like to announce that due to pressing business on the floor this afternoon, we will have to adjourn the hearings by 12:00 o'clock noon or as soon as possible thereafter. Each witness is requested to summarize his written statement within 15 minutes. The full statement will be placed in the hearing record.

Again, I want to thank you Governor, for that splendid testimony.

At this time, I will yield to the gentleman from California, Mr. Corman.

Mr. CORMAN. Thank you, Mr. Chairman. I appreciate the shortage of time. Yet it is a rare opportunity to have a witness who has had

such wide experience and one who has touched on two very important matters that Congress is attempting to deal with.

First, as to revenue sharing. As you know, the Ways and Means Committee has reported out a bill in which the lion's share of the money will bypass the States and go directly to the cities and towns and villages of the country. It seems to me that any such plan weakens the opportunity to use revenue sharing as a means of giving the States some incentive to innovate the reforms of which the Governor has spoken. Would you care to comment as to the advisability of our bypassing the States with the major portion of revenue sharing?

Mr. ROCKEFELLER. For now over 8 years, I have taken a strong position that this bypassing of States is wrong. I feel that the State and local governments ought to get closer together and not come solely to Washington. So my concept of revenue sharing is that wherein the State government and the local government can work out basic programs together.

We have had occasions that are perfectly ridiculous. Nobody in the bureaucracy in Washington, and I include my good Republican colleague, John Paul Hammerschmidt, can be as close to the problems as that person who is charged with the responsibility of the administration of the programs. Therefore, when you talk about revenue sharing, reluctantly, I accept some of the concepts which allow municipalities, counties, and smaller elements of government to participate directly. But at least, we are moving in the right direction. Hopefully, a distinguished body like this body will find the flaws in what I am afraid is going to exist and ultimately will correct them.

Mr. CORMAN. Thank you, Governor. I keep hoping that we will not legislate in that field this year in the hope that we will do a better job next year. I appreciate your advice.

The other problem with revenue sharing is, as you know, we are in substantial deficit at the Federal level this year, yet we are going to finance revenue sharing in one of three ways: Either by cutting other programs, increasing taxes, or by further increasing the deficit. Would you have any suggestions as to which of those three would be the better course?

Mr. ROCKEFELLER. Can I work backwards?

Mr. CORMAN. Oh, yes, sir; we often do.

Mr. ROCKEFELLER. I can start by saying that I think we have so many local human problems that we need to cope with that they ought to have top priority. And I am not smart enough to suggest to you whether it is more important to go to the moon or do this, that, or the other thing. I do know that we have problems here and that is why you are gathering together here to deal with local home problems. So I would put my top priority on local home problems and then I am not smart enough to tell you how to cut down in the other areas.

Mr. CORMAN. Governor, I suspect you are considerably smarter than those of us who have to make the decision.

Just one final question: You have mentioned the dilemma of attempting to get capital investments in rural areas. It seems to me that the great problem with our tax structure has been that over the years in an effort to direct the investment of capital, we have given tax incentives and once given, they are hard to reverse. As you know, in 1926, we were afraid all of our Model T's were going to run out of

gasoline and we gave some rather substantial incentives to the oil industry. Then we found out we were not building enough apartment houses, so we gave further incentives. All down the line we have done that. Now the suggestion is that we give further tax incentives for investment in rural areas. Yet in doing so we are eroding our tax base even further.

I wonder if you think we might successfully get capital investment in rural areas if we eliminated all these tax incentives and just left it to the sound judgment of the businessman to put his capital where it will do him the most good?

Mr. ROCKEFELLER. I could agree with you on the idea; I do not think all of the growth of rural America is going to relate to tax advantages in this, that, and the other. We had a very interesting meeting of the Coalition for Rural America where it was pointed out that if you were a small town banker, you could make 18 percent financing automobiles, but you could only make seven percent, even with a guaranteed federal loan, on financing agriculture. I think this is an area that we need really to look very carefully into.

We need free enterprise involved. But free enterprise is going to follow the best return. And what we are looking at now is how do we get maybe an equity involvement in rural America, an equity we have lost? We have lost equity in the sense that people are moving off the farms, people who are buying or leasing apartments. We have lost a tremendous number of those people who are equity owners.

I would hope that as a result of these hearings, we would find a new way of getting people interested in equity involvement in this tremendous undeveloped land of ours known as rural America.

Mr. CORMAN. Yes, sir. My point is that the tax code is in a real sense governmental interference with the investment of capital, because in doing so we almost insure greater returns in some kinds of investment than in others. I suspect that is one of the reasons why capital investment in rural areas has dried up. We have given too many incentives in the tax code to other kinds of investments. Would your purpose be served if we just eliminated all of those artificial incentives and left it to the sound business judgment of a man as to whether he is going to put his money in apartment houses or oil wells or new plant expansion or agriculture?

Mr. ROCKEFELLER. Eugene caught that oil well comment.

Actually, as far as I can see, what we need to work back toward is getting more people involved in the responsibility of ownership, equity. There are 30-some odd million people in the United States that have securities of some sort. But that is way, way off. They do not go to the actual meeting of the stockholders or this, that, or the other. When you come back to rural America, you can begin to evolve a philosophy that will get people, owners, in on the growth of our nation. The securities, I do not think, are the answer. I think there it has to be some way where, as I mentioned, like the investment corporation under Small Business, where there is actual ownership and somebody who lives there in that community is watching that enterprise.

Mr. CORMAN. Thank you very much, Governor. I appreciate your response.

Mr. KLUCZYNSKI. Mr. Stanton, any questions?

Mr. STANTON. I just have one observation. Your testimony struck home to me, because my district is about 80 percent rural. Your ob-

servations concerning the highway trust fund were of particular interest to me. The State of Ohio has an interstate system, which is now about 95 percent complete. Then Ohio has a state highway system and a county highway system. In most counties, it is very adequate. But at the township level our problems begin. The difficulty is that in Ohio the township form of government, under our statutes, was set up only for local control of government. The townships have no basis for the collection of money on which to take care of their highway systems. After the last frost, we have a short season before winter sets in again, and we do not have any solid base. We have no way of funding the maintenance of the lower echelon of connecting roads between smaller towns in my rural area. So I compliment you on the thought that attention should be given down to the smallest roads. Just in using this one example, I think you have shown a thorough grasp on this subject and I wish your organization the very best.

Mr. ROCKEFELLER. Having a brother that has a certain responsibility in a large State, we get into this question of whether we can divert highway trust funds to rapid transit, to this, that, or the other thing. And I do not think I can influence my brother. But I am convinced that as we talk here about developing rural America, I can give you one example of a city in Arkansas, El Dorado, where 26 industries have come there with the idea of locating, but the highway system does not allow them to reach the interstate. And my brief reference here was purely and simply to suggest that we have many growth areas, economic growth areas, in rural Arkansas and in rural America that, if we could devise a way of helping them get out, or get in, then I think we can do a lot to create tax revenues. And these are tremendously important. But 26 industries visited that town and wanted to locate there except for highways.

So as we move from the completion of our present interstate highway system—I believe in rapid transit, I believe in all the other things that go with it, but I am saying to you that I think we can produce creativity in rural America by the recognition of growth centers if they were properly served by good highways.

Mr. STANTON. Thank you, Mr. Chairman.

Mr. KLUCZYNSKI. The gentleman from Minnesota, Mr. Bergland?

Mr. BERGLAND. I have no questions. Thank you, Mr. Chairman.

Mr. KLUCZYNSKI. Thank you again, Governor. It is nice to be with you and I hope to be with you again on that poor farm of yours. Take care of it, so I will be able to enjoy it on the next trip.

Mr. ROCKEFELLER. I am now starting something which you will be very pleased with, Mr. Chairman, because of having been there. Because of our pollution problems and this, that, and the other, we are going to put in a central sewerage system so that we can recycle and conserve.

Mr. KLUCZYNSKI. Thank you.

The next witness is Mr. Clay L. Cochran, Executive Director of the Rural Housing Alliance.

TESTIMONY OF CLAY L. COCHRAN, EXECUTIVE DIRECTOR, RURAL HOUSING ALLIANCE, ACCOMPANIED BY DAVID RAPHAEL, ASSISTANT DIRECTOR, AND PHILIP BROWN, DIRECTOR OF INFORMATION

Mr. COCHRAN. Mr. Chairman, in the interest of time, if you will insert my statement in the record, I will try to conserve time with my verbal remarks.

Mr. KLUCZYNSKI. Without objection, it is so ordered. Your prepared statement will be made a part of the record and you may proceed as you wish.

Mr. COCHRAN. I have with me this morning our Assistant Director, David Raphael, and our Information Director, Philip Brown. I thought something might come up that they could handle better than I could.

We appreciate your invitation to be here.

The Rural Housing Alliance is a nonprofit educational organization, funded initially by the Ford Foundation, to do research and education on the problems of housing and community facilities in small towns and rural areas.

We have been in existence about 5 years, with a small staff hammering away at these problems in an effort to find out the scope of them, because such amazing little attention has been paid to them. It was the result of our First National Rural Housing Conference, that our research director, Dr. Rucker, discovered that two-thirds of the substandard housing in the country is in small towns and rural areas. That fact has been available from census data for years, but no one had troubled to highlight it and our announcement of it was greeted with rather widespread skepticism. Such is the nature of social belief when a fact is unveiled which runs contrary to the "commonsense" of the community.

All societies have their myths, ours no less then others. One of them which seems to run very strongly through the thinking in our society is what we have come to tag as metropoliana, a kind of "metro" psychology which looks upon urbanization as inevitable and a social good in itself. But more important is the accompanying presumption that if urbanization is good and inevitable, the more urbanization, the better. So the bigger the cities and the more sparsely settled the hinterland, the richer the nation, economically and culturally.

This state of social hypnosis has been carried to the point where it is difficult for many people even to think about towns of 50,000 population or under and those of the strictly rural areas at all, except to condemn deficiencies in humanitarian terms, and to try to devise some means for getting the miserable peasantry out there into the central city where, after some lingering in the ghettoes, they can look forward to the joys of affluence in suburbia.

When you attempt to deal with problems of small towns and rural areas, you encounter a kind of gray blanket through which you have to struggle to get people to even discuss the problems in meaningful terms. And it is in part this kind of social hypnosis that has permitted us to contrive such things as price control programs without any real regard for what they would do to population distribution or the distribution of good things in small towns and rural areas, because if a

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particular program resulted in the expulsion of people from rural areas, it was presumed they were going on to a better life somewhere else. Only when it began to appear (in recent years) that our contempt for the organic relationships between rural, small town, and more urban areas was getting us into trouble did we begin to rethink our way, or as Walton Hamilton wrote, "impose some direction on the headlong course of events."

Another thing which has misled a great many people into a kind of security blanket of a different type is that most of us over the years believed that the Department of Agriculture, which is a department of agribusiness, largely, was really a department of rural affairs; that is, that its research and concern was for all rural people. This is simply an assumption contrary to fact. The recent discovery that the Department is primarily preoccupied with the problems of commercial agriculture and the packers, processors, and so forth, does not mean that the Department has suddenly changed. Over the years, there has really been considerably less than a department of rural affairs looking after rural people.

The basic thing I am trying to say on metropoliana and USDA is that more or less unconsciously, we have assumed that we were looking at development and change in the country in a balanced way when, in fact, we were preoccupied with the problems of the cities and we operated on the false assumption that somebody was looking after the people in small towns and rural areas.

There is a great deal we do not know about our society and the one reason we do not know more about it is that we do not ask the right questions. In the early years in working with this program, as well as in other jobs with Rural Electric Cooperatives, I kept raising questions which only now are beginning to be raised in other places as to what do we really know about the impact of Federal programs on small towns and rural areas? The answer is that we still do not know a great deal about it, because implicitly, we did not ask.

In a recent publication by the Senate Committee on Government Operations, we come as close to attempting to measure at least the expenditures, if not the impact of those expenditures of the Federal Government, on small towns and rural areas. But as I point out in some detail in my statement, the figures are pretty crude because we had not asked the questions long enough before to begin to lay a basis for proper development of figures. The results are shocking enough, but if we begin to refine these figures, I am convinced that they will be even more striking, some of their findings being that expenditures for health services run four times as great in the metro areas, welfare payments four times as great, manpower training three times as great, on a per capita basis.

Now, with at least 25 percent of the national income of this country under the control of the Federal government, we simply cannot disregard the fact that Federal policies and Federal expenditures are going to influence the distribution of population, income, everything else. And we think there has been far too little attention paid to that.

In the area of community water facilities and sewer systems, there is another commentary on small towns and rural communities. Three years ago, a survey showed that 32,000 rural communities lacked decent water systems and 30,000 lacked adequate sewer systems. The total cost of those today would run at least $13 or 14 billion, up from

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the $11 billion that was estimated 3 years ago. What are we doing to meet this basic need which is going to do more to determine where industry goes than any 7.5 percent tax gimmick?

This year, we are putting $342 million into such facilities from Farmers Home Administration. The President is withholding $58 million in grants. He says he will use most, but not all of them next year. At this rate, it will be well beyond the year 2000 before we catch up with the need that existed in 1969.

Over a recent three year period, Farmers Home told 7,200 rural communities to withdraw their applications for water and sewer, total $3 billion. The reason? No point in maintaining false hopes among community leaders that loans and grants were going to be made.

Adequate water and sewerage systems are something more than a means of bolstering human pride. They are needed to protect the health of citizens, to attract expanding industries, and to retain existing commercial establishments.

In the area of housing, on which we spend most of our time, it is not difficult to chart the deficiencies in the programs over the years. In public housing, we have done a poor enough job since 1935, overall, with something like a million units under management, but about 24 percent of those are in towns of 25,000 and below, the significance being that if 60 percent of the bad housing is in small towns and rural areas, we have put 24 percent of the only form of federally subsidized housing which will reach the really poor in those areas.

In 40 percent of the counties, there is not even a public housing authority and many of those who have such authorities have built very few units. One reason, of course, was that the subsidy from the Federal level was not deep enough, and with the Brooke Amendment and other changes deepening the subsidy, it is possible that this will accelerate a change already under way, that smaller towns and rural communities will use public housing. But it is not likely that they are going to use much of it. There is a half billion dollars backlog already (several months ago) of requests for public housing funds; the President has impounded about $100 million of the available funds and is obviously not very friendly to using public housing in meeting the housing needs of people.

One of the reasons, of course, that state and local governments have been able to do less in these areas than they should have done has been the distorted system of priorities in the Federal Government in the last 20 years, where we have poured enormous amounts of money into things like space games and the military, leaving the burden of supporting education and local services to State and local governments, whose revenues are not adequate to it. The result is something like a taxpayer's revolt. We go out to try to help a low income family get a house, even under the subsidized programs that the Congress has voted, what do we find? That the taxes on a $15,000 house in the State of New Jersey are $750 a year, so that you could give many families a house and they still could not afford it. And there is no way out of that

except for the Federal Government to begin to expend not just a little bit, but a great deal more money in picking up the public burden of supporting those facilities which the local and state governments have had to bear in recent years.

In the non-public housing area, of course, the Federal Housing Administration is the oldest of the agencies set up to improve employment, primarily. It never functioned much in rural areas. The savings and loan associations, fairly old institutions, also functioned relatively little in small towns and rural areas. About the only agency which was really set up to serve these needs was the Farmers Home Administration.

Time prevents me from going into much detail on that, but basically, the Farmers Home Administration is totally incapable of carrying its share of this load, primarily because neither the White House nor the Congress will support adequate administrative funds for the agency. Its capacity to lend technically is limited by a Bureau of the Budget ceiling on insured loans. But in fact, the ceiling is imposed by the lack of administrative funds to handle the loans. And as a result, the housing need in small towns and rural areas goes largely unmet.

There have been improvements in recent years. The Congress has extended the area of Farmers Home from towns with populations of 5,500 to 10,000. We think the population maximum ought to be 25,000; and make some other changes, particularly in the farm-labor housing program.

Where do we go from here? Before the House Banking and Currency Committee last year as a part of the study we did, we indicated a whole area, a shopping list of changes trying to evolve all of the existing programs away from a kind of pragmatic discrimination against small towns and rural areas. The Senate picked up relatively few of those and the House has not reported yet. We are even dubious that you can revamp the old agencies to serve small towns and rural areas. We really think the time must come, unless we are willing to wait out the century for changes, that we make some kind of dramatic departure and create a new agency and give them a definite time span and say, go out and eliminate the rural slums and provide decent water and sewer facilities here and now, in much the same way that the Congress did on rural electrification 30 or 40 years ago.

We are pleased to be here with you today. We commend you for pushing these studies, because we are not provincial minded people. We do not think the hope of the world is in rural areas or big cattle ranches or anything else, but that it does lie in a balanced distribution of population. The solution to that is that when the Congress does something in one area, it does so taking cognizance of the fact that the Federal government is the biggest influence in the community and that anything the government does or does not do affects the distribution of population and the welfare of people.

(The statement of Clay L. Cochran follows:)

STATEMENT OF CLAY L. COCHRAN, EXECUTIVE DIRECTOR, RURAL HOUSING ALLIANCE

I once played for a while with the theory of economic determinism and could make little out of it. It supplies at best a multiplex formula whose numerous terms are often evasive. Among these, individuals in strategic positions have their part in shaping the course of events, and the prevailing intellectual climate has much to do with enlarging or contracting the opportunity at hand . . .

I wonder . . . if the call is for a program of measures to be realized. That approach seems to me to have the static quality of an attempt to realize Utopia. Is not the demand rather for taking an amateur fling in the role of the gods and attempting to impose some direction upon the headlong course of events? The great need is for a revival of statecraft, a field in which inventions are even more necessary than in technology. The art of politics—or rather of political economy—is a craft of contriving and adapting measures to the ever-changing needs of society.

*Solutions have a way of becoming as obsolete as the problems which touch them off. The course of human events needs to be met with a series of ever new answers.**

Mr. Chairman and members of the committee, we appreciate your invitation to appear before the Subcommittee to comment on the future of small town and rural America, particularly the problems of housing and community faciilties.

The Rural Housing Alliance is a nonprofit educational organization, funded initially by the Ford Foundation, to do research and education on the problems of housing and community facilities in small towns and rural areas.[1]

Rural Housing Alliance—Purpose

RHA came into existence in late 1966, its first hired staff becoming available in January, 1967. For over 5 years we have been trying to measure the dimensions of housing, water and sewer problems of small towns and rural areas, and during that period, we have produced a body of publications, which are a mixture of secondary research and efforts to quide the community in "hustling" the existing housing system, as well as making it aware of deficiencies in the existing programs. (A copy of our most recent publications list is attached as Appendix Item A.)

National Rural Housing Conference

It is indicative not so much our original genius as of "the prevailing intellectual climate" that we put together the First National Rural Housing Conference in June, 1969, (with funds provided by the Ford Foundation) at which approximately one hundred carefully selected scholars, public servants, and leaders attempted to bring the rural housing problem into focus and evolve means for dealing with that problem. (The Report of the Conference is entitled "People Have A Right . . . To Decent Housing" which has had wide distribution. A copy is attached for the Committee files.) It was in preparation of a working paper for this Conference that Dr. George Rucker "discovered" the grim fact that ⅔ of the substandard housing is in small towns and rural areas, although those same areas contain only about 30 percent of the population. That fact had been available from Census data for years, but no one had troubled to highlight it, and our announcement of it was greeted with rather widespread skepticism. Such is the nature of social belief when a fact which runs contrary to the "common sense" of the community is unveiled.

This recitation of a brief background is not designed as a public relations announcement for RHA, but rather to indicate a part of the nature of the problem in meeting the needs of small town and rural people, i.e., a condition of too nearly universal "disconcern."

On the Nature of Reality Versus Mythology

All societies have their mythology, ours no less so that other and as the quotation from Walton Hamilton on the first page of this statement is intended to indicate, a society which allows its mythology to remain static over long pe-

*Walton Hamilton to Horace Gray, December 31, 1957. Excerpted from Volume I, Number 1 of The Journal of the Unapplied Sciences, Winter, 1960, pp. 18–19.

[1] We generally define a small town as one with a population of 25,000 or less, a definition which is functional in our field because 25,000 seems to be a breaking point below which many of the existing housing programs function poorly, if at all. It is an arbitrary figure reflecting our experience.

riods with inadequate attention to reality gets in trouble. As Bernard Shaw once wrote, "People who believe absurdities commit atrocites" and so do governments and societies.

Metropoliana

Industrialization has created a "metro" psychology (metropoliana) in this country which looks upon urbanization as inevitable and a social good in itself, but more important is the accompanying presumption that if urbanization is good and inevitable, the more urbanization, the better, *ipso facto*, the bigger the cities and the more sparsely settled the hinterland, the richer the nation—economically and culturally. This state of social hypnosis has been carried to the point where it is difficult for many people to even think about the problems of towns of 50,000 and under and those of the strictly rural areas at all, except to condemn deficiencies there in humanitarian terms, and try to devise some means for getting that miserable peasantry into the central city where they can, after some lingering in the ghettos, look forward to the joys of affluence and culture of suburbia.

Given an implicit, tacit, or overt devotion to the concept of *metropoliana*, individuals, organized groups and governments at various levels pursue policies which appear to be based on a common, scientifically bulwarked belief. We were preoccupied with the problems of the cities, for it was there that the future of the nation rested in terms of culture, power, prosperity, productivity . . . you name it. When we sought to solve the most apparent rural problem, a disparity of income between rural and urban people, and did it by means of restricting crop production and rewarding volume of output (and size of operation) which meant inevitably that millions of rural people would be forced to migrate to the cities, we slept comfortably at night, secure in the arms of *metropoliana*. In the absence of such security we might have contrived to bolster the incomes and improved the living levels of rural people through something like the Brannan Plan and cooperatives and by extending the benefits of labor and welfare legislation on an equitable basis to rural people, but given our version of a comfort blanket we proceeded with a price support program which (coupled with changes in technology) wrought havoc with rural life and the lives of millions of rural people.

Only when it began to appear that our contempt for the organic relationships between, rural, and small town, and more urban was getting us in trouble, here and there doubts began to rise as to whether we should as Hamilton said, attempt to "impose direction on the headlong course of events . . ."

The problems of small towns and rural areas are nothing new. Rural population has declined for decades, accelerating after the war; many small towns have declined or nearly disappeared, but they are not vanishing. Indeed in the 1960's, of the 4,300 towns with population from 2,500 to 10,000, 72 per cent of them increased in population. Considering the discrimination they have suffered under Federal programs, this shows a heartening vitality.[2]

The poverty and lack of opportunity in rural areas relates in part to metropoliana, but it also reflects technological change and the American conviction that bigness and concentration of power are signs of progress and efficiency. (The capacity of people to distinguish between what Veblen called pecuniary efficiency, i.e., the capacity to ambush considerable quantities of loose cash and industrial efficiency, i.e., low real estate costs and quality production is ubiquitous . . .) Be that as it may, during these years, the eyes of the nation were fixed on the cities, and the Department of Agriculture was busy, in the main, in looking after the interests of what has come to be known as the "agri-business" complex, the commercial farmers, packers, processors, etc. Contrary to general opinion, the Department's role as the champion of agribusiness is not new, and the failure to recognize this has meant that to the extent that we considered the Department a department of "Rural Affairs", i.e., rural people we have been misled, and the result has been a kind of intellectual vacuum. If the USDA, for which read Department of Rural Affairs, did not care what was happening to small town and rural people, who did? The answer is very simple: Nobody much.

Looking at the Broader Picture of American Life

For the most computerized people in the world, there is a great deal we do not know—quantatively or qualitatively—about our own country. One enters the arena as a champion of the rights of rural people to clean water, modern sani-

[2] The Census shows that number of towns under 1,000 grew from 9,836 to 9,870 in the 1960's; towns of 1,000 to 2,500 grew from 3,416 to 3,515. Also 200 non-metro towns of 10,000 to 50,000 grew by 15 per cent or more compared to national average of 13 per cent.

tation disposal and decent housing only to be challenged by the Knights Errant of Metropoliana and their neanderthal allies the Blind Yeoman of the Free Market Faith. We are told that the housing system serves the people if the people are in the right place and have enough income, and if they are not, then they should beget themselves to the right places, i.e., "growth centers" (whatever they are) or to the towns and cities. When we know that there are already hordes of people in those areas who live miserably in poor housing or are supported by degrading welfare programs[3] all we are offered by way of explanation is a wave, now and then, of statistical incense but nothing more substantial.

The crude facts of the last decade have laid to rest the concept that the great cities are the ultimate haven and refuge of the rural people who seek opportunity, but concepts like "growth centers" emerge as substitute myths—anything to avoid facing up to need here and now in small towns and rural areas. To challenge the concept of "growth centers" today is considered irresponsible and unscientific—almost un-American.

Looking for the Facts

Reality must rest on facts, however evasive they may be, and when one tries to find out why some small towns and most rural areas have been declining when there appears to be no satisfactory alternative location for their population, one encounters a faulty mosaic of data which in turn is the product of preoccupation with *metropoliana* . . . In Hamilton's words we encounter the "prevailing intellectual climate . . ." which has so much to do with "enlarging or contracting the opportunity at hand".

RHA has ascertained some of the facts on housing and community facilities which I will detail subsequently, but since our attempts to get a hearing on necessary changes, innovations and modifications of existing legislation and policies are so frequently countered by the myopia engendered by the mythology of *metropoliana*, let me dwell for a moment on the larger field.

Government and Public Policy as Forces for Change

Intrinsic in the concept of *metropoliana* is the belief that the private market and the private economy and technology are the moving forces in our society, and unless we are willing to kill or cripple the golden egg laying goose, we must adjust ourselves to the results. But this viewpoint is only a prejudice. The Federal government (not to mention the states and other levels of government) controls something like 25 per cent of the income of the people of this nation, directly, and directs the expenditures or allocation of an indeterminate but large percentage above that level. It follows that the pattern of Federal expenditures and the nature of Federal policies in allocating funds and resources through subsidies and other devices like insured credit have a greater effect on the distribution of income and population and opportunity than any other discernible factor.

Hence a counter to the magic of *metropoliana* and its free market forces, is the concept of government as a maker and director of change. Whether population is pouring out of rural areas into "growth centers", the great central cities, or suburbia or pouring *in*, Federal expenditures and Federal subsidies and other contrivances are obviously a major factor influencing that flow.

Deficiencies of Data Influence Programs

Much of the data on our society are as *metropoliana* oriented as is policy. For example, figures on housing starts in small towns and rural areas are highly deficient, little more than guesswork. Figures on unemployment are even worse . . . so it goes in many vital areas.

It is encouraging that more and more efforts are being made to ascertain the economic facts of life in small towns and rural areas, but the very crudeness of the results is eloquent witness to lousy neglect. A recent publication by the Senate Committee on Government Operations, December, 1971, entitled "The Economic and Social Condition of Rural America in the 1970's" is an ambitious attempt to analyze the distribution of Federal outlays among U.S. counties. Relying on the single most competent source of rural data, the Economic Research Service of the Department of Agriculture, the results are pretty shocking, but they are also imprecise and incomplete.

Commenting in the Low Income Housing Bulletin, Dr. George Rucker says:

[3] This indicates no bias against welfare programs—but against many current welfare policies and aid levels.

"For several years, the Office of Economic Opportunity has been compiling from the various Federal agencies data on their program outlays on a county-by-county basis. Last year, the Economic Research Service of the Department of Agriculture used the FY '70 data to prepare, for the Senate Government Operations Committee, a study on "The Distribution of Federal Outlays Among U.S. Counties." The basic data leave much to be desired. Not all programs are reported, for one thing. (Public housing and rent supplements are prime examples. HUD says that financial data on a county basis just aren't available.) Those that are reported are not necessarily handled on a comparable basis. (Figures for FHA's insured housing loan programs are on a "face value" basis, which is okay as a measure of program level, but not exactly the same as the actual outlays of tax money.) Finally, it appears that many times the county figures are estimates of pro rata shares, rather than actual figures.

"Having entered those caveats, the study at least reflects the Federal government's best guess as to how its activities are distributed, and that guess largely confirms the pattern of "metropoliana". Per capita income in no-metropolitan counties is more than $1,000 below that in methopolitan counties and (perhaps in obedience to Matthew 25:29), the level of per capita outlays in those counties is more than $100 less than in metro counties. The figures for the housing programs (excluding public housing and rent supplements) work out to $91 per capita in metro counties, $40 per capita in non-metro counties, and only $35 per capita in the most rural counties."

The "Report Highlights" states that Federal spending on human resources development, education, health, welfare, vocational rehabilitation, manpower training and development are disportionally metropolitan. Expenditures for health services are four times as great, welfare payments 4 times as great, manpower training 3 times as great in metro counties as in non-metro areas.

Non-metro counties account for 66 per cent of substandard housing, but receives only 16 per cent of Federal housing assistance.

Non-metro counties account for 50 per cent of all children between the ages of 6 and 17 in poverty-level families, but receive only 20 per cent of all Federal child welfare service funds; 24 per cent of ADC payments; 26 per cent of Head-start and follow-through assistance, and a more "generous" 41 per cent of Federal outlays for elementary and secondary education.

Eight out of every 10 Federal dollars spent on defense, NASA, AEC, a total of 63.9 billion go to metro areas . . .

However deficient and incomplete the data are, they clearly indicate that the Federal government is a major force in allocating income to the metropolitan areas, and that the discrimination against the people of small towns and rural areas is gross.

Community Facilities—Water and Sewer

The sad plight of the rural community water and sewer system development program is another commentary on the way small towns get the short end of the stick. Three years ago a survey showed that approximately 32,000 rural communities lacked decent water systems and 30,000 lacked adequate sewer systems. The total cost of financing these systems today would run between $14 and $15 billion.

What are we doing to meet this basic need? This year approximately $342 million is being provided by FMHA. The President is withholding $58 million in grants. He says he will use most of the withheld funds in 1973, but not all.

At this rate it will be well beyond the year 2000 before we catch up with the need that existed in 1969. Over a recent three-year period the Farmers Home Administration told 7,200 rural communities to withdraw applications totaling $1 billion. Reason: No point in raising false hopes among community leaders.

But adequate water and sewer systems are something more than a means of bolstering civic pride. These facilities are needed to protect the health of our citizens, to attract expanding industries and to retain existing commercial establishments.

Housing

Federal intervention in the free housing market became effective in early New Deal days. Other than limited programs carried out by the resettlement administration and subsequent USDA agencies, the two major programs were public housing and Federally insured loans, FHA. Originally the public housing program was a Federal program, but a Supreme court decision compelled the Congress to rewrite the law which resulted in placing the initiative with local gov-

ernment, which is another way of saying that it left the housing needs of the poor up to the local government. Only about a million dwelling units have been put under management since 1935 and only 255,000 of these or 24 percent are in towns of below 25,000 and below (1960 Census). In recent years there has been an encouraging increase in the number of units built in rural areas, but it is apparent that a large percentage of these are for the elderly and that there is still less than an obvious intent to meet the needs of other groups through public housing.

The failure of local, state and regional governmental units to take advantage of the public housing program for their low-income population doubtlessly runs to many factors—almost 40 percent of all counties still have no public housing program and many of those who do have have built only a few units. One reason for this failure is obvious: the subsidies until recently have been insufficient to house many of the really poor who tend to be concentrated in small towns and rural areas. Local governments could not afford or would not pay the additional subsidy. With the passage of the Brooke amendment the subsidy is deepened, but even today if a local government wishes to subsidize its poor people it will have to dig into its own coffers which are already badly strained for other essential services.

Moreover, although there is a backlog of over a half billion in applications President Nixon has impounded nearly $100 million for meeting that need and shows no indication of either releasing those funds or requesting more. Public housing, the only program which has a subsidy large enough to meet much, if not all, of the needs of very low income people in rural communities is not popular with the administration.

Financial Pressures on State and Local Governments

It is necessary, Mr. Chairman, to point out that one reason many local governments cannot afford to subsidize housing for their low-income people is the result of the lopsided priorities for Federal expenditures for a generation which have resulted in funneling Federal surpluses into space and war games, into imperialism if you please, leaving too much of the burden of supporting public services on state and local governments. It is not, possibly, that we could not have afforded more Federal assistance for housing in spite of the level of military expenditures, but we have also tended to use the Federal tax system as the key device to maintain prosperity, so that over and over in recent years when there was an alleged need for a shot in the arm to the economy, that shot has taken the form of a tax reduction, usually weighted in the directions of the big corporations and the upper income groups. This has cut sharply into the funds which could have been available for social expenditures including housing. One Senator estimates that for corporation taxes alone the loss through tax reductions, directly or through increased loopholes or allowances have reduced Federal funds by $9 billion for this year and $17 billion for next year. These losses are from corporation taxes comparing 1960 to current years.

As long as such policies prevail, public housing is not going to be used on any scale to remedy the scandal of rural housing.

Non-Public Housing Program—Insured Loans

The second major early program was the Federal Housing Administration under various names which established some standards and insured loans by private lenders to home builders. This program was conceived basically as a job creating mechanism and it continued over the years as a credit agency for (1) middle-income groups and (2) nonrural residents. Since FHA can insure loans only where there is a private lending agency to make the loans, this has meant that from the beginning it has an overwhelming urban bias. By and large it has not functioned in small towns and rural areas, nor is it likely to. It is estimated that 14 percent of FHA assisted units are in nonmetropolitan areas.

Savings and Loan Associations are also relatively hoary institutions aimed at housing financing, but here again we find that Savings and Loan Associations in only half of the nation's metropolitan areas accounted for three-fourths of the residential mortgages, leaving the remaining of one-fourth split between Saving and Loan Associations in the other Standard Metropolitan Statistical Areas and all nonmetropolitan areas.

Farmers Home Administration

Early FmHA housing programs were either limited to farm dwellings, and mighty few of them, or, under Resettlement and FSA (predecessor agencies) to some resettlement and farm labor community housing. The two latter programs were wiped out during the 1940s. The farm labor housing program was the most creative in our history and nothing like it was re-established until last year when FmHA began to make 90 percent grants and 10 percent loans at one percent interest. In the interim we had lost virtually a quarter of a century in dealing with the housing needs of the most exploited part of the nation's work force.

Beginning in 1961, the Congress authorized FmHA to administer a non-farm housing program, initially with direct loans from the Treasury. This was an admission that neither the HUD programs nor private lenders were adequate to meeting the rural need. But direct loans have "budgetary impact" i.e. they tend to unbalance the budget of the Federal government. They are not any different in fact from FHA insured loans, but under the primitive bookkeeping system of the Federal government they appear, it is asserted, to jeopardize the foundations of the republic. Ultimately the Congress shifted most of FmHA's housing loans from direct to insured. This was achieved at a great increase in the burden on the taxpayer, but it reckoned with the taboo of budgetary impact and therefore received a modest blessing from the budgetary magicians.

The record of FmHA in making housing loans in recent years is impressive. The program started in 1949 and by 1962 a relative handful of families, 32,000, had been housed with FmHA assistance. By 1972 this figure had risen to 602,000. In 1973 the agency plans to loan $2 billion for housing, four times the amount advanced in 1969.

But these statistics pale when you measure them against the real housing needs of rural people. The Farmers Home program is falling far short of meeting the goals set by Congress in 1968. In 1971, for example, all of the housing programs that involve subsidies fell short of meeting the goals, but none failed so miserably as Farmers Home. FmHA assisted starts and rehabilitations during 1971 were only 56 percent of what the Congress said was needed to erase bad housing, and the estimate of the Congress was very conservative.[4]

Also, while the dollars loaned are climbing, the number of houses bought, built or remodeled are actually declining. In the first six months of fiscal 1972 the FmHA made 49,457 loans; in the same period the previous year they made 51,524.

Inflation is taking its toll. The average initial loan this year is $1,400 larger than last.

In addition, it seems quite likely that FmHA will not lend all that is authorized for this year. The program level is $1.5 billion and as of December 31 the agency had loaned $665 million. In fiscal 1971 FmHA wound up the year with $94 million of authorized housing funds unspent. This year the amount left over may be even greater. The prospect of the agency being able to lend $2 billion in 1973 seems unlikely.

Despite the abolition of the above moderate FmHA loan program three years ago, FmHA does not and cannot reach the really poor. The biggest subsidy it can offer is one percent interest and that is not enough.

But the most serious drawback to FmHA's housing programs is the deficiency in administrative funds which limits the program in size and tends to compell it to serve higher income families. And matters grow worse. . . .

The Changing Profile of FmHA's 502 Borrower

Figures on the characteristics of borrowers under Farmers Home Administration's homeownership program for low- and moderate-income families in Fiscal 1971 have recently become available. A comparison of these statistics with

[4] I don't think the Administration has ever divided the national housing goal between urban and rural, they did allocate it between HUD and USDA (in the 2nd Annual Report)—calling for a total of 1,486,000 FmHA units over the 10 years; 408,000 of them to be achieved in the first four fiscal years (thru FY '72). It is this goal that can be compared to the 273,000 starts and rehabilitations FmHA expects to have thru this FY—i.e., they are about ⅔ on target over the first four years, but that's in part because the goals report assigned them production they had virtually made for the first couple of years. Currently they are at about 60% or less of the assigned target and an averaging of the total assigned goal (rather than a rising production curve) would require 594,000 units in the first four years, or more than twice what they have managed.

RHA has not assigned units by agency but since we think the total assisted housing goal for small towns and rural areas should be 13 million instead of HUD's 6 million, FmHA's portion should be more like 3.2 million instead of 1.5 million.

those for Fiscal 1968 demonstrates the way in which rising housing costs have already more than offset the effect of the interest credit program. The figures are summarized below.

	Fiscal year— 1968	1971
Distribution of borrowers by unadjusted income (percent):		
Under $4,000	13.5	11.5
$4,000 to $5,999	37.1	25.4
$6,000 to $7,999	42.9	38.0
$8,000 and above	6.5	25.1
Average unadjusted income	$5,793	$6,464
Average size of house:		
Square feet of total area	1,375	1,307
Square feet of living area	1,114	1,078
Average cash cost of house	$11,068	$14,235

As can be seen, despite the initiation in FY '69 of the interest credit program, allowing FmHA to reduce the interest rate to borrowers as low as 1%, the agency's ability to reach low-income families has lessened dramatically in the last four years. The average income of borrowers went up my 11%; the proportion of borrowers with incomes of $8,000 and above went from less than 10% to more than 25%.

The figures on the size and cost of houses illustrate why. The average size of the house has decreased somewhat (living area by 3%, total area by 5%), but the cash cost has increased by almost 29%. In short, the subsidy provided by interest credits has gone to the house and lot (or rather, to those who make, market and finance them), not to the borrower.

The White House under three presidents, Kennedy, Johnson and Nixon has starved FmHA or administrative funds and in recent years aggravated that condition by imposing personnel ceilings. They are currently under orders to reduce personnel by 5 percent below August 1971.

Moreover, the Congress, although slightly more generous, has not offset White House penury and the program stumbles along at an unjustifiably low level.

Improvements in Programs

The picture is not entirely black. The Congress has made some improvements in housing legislation affecting small towns and rural areas in recent years. These include increasing the size of town FmHA could serve from 5,000 to 10,000; providing technical assistance funds to promote self-help housing by FmHA; dramatically improving the farm labor housing program as indicated earlier; but with inadequate funds, often impounded by the President.

In both FHA and FmHA the interest credit gimmick which makes it possible to reduce interest to as low as one percent was approved. This appeared to be a step forward, a very expensive step to the taxpayer, but forward nevertheless. Unfortunately rising prices of land and construction are diminishing the benefits to housing consumers.

It is really incredible that the Congress and the White House would rely on an interest subsidy program along with insured loans that is as expensive as just giving the homes away to the recipients, for this is the case if the subsidy is down to one percent interest. The taxpayers are the victims of superstition in Federal accounting practices, and to the extent that the costs of the programs are increased the poor fall victim at the same time.

These comments by no means exhaust the fund of criticism which can be directed at existing programs, but they give some indication of the inadequacy.

Where Do We Go From Here?

It is apparent that we can take one of several roads from here into the future. We can stay on the one we are on and low income people in small towns and rural areas can wait 'til Kingdom Come.

We can, with White House consent and cooperation, greatly increase the use of public housing in meeting the need.

We can jigger the existing agencies, modify their authority, increase their authorizations and hope to evolute into something better. Attached as Item B is a shopping list of changes needed in housing law to help us along the road. The Senate has adopted six of these changes in its version of the Housing Bill for 1972, not very significant ones. The House has yet to report.

But the changes in law are without much meaning as long as there is no disposition on the part of the Congress or the White House to solve this problem . . . because it take money. Moreover, I am very doubtful that we can evolute down this road with the existing agencies.

Evolution May Not Be The Way

There has been increasing concern in recent years over the apparent incapacity or unwillingness of HUD to function outside metropolitan areas. One response was to establish the Office of Small Town Services in HUD. This was hailed as a big step. Assistant Secretary Samuel C. Jackson wrote:

"The creation of the Office of Small Town Services within HUD's Office of Metropolitan Development underscores our concern toward ensuring that the small community point of view and condition are fully recognized in developing policy and program decisions.

"Thus, the Office of Small Town Services serves as a central point in HUD for focusing on the problems of smaller communities. . . ."

That writing was published in July, 1969. Woe be unto the concerned small communities, for in the interim the Office of Small Town Services has been dismantled.

At another point, Representative Wright Patman, concerned about the rural housing problem proposed to create an Assistant Secretary of HUD to concentrate on the problem. Secretary Romney countered by proposing to create a Task Force made up of HUD and USDA/FmHA representatives to cope with the problem. That Task Force prepared a rather comprehensive and candid report indicating that HUD had not been performing in towns of 25,000 and below, same being no news to anybody outside HUD, but instead of plugging ahead on corrective measures, the Task Force folded its bureaucratic tent and vanished into the night.

Congress in 1968 approved Section 106 of the housing act providing, among other things, for the development of an education, technical assistance and delivery system for low income people, and could have been particularly vital to rural people. Section 106(b) provided seed money and it has been used, but HUD steadfastly refused to carry out the instructions in Section 106(a). We attempted to get the program going; Senator Mondale, the original author of the language, did the best he could. The duplicity of HUD's lawyers overwhelmed us all. In 1970 the section was revised and strong, clear report language was included in the Senate report. It also authorized $5 million a year. What happened? The administration asked for no funds. Congress appropriated $1 million. The President impounded the funds, ostensibly as a major weapon against inflation. (Laughter). Finally the funds were released and HUD issued Circular 4403.4 as guidelines. The guidelines prohibit grants to local organizations. They permit grants only to those who give "technical assistance" to local groups. At the moment there is a plethora of technical assistance available and an almost total deficit of local administrative funds. Once again, HUD has refused to carry out a congressionally authorized program. The pattern is obvious. HUD's whole history is one of dealing with already established institutions whether they were housing authorities or private realtors or lenders. It is incapable to comprehending that there is a need for local housing delivery systems and going about the task of developing them. *Metropoliana*—and, in this case, an apparent dedication to the presumed interests of private contractors. We are at a loss for any other explanation. We do not believe that the development of local or area housing delivery systems will jeopardize private contractors; we think the opposite, that it will result in an upsurge of building activity in small towns and rural areas, redounding to the benefit of all of the people, particularly the building contractor and supplier. But for some reason this appears to be utterly incomprehensible to HUD.

The Need For New Approaches Outside USDA And The Tower Of Babel (HUD)

We are increasingly convinced that if any dramatic progress is to be made in providing small town and rural people with decent housing and modern water and sewer facilities as well as community facilities like day care centers and other community buildings, that it must be done by an entirely new agency, an,

independent agency with no official ties to either the Department of Agriculture or HUD.[5]

Our experiences make us very dubious about the old agencies. They indicate that it is possible that the Congress should create some new agency, possibly along the lines of S. 2897 and H.R. 11974, creating an Emergency Rural Housing Administration. This or some equally dramatic action would constitute an open affirmation of the intent of the Congress to solve this problem within a fixed period of time.

Summary Of The Emergency Rural Housing Administration

Any person is eligible for service who lives or desires to live in a rural area or community and who cannot secure minimum housing facilities by any other means within two years. Rural area is defined as any "open country or any place outside a standard metropolitan statistical area," and small community is defined as a town of 25,000 people or less.

The ERHA would be an independent agency administered by a person appointed by the President and approved by the Senate. He would be instructed to accomplish his task in 5 years. The Administrator would be authorized to hire employees without regard to the civil service laws, to enable him to involve low income and minority people who are qualified but cannot breach the Civil Service barriers.

The agency can lend money to buy or rehabilitate houses, for ownership or rental. It can lend money at one percent for ownership and postpone payment on half the principal. No eligible person can be required to pay more than 20 percent of his adjusted income for principal, interest, taxes and insurance but a family *may* pay more if it desires in order to be eligible for a loan. (Adjusted income is total income less 5 percent, less $300 for each member of the family and less $1,000 for any disabled or mentally retarded member.)

The agency can buy land and develop it for housing. It can finance rental projects, water and sewer and other community facilities. In rental projects, no person will be required to pay more than 25 percent of his adjusted income for the total cost of rent, heat, water and electricity.

Any family renting from the agency will be permitted to buy the property whenever feasible.

The Administrator may enter into "area responsibility agreements" with any local agency, meaning that a local agency can participate only if it agrees to meet the total need in its area. The ERHA may furnish supplemental assistance to other programs, for example, it could supplement public housing or Farmers Home subsidies.

A dramatically important section provides that no eligible person shall be required to relocate to facilitate economic development, meaning that no person can be forced to move to please some planner who believes he should live somewhere other than where he wants to be, marking a pause if not not an end to the propaganda for forcing people into so-called "growth centers".

The law would require that houses be built to last 50 years with minimum maintenance costs, and that the plans for housing and location shall be "developed with the active participation" of the people to be served. The Administrator is required to provide for the people with lowest incomes first, and provide them with home ownership whenever possible as opposed to rent.

The financing of the program is in marked contrast to most other programs which involve expensive subsidies to private lenders. Under this program, construction would be financed with Treasury credit which is far cheaper than private interest subsidies. The Congress would appropriate $500 million a year (less any repaid funds) to finance administration and the retirement of debt to the Treasury.

If such a bill were enacted, it should take us far down the road. There are other measures needed. The Congress is going to have to face up to reforming

[5] Mr. Chairman, I do not believe that bigness (private or public) means efficiency or promotes democracy. The trend for years has been to consolidate one Federal agency after another into the major departments and another such drive is currently underway. HUD and HEW are Towers of Babel, far too big and full of different if not conflicting interests for effective administration. The Department of Agriculture is overwhelmingly the Department of Agri-Business and the non-agribusiness agencies get the hind tit year after year. One commentator recently said that if the trend toward consolidation continues, ultimately we will have only one Federal Department and then the President can abolish it and do the paper work in the White House, or, I would add, contract out the Federal government to one of the handful of big corporations who are rapidly achieving the same degree of concentration in the private sector. I suggest that it is time to break up the big ones, in and out of government.

the tax system which rests far too heavily on low income people, particularly state and local property taxes. It should long since have taken steps to recapture a large percentage of all unearned increment on land to put into a land banking trust fund to lower or subsidize the cost of land for building sites for home, public facilities and parks. . . . The least you can do is stop subsidizing land speculation with capital gains privileges, but it would be far better to capture some of those gains for a trust fund.

The solutions we thought we had to the housing problems a generation ago, and even more recently, are obsolete, made ineffective by time and vested interests and the changing nature of our economy. It is time for some new questions and some new answers.

The future of rural areas and small towns are going to be very closely related to their ability to secure adequate decent housing, water and sanitation facilities.

We commend you for pressing an inquiry into these problems as a means of eliciting ideas and focussing attention on them.

Mr. KLUCZYNSKI. Let the Chair make an announcement.

The Chair has just been informed that J. Edgar Hoover died in his sleep last night. We are all sorry to learn of this. Mr. Hoover has done a wonderful job.

Mr. Cochran, we want to thank you for that wonderful testimony. We are proud to have you. We all know you are doing a wonderful job and we are happy to have your testimony.

You speak of creating a new agency for rural America. Don't you think that the problems of rural America can be solved by our present agencies? Do we have to create a new agency?

Mr. COCHRAN. Well, Mr. Chairman, I think as far as public housing is concerned, if there were a real effort on the part of HUD or some other agency, even including OEO, to push that program, and if it weren't for that half billion dollar backlog of applications, public housing might be made to work. I think public housing could and should be used in a lot of innovative ways. But outside that particular area, you have to turn to private loans, subsidized loans. In that area, neither the Congress nor the White House has shown any disposition to rev up the old agencies and provide them with adequate funds and make them function. There is usually so much resistance to the changes that are brought about within the agencies that we sometimes think it would just be better to turn over a new leaf and assign somebody the job of going out there and utilizing all of the tools that are available. You do not abolish Farmers Home, you do not abolish public housing. But hopefully, if there were enough support for a really new approach, there would also be enough support to provide the housing assistance agencies with enough funds to meet the requests coming in out of rural areas. We would like to see a kind of whole-istic approach to the problems of the rural areas, rather than seeing agencies scattered all over the lot and nobody carrying through or taking on the whole problem.

Mr. KLUCZYNSKI. I guess that is the purpose of the legislation now pending in Mr. Chet Holifield's Committee on Government Operations.

Is that right, Mr. Corman?

Mr. CORMAN. Yes sir, I believe that is one of the objectives.

Mr. KLUCZYNSKI. I understand that bill will be out in the next two weeks, and of course, it may strongly affect the Public Works Committee. HUD already has a lot of their own problems with building homes and everything. I am curious as to how they are going to build roads.

Mr. COCHRAN. Mr. Chairman, do you really believe that making the government agencies bigger and bigger and bigger is going to make them function better and better and better?

Mr. KLUCZYNSKI. No. I have been around long enough to know that when we create a new agency with only 50 or 100 people, in 2 or 3 years time, there are 20,000 to 30,000. Then we have to put up a new building. That is my experience with the Federal Government. You can believe me when I say that.

Mr. COCHRAN. They didn't function better, did they?

Mr. KLUCZYNSKI. I do not think so, no. Absolutely not.

Mr. Corman, any questions?

Mr. CORMAN. Thank you, Mr. Chairman.

I certainly appreciate the testimony.

One of the things I have been confused about and I wonder if you would have any accurate statistics as to taking cities or towns of 50,000 or less. Where do most of the people live who live in towns of that size? Do they in truth live in scattered rural areas or do they live in metropolitan areas as merely fragments of local government? Do you have any figures on that at all?

Mr. COCHRAN. None I can conjure up. State that again briefly for me.

Mr. CORMAN. Take my own district. I have a city of 20,000 people.

Now, my district is a suburb of Los Angeles. Those 20,000 people live in a very dense metro area. We have 78 cities in our county and a great number of them are 50,000 or under. It seems to me we make a mistake when we start trying to legislate relating to the size of the city and think that we are extending aid out into the hinterland, where you have a city of 25 to 50 thousand and you have a little breathing spell of 10 or 20 miles, and then another city. Because most of these cities, I believe, are clustered in counties like Los Angeles or Cook or some other place around the country. I did not know if your organization had any statistics.

Mr. COCHRAN. Let us take a look at it, but one of the things I skimmed over in my speech here was when HUD and the USDA set up that task force a couple of years ago to look into their services in rural areas, they drew a line at the same point we have over the years. That is 25,000, because that is the town, not a nice little prosperous suburb of Los Angeles where HUD's insured loan programs do not function too well, because the lending institutions are not there. But however you draw that line at 50 or 25, how many are really a part of megalopolis, I do not know.

Mr. CORMAN. At either level, I would be interested in your findings.

(Additional materials submitted by Mr. Cochran follow:)

While Farmers Home Administration legislative authority extends to towns of 10,000 and below, internal regulations provide that no such town can be served if it is associated with a metropolitan or non-rural area. The regulations are included in USDA–FHA Administration Letter 54(444), dated May 3, 1971.

Two factors determine whether or not an extension of authority to 25,000 will significantly affect the ability of Farmers Home and of the subsidized housing programs to reach an unserved population:

(a) can freestanding "rural" towns of 25,000 or less be served by existing programs? Our testimony and our experience indicate that because of the sparseness of lending institutions and available credit in these towns, they cannot use HUD programs, other than public housing.

(b) Mr. Corman's question precisely, are there any people in freestanding (not suburban) towns of less than 25,000? We attempt to supply some evidence that there are indeed.

The statistics would imply that when a state is highly urbanized, such as California or New York, the assumption that most towns of this size (10,000 to 25,000) are suburbs is well-founded. But in other states with few metropolitan centers, more than half the towns of this size are freestanding and serve rural areas. And in states with no real metropolitan area, virtually all the towns below 25,000 population are rural in character. But even the large urban states have a sizeable number of these towns, and a sizeable population in them.

(Statistical table follows:)

SURVEY OF 9 STATES INDICATED THE FOLLOWING FIGURES FROM THE 1970 CENSUS OF POPULATION

State	Towns of 10,000 to 25,000					
	Outside SMSA's (rural)		Within SMSA's (not urbanized)		Within SMSA's (urbanized)	
	Number	Population	Number	Population	Number	Population
Alabama	14	198,891	2	25,058	5	83,135
California	19	286,475	21	317,797	104	1,762,150
Florida	19	256,402	4	59,267	33	572,025
Minnesota	11	144,301	4	50,940	16	283,528
New York	19	295,876	5	79,994	84	1,314,796
South Dakota	5	66,629	0		0	
Tennessee	13	189,240	4	60,499	3	46,510
Washington	13	202,833	0		12	211,759
Wisconsin	10	149,546	1	16,555	19	290,807

Note: The 1st column was compiled for 25 other States as well. In these 34 States alone, there are some 363 towns of 10,000 to 25,000 population outside metropolitant areas, with a total population in these towns of 5,430,355.

Mr. CORMAN. Another thing I want to ask; it seems that we started the theory of farm subsidies to preserve the small family farmer. But I know one of my former constituents, John Wayne, gets about a third of a million dollars a year, and he does live downtown. I am wondering if the family farmer would not be better off if we just did away with that operation altogether? Because at least his big competitor would not have his hand up to his elbow in the Federal till.

Mr. COCHRAN. Well, over the years, coming out of a basically rural community, I was always sympathetic to the idea of trying to create some kind of parity of income between rural people and urban people. But it was obvious to me by the late thirties—I was sitting in a migratory labor camp in the Rio Grande Valley—that the price support program was expelling the tenant and sharecroppers in vast numbers. It was redistributing population, not income, except upwards to the landowner.

Over the years, I was always a supporter of something along the lines of the Brannan plan so that we could put a floor under the prices of farm income up to a certain point and then, if the big ones are really that efficient, let them go. If they cannot produce without the support, then let them sell their land back to people who can.

We not only had a wrong-headed price support program, but you from California know that for a while there after the war, we were bringing in a half million braceros a year to beat down wages, which meant that the farmer who hired little or no hired labor was at a terrible disadvantage compared to the man who was enjoying an enormous subsidy. The discrimination has been there in many areas including the social security program. For 20 years, we have talked about saving the family farm and in one Federal program after another, we have undermined it.

Mr. CORMAN. I am wondering, if farm labor attains the same strength that industrial labor has, that maybe that is our final answer?

In other words, they are going to have to negotiate for their living standards with agribusiness, but if they are in a position to do it from a position of strength, then maybe the farm laborer has a decent living and a lot of people might rather be out there on a harvester than sitting in a plant screwing on bolts. But if he is going to get a dollar an hour on the combine and $4 an hour in the factory, he is going to opt for that second job.

Mr. COCHRAN. Unless we contrive to give them some tax allowances or something to offset—

Mr. CORMAN. Oh, goodness. Why don't we take away all those tax allowances we have given those other folks?

Mr. COCHRAN. I was being sarcastic—I am with you.

Mr. CORMAN. I think we have been meddling too much with free enterprise with all these tax incentives. We ought to get out of that business and let that hardheaded businessman put his money where it will do him the most good without all this artificial tax incentive.

Mr. COCHRAN. I am for it. We have just carried the use of the tax system—we just hardly have a tax system, anymore. We just have a system of tax subsidies. That is one reason the Federal Government cannot finance the things it needs to do. We are busy subsidizing somewhere all the time with funds that ought to be going into the Federal till to be used for social services. I have no quarrel with your view.

Mr. CORMAN. I appreciate your observation and could not agree more with it. Thank you.

Mr. COCHRAN. Thank you.

Mr. KLUCZYNSKI. Do you have any questions, Mr. Stanton?

Mr. STANTON. Just one question.

Mr. Cochran, we are in the process of marking up the housing bill on the full Committee. Have you been following that?

Mr. COCHRAN. We have tried to, in the House committee, yes.

Mr. STANTON. There was a title 5 in the bill for a long time which would give local officials more say in where to put the real Government subsidized program. Today, as you say, public housing, as such, has a backlog, and, as we know, needs more money, but the big emphasis has been on 235 and 236. There was some discussion of a title 5 in which local authorities would have more control over where these moneys went. Did your organization take a stand on it?

Mr. COCHRAN (to Mr. Brown). Are you familiar with this?

Mr. BROWN. No.

Mr. COCHRAN. We are just ignorant on it. Title 5, we normally think of as the Rural Housing Act. Is this another title 5?

Mr. STANTON. No, it would not directly apply to rural housing, because it was an attempt by some of us on the committee. Today, in 235 and 236, you have a combination of big builders and a FHA local regional director who determine where subsidized housing is going.

Mr. COCHRAN. Well, we are very interested but ignorant. Maybe we can get back and learn something about it.

Mr. STANTON. I am just curious.

Thank you, Mr. Chairman.

(The information follows:)

Suggested Amendments to Title V of the Housing Act of 1949 (as Amended)

SECTION 501

501(a)(1) after "Virgin Islands," insert "and the Trust Territories and Guam,".

501(a)(4)(B) insert after last word "or if combined with a loan for improvement, alteration or repairs would likely cause a hardship for the applicant, and"

501(a)(4)(C) after "thereof" strike out ", and" and insert in lieu thereof ".".

501(a)(4)(D) delete.

501(b)(2) strike out "Sections 502 and 504" and insert in lieu thereof "this title".

Add new Section 501(e) "The Secretary shall establish a system of appeals for applicants denied assistance under this title, insuring due process, and shall advise every potential applicant of the procedures of said system, in writing, in terms comprehensible to the applicant, at the time of the applicant's initial discussion with Farmers Home Administration Personnel."

Add new Section 501(f) "The Secretary shall facilitate the use of any federal, state or local program which can in any way be used to further the purposes of this title."

Add new Section 501(g) "The Secretary shall provide a system whereby borrowers under this title may make periodic payments for the purposes of taxes, insurance and such other necessary expenses as the Secretary may deem appropriate. Such payments shall be held in escrow by the Secretary and paid out at the appropriate time by him for the appropriate purposes. Such escrow accounts shall bear interest at the same effective rate as the borrower is paying and such interest shall be credited to the borrower's escrow account. The Secretary shall notify a borrower in writing when his loan payments are delinquent."

SECTION 502

502(a) first sentence, after the words "with interest," where they first appear, strike out "giving due consideration to the income and earning capacity of the applicant and his family from the farm and other sources, and the maintenance of a reasonable standard of living for the owner and the occupants of said farm," and inserting in lieu thereof, "from income derived from any legal source,".

502(b)(i) after last word, adding, "provided that for any loan under this title a member or an organization of an Indian Tribe or Nation living on lands held in trust or otherwise restricted, will be required to give only such security as he may have, if any:"

SECTION 504

504(a) is deleted and in its place is substituted, "in the event the Secretary determines that an eligible applicant cannot qualify for a loan under the provisions of Sections 502 and 503 and that repairs or improvements should be made to a rural dwelling occupied by him, in order to make such dwelling safe and sanitary and remove hazards to the health of the occupant, his family, or the community, and that repairs should be made to farm buildings in order to remove hazards and make such buildings safe, the Secretary may make a grant or a combined loan and grant, to the applicant to cover the cost of improvements or additions such as repairing roofs, providing toilet facilities, providing convenient and sanitary water supply. supplying screens, repairing or providing structural supports, or making similar repairs, additions or improvements, including all preliminary and installation costs in obtaining central water and sewer service. No assistance shall be extended to any one individual under this subsection in the form of a loan, grant or combined loan and grant in excess of $4,000. Any portion of the sums advanced to the borrower treated as a loan shall be secured and be repayable within 20 years in accordance with the principles and conditions set forth in this title, provided that a loan for less than $2,500 need be evidenced only by a promissory note. Sums made available by grant may be made subject to the conditions set out in this title for the portection of the Government with respect to contributions made on loans by the Secretary.

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SECTION 506

506(c) strike out the words "farm housing" and insert in lieu thereof, "rural housing" wherever it appears in the subsection.

506(d) is deleted and insert in lieu thereof the following: "(d) The Secretary may carry out the research and study programs authorized by subsections (b) and (c) through grants made by him on such terms, conditions, and standards as he may prescribe to land-grant colleges established pursuant to the Act of July 2, 1862 (7 U.S.C. 301–308) or through such other private or public organizations as he may select."

506(e) strike out the words "farm housing" and insert in lieu thereof, "rural housing" wherever it appears in the subsection.

SECTION 507

507 insert after the words "concurrent resolution of Congress" each time it appears therein the following: "or during the period beginning after January 31, 1955, and ending on August 4, 1964, or during the Vietnam era (as defined in Section 101 (29) of title 38, United States Code)".

507 third sentence insert before the period at the end thereof the following: "or era".

SECTION 508

508(b) is deleted and inserted in lieu thereof is the following: "(b) The Committees utilized or appointed pursuant to this section may examine applications of persons desiring to obtain the benefits of Subsection 501(a)(1) and 501(a)(2) as they relate to the successful operation of a farm and may submit recommendations to the Secretary with respect to each applicant as to whether the applicant is eligible o receive such benefits, whether by reason of his character, ability, and experience, he is likely successfully to carry out undertakings required of him under a loan under those subsections, and whether the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the making of the loan requested will carry out the purposes of this title. The committees may also certify to the Secretary as the amount of the loan."

SECTION 510

510 insert "(a)" after "Section 510.".

510 redesignate paragraphs (a)–(g) as paragraphs (1)–(7) respectively.

510 redesignate subparagraphs (1) and (2) of paragraph (3) (as hereinabove redesignated) as subparagraphs (A) and (B) respectively. *Add at the end of a new subsection 510(b)* as follows "(b) That in any case in which a loan or grant is made under this title with respect to real property, any individual admitted to the practice of law in the State in which such real property is located and regularly engaged in the practice of law in such State shall be eligible to deal with the Secretary in any matter with respect to such loan as legal counsel for he recipient of such loan.

SECTION 513

513 is deleted and substituted in its place is as follows:

"Sec. 513. There is hereby authorized to be appropriated to the Secretary (a) such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under Section 511 equal to (i) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to Section 503, and (ii) the interest due on a similar sum represented by notes or other obligations issued by the Secretary; (b) not to exceed $100,000,000 for loans and grants pursuant to Section 504 during the period beginning July 1, 1956, and ending October 1, 1975; (c) not to exceed $200,000,000 for financial assistance pursuant to Section 516 for the period ending October 1, 1975; (d) not to exceed $5,000,000 per year for research and study programs pursuant to subsections (b), (c), and (d) of Section 506 during the period beginning July 1, 1961, and ending October 1, 1975; (d) such further sums as may be necessary to enable the Secretary to carry out the provisions of this title; and (f) such sums as may be required by the Secretary to administer the provisions of Sections 235 and 236 of the National Housing Act."

SECTION 520

520 is deleted and substituted therefor is as follows: "As used in this title, the terms 'rural' and 'rural area' mean any place which is not contained within a Standard Metropolitan Statistical Area or any open country, or any place, town, village, or city which is within a Standard Metropolitan Statistical Area and has a population of less than 25,000 persons."

SECTION 521

521(a) is deleted and substituted therefor is a new subsection as follows: "Sec. 521 (a)(1) Notwithstanding the provisions of Section 502, 504, 517, and 515, loans to persons of low or moderate income under Section 502, 504 or 517, and loans under Section 515 to provide rental or cooperative housing and related facilities for persons and families of low or moderate income or elderly persons and elderly families, shall bear interest at a rate prescribed by the Secretary at not less than a rate determined annually by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods maturity comparable to the average maturities of such loans, adjusted to the nearest one-eight of 1 per centum, less not to exceed the difference between the adjusted rates determining by the Secretary of the Treasury and 1 per centum per annum: Provided, that such a loan may be made only when the Secretary determines that the needs of the applicant for necessary housing cannot be met with financial assistance from other sources including assistance under Section 235 or 236 of the National Housing Act: Provided further, That interest on loans under Section 502, 504 or 517 to victims of natural disaster shall not exceed the rate which would be applicable to such loans under Section 502 or 504 without regard to this section.

"(2) When necessary in order to enable a person of low income to provide adequate housing and related facilities for himself and his family, the Secretary may make or insure a loan under Section 517 and paragraph (1) of this subsection on terms which, with respect to a portion of the loan not to excess 50 percent for Section 502 and 515 loans and 90 per cent for 504 loans, may provide that such portion—

"(A) shall bear interest after but not before it becomes due under clause (B) or is reamortized under clause (C) of this paragraph:

"(B) shall become due upon expiration of the amortization period or upon full payment of the balance of the loan or in the event that without the Secretary's written consent or approval, the mortgaged property or any interest therein is transferred or ceases to be occupied by the borrower or default occurs with respect to any obligation under the loan or mortgage, whichever occurs earliest; and

"(C) on becoming due, may be amortized for payment of principal and interest in installments over a period not exceeding 33 years in the case of a Section 502 loan, 20 years in the case of a Section 504 loan, or 50 years in the case of a Section 515 loan, from the date of the amortization agreement, if the Secretary determines that the borrower cannot obtain a refinancing loan from other sources upon terms and conditions which he could reasonably be expected to fulfill and that the amortization is reasonably necessary to carry out the purpose of the loan or to protect the Government against probable loss."

521(b) after the word "502" insert ", 504".

521(c) strike the word "nonprincipal" where it appears. Strike the words "interest due" where they appear and substitute in lieu thereof the word "receipts".

SECTION 523

523(b)(1)(B) insert after "hereof;" in last line thereof the following: "Provided that, the Secretary may advance funds under this paragraph to organizations receiving assistance under (b)(1)(A) of this section, to enable them to establish contingency land revolving accounts. Such advances shall be non-interest bearing and shall be repaid to the Secretary at the expiration of the grant period of the organization;"

523(f) strikes "$5,000,000" an insert in lieu thereof "$10,000,000." Strike the year "1973" wherever it appears and insert "1975" in lieu thereof.

Add new Section 525 as follows: "Sec. 525(a) The Secretary may insure titles to land which are otherwise uninsurable by private insurance companies

because of remote outstanding claims or encumbrances to enable eligible persons holding such land to benefit from this title.

(b) The Secretary may use funds from the Rural Housing Insurance Fund for purposes of this section.

Add new Section 526 as follows: "Sec. 526(a). The Secretary may make grants to or contract with, public or private nonprofit corporations, agencies, institutions, organizations, and other associations approved by him, to pay part or all of the costs of developing, conducting, administering, or coordinating effective and comprehensive programs of technical and supervisory assistance which will aid needy low-income individuals and their families in benefiting from any federal, state or local housing program which could be used in rural areas as defined in this title.

(b) The Secretary is authorized to make loans to nonprofit organizations for the necessary expenses, prior to construction, in planning, and obtaining financing for, the rehabilitation or construction of housing, and the acquisition of land, for low-income families under any federal, state or local housing program which could be used in rural areas as defined in this title. Such loans shall be made without interest and shall be for the reasonable costs expected to be incurred in planning, and in obtaining financing for, such housing prior to the availability of financing, including, but not limited to preliminary surveys and analyses of market needs, preliminary site engineering and architectural fees, site acquisition, application and mortgage commitment fees, and construction loan fees and discounts. The Secretary shall require repayment of loans made under this subsection, under such terms and conditions as he may require, upon completition of the project or sooner, and may cancel any part or all of a loan if he determines that it cannot be recovered from the proceeds of any permanent loan made to finance the rehabilitation or construction of the housing.

(c) There are hereby authorized to be appropriated for the purposes of subsection (a), $10,000,000 for any one fiscal year, and for subsection (b), $20,000,000. Any amounts so appropriated shall remain available until expended, and any amounts authorized for any fiscal year under this paragraph but not appropriated may be appropriated for any succeeding fiscal year.

(d) All funds appropriated for the purposes of subsection (b) shall be deposited in a fund which shall be known as the Low Income Sponsor Fund, and which shall be available without fiscal year limitation and be administered by the Secretary as a revolving fund for carrying out the purposes of that subsection. Sums received in repayment of loans made under this subsection shall be deposited in such fund.

EXPLANATION OF AMENDMENTS TO TITLE V OF THE HOUSING ACT OF 1949

SECTION 501

501(a)(1). Expands the authority of the Secretary of Agriculture to enable him to extend benefits under Title V to the Trust Territories.

501(a)(4)(B), (C), (D). Would allow the Secretary to refinance indebtedness for eligible applicants when failure to refinance would likely result in the applicant's loss of his necessary dwelling or essential farm buildings and the debt to be refinanced is not held or insured by the United States or any agency thereof; or it a loan for improvement, alteration or repairs is made, failure to refinance the prior debt would cause a hardship for the applicant.

501(b)(2). Extends the authority of the Secretary to make loans to owners of leaseholds to all programs under this title.

501(c). A new subsection would require the Secretary to establish a system of appeals whereby an applicant denied assistance would be afforded a due process hearing.

501(f). A new subsection would require the Secretary to facilitate other federal state or local programs which, if used in conjunction with Title V programs, would promote better housing in rural areas.

501(g). A new subsection would require the Secretary to establish a system of escrow accounts to enable borrowers to better budget for the payment of taxes, insurance, and other expenses. The Secretary is authorized to pay interest at the same effective rate to the borrower as the borrower is paying on this loan. The subsection also provides that the Secretary shall notify a borrower in writing when his loan payments are overdue.

SECTION 502

502(a). Would require the Secretary, in determining eligibility, not to discriminate as to the source of an applicant's income. Words deleted by this amendment are intended to eliminate the practice of viewing a low-incoming person's housing needs as a residuum of higher basic needs.

502(b). Authorizes the Secretary to take whatever security that is available, if any, for loans made under this title to members of an Inidan Tribe or Nation living on reservation land or similar land which is otherwise restricted.

SECTION 504

Expands the amount of a loan and grant or combination of the two for rehabilitation under this section to maximum amount of $4,000. It limits the term of the loan (with the exception of deferred principal payments under Section 521) to 20 years. It provides that loans of less than $2,500 need not be secured and should be evidenced by a promissory note.

SECTION 506

506 (c) and (e). Expands the Secretary's authority to carry out a program of research, study, and analysis of farm housing to include all rural housing.

506(d). Expands the Secretary's authority to contract for research and study programs to any private or public organization.

SECTION 507

Expands the authority of the Secretary to grant a "veteran's preference" to applicants under this title to include veterans of the armed services during the Vietnam era.

SECTION 508

508(b). Restricts the use of county committees, which primarily consist of farmers, to determine the eligibility and amount of loans of applicants for farm ownership loans or other loans dealing with farming operations.

SECTION 510

Would add to the administrative powers of the Secretary the provision that any licensed attorney regularly practicing law in the state where a loan or grant is made under this title may act as legal counsel for the recipient of such loan.

SECTION 513

Increases from $50,000,000 to $100,000,000 the authorization for direct loans and grants under Section 504 and extends the authorizing period from October 1, 1973, to October 1, 1975. Increases from $50,000,000 to $200,000,000 the authorization for grants under Section 516 and extends the authorizing period from October 1, 1973 to October 1, 1975.

Increases from $250,000 per year to $5,000,000 per year for research and study programs under Section 506 and extends the authorizing period from October 1, 1973, to October 1, 1975.

SECTION 520

Would expand the jurisdiction for Title V programs to include all areas outside a Standard Metropolitan Statistical Area and any open county or places of less than 25,000 persons within a Standard Metropolitan Statistical area.

SECTION 521

Would broaden and deepen the subsidy mechanism authorized by the Secretary for Section 502, 504 and 515 loans, insured under this Section, by allowing up to 50 percent of the loan for 502 and 515 and 90 percent of the loan for 504 to be noninterest bearing and nonamortizable for certain period of years. This deferred principal would become interest bearing and amortizable for periods of 33 years for Section 502, 20 years for Section 504, and 50 years for Section 515, upon full payment of the nondeferred portion of the loan. The deferred portion would also become due and payable in the event that the mortgaged property or any interest in the property is transferred or ceases to be occupied by the bor-

rower or default occurs. Would provide that the Rural Housing Insurance fund shall be reimbursed by annual appropriations by the amount that payments made out of the fund exceed receipts paid into the fund.

SECTION 523

523(b)(1)(B). Provides that the Secretary may provide loans from the Self-Help Housing Land Development fund which are noninterest bearing to recipients of grants under this section who are providing technical assistance for Mutual-Help Housing. These loans shall be repaid upon the expiration of the grant for technical assistance and are to be used as contingency land revolving accounts to enable the grantees to acquire land or options to land, and do preliminary development work such as engineering, surveying and otherwise preparing documents for development loans, or in cases of small development to do all development work with such funds.

SECTION 525—A NEW SECTION

Would authorize the Secretary to insure titles to land using funds from the Rural Housing Insurance fund which, because of remote outstanding claims or incumbrances on title, the owner thereof is unable to acquire insurance from private title insurance companies.

SECTION 526—A NEW SECTION

526(a). Would authorize the Secretary to make grants to or contract with nonprofit corporations, agencies, institutions, organizations, and other associations to pay for the costs of providing programs of technical and supervisory assistance which would aid needy low-income families in benefiting from any federal, state or local housing program in rural areas.

526(b). Would authorize the Secretary to make seed loans to nonprofit organizations for the purpose of covering necessary expenses prior to construction which would be recoverable from permanent financing on the project. He is authorized to set the terms and conditions of such loans and may cancel any part or all of a loan which cannot be recovered from the proceeds of any permanent financing.

526(c). Would authorize $10,000,000 for any one year under subsection (a) and $20,000,000 under subsection (b) and that any amounts appropriated shall remain available until expended and any amounts authorized but not appropriated in any year may be appropriated in any succeeding year.

526(d). Would establish the Low Income Sponsor Fund for any funds appropriated for use under subsection (b) and provide that any funds therein shall be available without fiscal year limitation and that sums received from repayment of loans from the fund shall be deposited in such fund.

Mr. KLUCZYNSKI. Would you introduce your associates for the record?

Mr. COCHRAN. Yes, David Raphael and Phil Brown.

Mr. KLUCZYNSKI. Does the gentleman from Minnesota have any questions or comments?

Mr. BERGLAND. Yes, thank you very much.

I would like to inform my colleague from California and for the record that I can flatly predict that next year, there is a group of us on the Committee on Agriculture who will lead what may turn out to be the fiercest farm fight in 40 years. The fact is that about 30 percent of the farmers in the United States produce and sell practically everything sold on the market and receive the lions share of the farm payments. Two-thirds of the farm citizens of this country have been virtually ignored since the inception of the farm policy of the United States and we intend to address ourselves to this need and introduce some basic changes that I think, Mr. Corman, will cutoff John Wayne and his types at the pocketbook.

Mr. Cochran, I have a question. I am not familiar with the authorites of HUD with respect to the financing of housing in the smaller

towns. Can you describe their authority briefly? I am talking now about towns of under 5,000.

Mr. COCHRAN. Right. If you omit public housing, basically, HUD has to rely on insured loans. As a buyer you have to find a lender and do the paperwork and at some point in the process, FHA stamps, "we take all the risk out of this." But if that private lender is not there for you to borrow from, FHA cannot function. And that is the basic reason that they have never functioned much in towns of 25,000 and below and in rural areas. They are entirely dependent on the presence of the private lender. Whereas Farmers Home borrows money at the national level, sells its security at the national level, and that county supervisor out there can in fact make that loan as if he were a banker. He has control of money and can lend it to the family.

These are the two principal differences: One is the central source of funds, so even though they are private funds and insured by Farmers Home, the lending authority is in the hands of the Farmers Home supervisor.

The second vital difference, is that the FHA agent sits way off somewhere in another town, sits there as a guarantor and a remover of risk, and he can function only if some private lender is there prepared to put up the money. But the Farmers Home supervisor is out there in the field—a fact of tremendous importance to people in small towns and rural areas, because the private lenders are not there.

Mr. STANTON. Will the gentleman yield?

Mr. BERGLAND. Yes.

Mr. STANTON. I might add another critierion to that. As you say, that goes back to political impact of the existing backlog. The units have gone where the most political pressure, I think, was put to get the units.

Mr. COCHRAN. You mean in 235, 236.

Mr. STANTON. Well, any of them, almost.

Mr. COCHRAN. You know, Farmers Home has a program comparable to the 235, the interest-credit subsidy. But they handle that in a normal process of borrowing money at the top and putting it out at the local level. I do not know about the procedures on 235, but presumably, they can only go where some private lender is willing to put them and where some private builder, probably on a fairly large scale, is willing to use them. So it is an invitation to what you imply.

Mr. BERGLAND. Well, a problem has been called to my attention in the district I represent, and I am sure it is applied uniformally across the United States in that in some of the larger small towns, HUD has financed buildings occupied by persons who qualify under the rent supplement. They are residing in these apartment-like structures at a very nominal cost to them. Farmers Home has been restricted to the much smaller towns and we have a number of projects where they have financed housing, public housing, for the low income persons and qualify under this interest subsidy. I have an instance in my district where the larger town has a HUD project and the cost to the tenant is from \$20 to \$40 per month, where 20 miles away, FHA was the only source of credit available and the cost to the tenant in that interest-subsidized project is \$85 a month. There are people in the Farmers Home financed project, that are trying to get out of there and go into the bigger town because the rates are cheaper. This causes me great pain, because this means that eventually, that FHA-financed project is going to dry up

and people do not want to stay there because they cannot afford it compared with the HUD project some distance away. This tends to defeat the purpose, I think, that was intended when Congress enabled this project, namely to allow people to live in a community of their choice, stay home. But this disparity causes people to drift into the bigger communities.

Mr. COCHRAN. This is the result of the implicit bias built into the programs. You see, in this shopping list of new law I referred to here, we have been urging change. The difference in those rents is the availability of rent supplements, which go beyond the 236 subsidy and deepen subsidy Congress voted it for the cities and did not vote it for the small towns and rural areas; that is, did not give it to Farmers Home.

The Senate bill includes rent supplements for Farmers Home rental loans for the first time. If the House goes along, we are going to eliminate this one item of discrimination.

Mr. Bergland, the Housing laws are shot through with this kind of discrimination and nobody calls attention to them. It comes to your attention that people are encouraged to move out of a small town into a bigger town because of a Federal subsidy. That is wrong. If the Federal Government is going to subsidze a family based on its income, that subsidy ought to be available from the countryside right up to New York City. It makes no sense to apply it in different ways in different geographic areas. But this is one of the things which the Senate bill will correct and I hope Mr. Stanton can persuade the House committee to go along and that can be corrected—especially if you can make it retroactive.

Mr. BERGLAND. If there is anything I can do to help our colleague from Ohio remedy this matter, I will certainly give him all the support I can muster.

Thank you very much, Mr. Chairman.

Mr. KLUCZYNSKI. Thank you, Mr. Cochran, you have been a great witness and it is a pleasure to have you before this committee. You have all the answers on your finger tips.

Mr. COCHRAN. I wish we did. You keep digging for some, too.

Mr. KLUCZYNSKI. Fine. It is a pleasure. Thank you.

The next witness is Mr. Robert Maffin, Executive Director of the National Association of Housing and Redevelopment Officials.

I am happy to have you with us. You may proceed as you desire. Do you have a prepared statement?

TESTIMONY OF ROBERT W. MAFFIN, EXECUTIVE DIRECTOR, NATIONAL ASSOCIATION OF HOUSING AND REDEVELOPMENT OFFICIALS, ACCOMPANIED BY JANE A. SILVERMAN AND CONSTANCE WHITTAKER

Mr. MAFFIN. Yes, I have one. I believe it has been submitted.

Mr. KLUCZYNSKI. Do you want to file it with the Committee for the record?

Mr. MAFFIN. I would be pleased to file it, Mr. Chairman.

Mr. KLUCZYNSKI. Would you introduce those beautiful ladies for the record so we will know whom we have met this morning?

Mr. MAFFIN. Mr. Chairman, we have something of a disadvantage. I come with a twofold disadvantage. One is that historically, at

least, our Association has not been clearly identified with small towns and rural areas; and number two, the two preceding gentlemen came with a good deal more wisdom and experience in this field than I. So I thought I would counterbalance that by bringing with me two very attractive ladies from our staff, Mrs. Silverman and Miss Whitaker.

As I said a moment ago, the National Association of Housing and Redevelopment Officials is an organization which has as its members individuals and public agencies largely engaged in housing and community development. This is as organization oriented toward urban and rural community development and rehabilitation and low and moderate income housing, and as such, of course, can speak with some experience as to the utilization of these programs at the small town and rural level.

I think it is not often realized, for example, that roughly 55 percent of all urban redevelopment projects in the country has occurred in cities of under 25,000; about 70 percent, a little over, in cities of under 50,000. And in the case of public housing authorities and public housing projects, if you will, over 80 percent of the communities engaged in this program are communities of under 25,000 in population. So in fact, both of these programs have been utilized by small towns by most definitions.

Now, one of the reasons for this, it strikes me—and my own experience goes to a small town in Oregon, the town of Springfield, which I will refer to in a moment as an example—is that many of the problems which confront the large urban centers are problems that exist, to be sure, on a different scale, in small towns as well. Let me cite the case of Springfield, Oreg., and this is not an uncommon experience.

In 1950, Springfield had population of around 9 to 10 thousand, with a main street running along a Federal highway of 7 miles. Now, these very difficult and critical, physical structure problems of small towns are not unrelated to the problems with which this committee is concerned; principally with respect to the impact on small business, but in fact the total quality of life in these small towns. Many of these communities have seen fit to utilize, for example, the urban renewal program. Let's take again the case of Springfield, Oreg.

In a town of something like 3 square miles in size, that town had very sizable area that was literally physically isolated by virtue of changes in the land use pattern. But in that area was a substantial portion of vacant land which could be made available for housing. They used the renewal program to provide a linkage between one piece of town and the other and to provide sites for low and moderate income as well as regular market rate housing, in addition to sewer and water, street lights, a public park and other facilities.

Or take the town, and I hesitate to use just western examples—although my formal testimony recites examples in places like Montevideo, Minn., and others—because I do come from the West. But take a town like Merced, Calif. When Interstate 5, or old U.S. 99, was built, it was built just a short distance from the old 99 and the railroad and, like some central California towns, there was a short piece of land that usually lay between the new highway alinement and the railroad or old highway alinement. In the case of Merced, they converted this land to industrial and warehousing use to serve the agricultural base upon which the community rested. And thus, it seems to me, they provided

a new lease on economic life for that community. That story can be paralleled across the country in many of these small towns.

The very difficult physical structure problems brought about by changes in transportation, changes in life styles, changes in requirements of housing stock and business location—all have, in some degree or another, had an adverse impact on the development of small towns. These programs, the public housing program or the Urban Renewal or Community Development program, have made some contribution to strengthening the vitality of these communities. In recent years, for example, in the urban renewal program, there has been a strong bent to turn that program into essentially a program which would provide new housing sites.

Now, for large cities, the need for commercial and industrial incentive programs, while very great, is not quite as critical as in the small towns. If you will look into the record of submission of applications for these programs to HUD from small communities, you will find that a vast majority of them have sought assistance for industrial and commercial redevelopment. There is a very critical need in these communities to provide a base around which the economic as well as the social life of the community can thrive. Urban renewal has been used and can be effectively applied in these communities.

One of the things that occurred to me while listening to the testimony this morning is the possibility, the attractiveness, if you will, which small communities have to increasingly large segments of our population. I speak particularly here of the young people. Now, this may sound as though it is a peculiar twist on a set of facts, but it is an observation that I think has some merit.

My own familiarity with the young people, so many of whom we have from time to time seen as adversaries, are seeking new ways to express their creative talents and to be productive in a very complex society. The small town offers an opportunity to enter into a threshold business, to utilize their creative talents. All you have to do is look around the Washington metropolitan area, for example. Go to Middleburg, go to Boonesville, Harpers Ferry, Shepherdstown. Many of the communities around Washington are all linked in one way or another to this metro area, but each one of them performs a specialized economic function. Some of it is historical in terms of business activity, some of it is because some plants like the atmosphere of small community and their employees have housing to reside in. But others make the choice to go there for very personal reasons, some of which are related to the opportunity to get into business for themselves at a lower cost, utilizing existing facilities or even building new ones.

It seems to me that one area that the Committee might explore is how effectively small towns might be a major base from which to attract and encourage the participation of younger people, new people who want to get into business, and thus in fact contribute to the number of sound businesses while contributing to the development of creative talent in this country.

My point in citing the communities around Washington also bears on what I think is a very critical factor in the committee's deliberations and one with which we should be greatly concerned. In trying to cite the Middleburgs and Shepherdstowns and Harpers Ferrys and so forth or the Gaithersburgs, I am simply trying to indicate that

there is in fact a strong linkage between, in economic association terms, the metro areas and the small towns. In fact, we are moving in many directions; witness the emergence of regional housing authorities our regional con-urbanizations as distinct from megalopolises. The programs devised for the central cities or the urban centers are not at all unrelated to the kind of programs that are available to the small towns, because in fact, both socially and economically, these units—small towns and urban centers—are linked together inextricably. So we would argue very strongly, Mr. Chairman, for this committee to devote attention to the opportunities which small towns have for increasingly large numbers of our population, both as relief valves for the concentration of urban populations, and also in their own right as a style of life in which increasingly large numbers of the population would like to partake.

But we see these problems of small towns not distinct from or, if you will, contrary to, or antagonistic to problems of urban development. We see them moving together. The committee, I would think, would find it very helpful to explore the ways in which rural development programs and urban development programs can be linked together. Some of them, for example, housing and community development, in fact already operate in those environments and have proven to be a very useful tool.

That is all, Mr. Chariman. I will answer any questions.

(The complete statement of Robert W. Maffin follows:)

STATEMENT OF ROBERT W. MAFFIN, EXECUTIVE DIRECTOR, NATIONAL ASSOCIATION OF HOUSING AND REDEVELOPMENT OFFICIALS

Mr. Chairman and members of the committee, my name is Robert W. Maffin, Executive Director of the National Association of Housing and Redevelopment Officials (NAHRO), which represents local housing, urban renewal and code enforcement agencies and administrators in communities of all sizes throughout the country. I am here today to emphasize the role which housing and community development programs—particularly urban renewal—can play in revitalizing many of the nation's small towns to make them viable economic and social communities.

Many people perceive urban renewal and other programs administered by the Department of Housing and Urban Development as geared almost exclusively to the needs of large metropolitan areas and, particularly, to the larger cities in these areas. This is a distorted picture—HUD-assisted housing programs, particularly public housing, have long been a source of decent, safe and sanitary housing for the lower income families in small communities, and increasingly in rural areas, through county and regional housing authorities. The number of county and regional housing authorities, which increased from 381 to 453 in 1971, is a direct response to the housing needs of small towns and rural areas. Urban renewal has become an important tool for the redevelopment and revitalization, both economic and physical, of many of our nation's small towns. A figure which might come as a surprise to the members of this Committee is that out of a total of 970 communities presently participating in the urban renewal program, 712 are located in cities of less than 50,000 population, and 514 in communities of less than 25,000 population. The chart attached as Exhibit No. 1 gives more detail on small community participation in the urban renewal program. Also attached (Exhibit No. 2) is a chart which details the distribution of local housing authorities by size of jurisdiction throughout the country: 87 percent of all housing authorities are in communities of less than 25,000; and 28 percent of all housing units. Both of these examples contradict the prevailing image that these programs serve large city programs alone.

NAHRO's membership, traditionally oriented to recognize "urban" housing and community development needs, has over the past few years become increasingly committed to the necessity for action in rural areas. In its Program Policy Resolution for 1971–73 adopted in October, 1971 the Associaton states: "There

is increasing recognition that our housing problem is not confined to the inner cities of our metropolitan areas . . . the situation of non-metropolitan America is as serious, or more serious, than that of urban America . . . both urban and rural America suffer from a lack of a national committment to make real the pledge of a decent home in a suitable living environment . . . even with such a committment . . . the special needs and deficiencies of rural and small town areas will demand certain special responses . . . NAHRO charges itself with making a special place in the NAHRO structure and services for rural and small town housing and community development needs, programs, and professional personnel."

Expansion of activity among small communities and in rural areas by housing and community development programs represents a new phase in the evolution of these programs. We are coming to a critical point of decision as to how to relate these programs administered by the Department of HUD with those housing and community development programs administered by the Department of Agriculture, and other departments. The spread of population and the shifting of economic activity to new geographic bases, have erased easily-identified territories which can be labeled "urban" or "rural". We require the formulation of a "national development policy" which will link both "urban" and "rural" development in a new relationship. NAHRO believes that one of the major tasks of the next few years is to identify the processes by which housing and community development can be extended to all areas of the nation through coordinated policies and administration.

Major legislation pending before the Congress in 1972 illustrates the changing patterns of urban and rural community development programs affecting the small community. Under the legislation for "Special Revenue Sharing for *Urban* Community Development," the allocation of community development funds under a formula, rather than on the application of an individual community, involves a new and in some cases, uncertain status for small communities seeking funds, both inside and outside standard metropolitan statistical areas.

Some small communities for example, now active in the urban renewal program, have access only to residual community development funds, after other allocations have been made. NAHRO is strongly advocating a continuing access to community development funds for all such active small communities. In addition, pending legislation on "Special Revenue Sharing for *Rural* Community Development" also provides types of community development assistance for small communities under 50,000 population; in some cases, the same communities which are eligible for *urban* community development assistance. There are a growing number of "community development districts" undertaking physical development programs with federal assistanse, covering jurisdictions also served by urban renewal agencies administering community development programs. These unclear relationships between programs must be analyzed and restructured into a unified effort.

The importance of resolving the relationship among the federal assistance programs is made clear by Professor E. L. Henry, Director of the Center for the Study of Local Government, St. John's University, St. Cloud, Minnesota, in his new book entitled "Micropolis in Transition". Professor Henry links the survival of small communities to their ability to use federal community development assistance: "Cities that do not take advantage of federal and state programs or fail in their efforts to do so may be doomed to decline. Those that show enough leadership to court federal programs and use them may prove to be the future growth centers in a revived countryside."

The primary focus of our existing Housing and Community Development programs in smaller communities has been: (1) revitalization of the commercial center; (2) upgrading the housing stock; and (3) provision of land for industrial development. In many communities action in one area of community development or housing has spurred new development in other sectors of the local economy. In others, more comprehensive programs have been used to provide necessary relocation housing for those displaced from an urban renewal area; construct new housing for all income levels of the population; reconstruct and redevelop declining central business districts; rehabilitate sound commercial and private structures; and coordinate the acquisition of land for future industrial development.

To illustrate the adaptability and flexibility of the community development and housing programs in meeting the social, physical and economic needs of small towns, I would like to cite some examples of how these programs have been utilized and how they have effectively dealt with the problems of loss of

commercial and industrial development; antiquated housing stock; declining tax base; decreasing population and loss of job opportunities in small communities throughout the country.

These examples come from articles in our monthly *Journal of Housing*, and in particular the May, 1972 special feature of the *Journal* on small communities by Mrs. Jane Silverman of our *Jouranl* staff. The full text of this special *Journal* feature is attached as Exhibit No. 3 to our testimony.

Harrison, Ark.

In 1961, Harrison, with a population of 7,000, became eligible for immediate urban renewal assistance through a flood disaster that virtually destroyed the downtown area. The town began rebuilding, with the federal government paying three-fourths of the net project cost. Rejuvenation of the prime shopping area brought about a sense of civic pride and stimulated the economy. Harrison building permits totaled $5,430,000 for 1963 and 1964. The downtown tax base was increased and fire insurance premiums were decreased. (*Journal of Housing*, No. 5, 1965)

Montevideo, Minn.

Montevideo is a community of 6,000 people 100 miles southwest of Minneapolis. Until the 1940's the city was the prosperous center of a rich agricultural region. However, after the Second World War growth came to a standstill: its business center no longer met the modern needs of the area; young people were migrating to larger urban centers; and, with a declining labor market, new businesses and small industry found little to attract them to the town.

In the early 1960's the town's leaders applied for an urban renewal program which was developed, not just to renovate the old, but to completely redesign and rebuild the town center.

The project was completed in early 1970 and the "Fiesta City Center" has become the social as well as commercial center for the town. Other developments have taken place in conjunction with downtown renewal: rechanneling of the Chippewa River to provide more land for business expansion, a new truck highway, an airport industrial park, a new county court house and city hall, new schools, new sewage disposal plant and a city-county therapy and rehabilitation center.

The urban renewal program has also spurred new economic development and investment. Electronic and machine parts industries have located in the town, bringing new jobs and new people. Area shoppers are returning and the town leaders are hopeful that many of their young people will find opportunities in their home area. (*Journal of Housing*, No. 9, 1970)

Newton, N.J.

Newton, a town of 7,200, was confronted with a dual problem: an inadequate and deteriorating housing supply and a declining downtown shopping center. In the mid 1960's the downtown merchants attempted their own downtown "renewal" effort which met with marginal success. Many of the problems encountered were due to the lack of eminent domain, funding and technical skill. This initial effort created a great deal of interest in the urban renewal program and in 1968 the town received a $1.8 million grant from HUD for a residential and commercial redevelopment program.

Since housing is one of the most serious problems facing the city, it has received top priority. The city will develop 232 units of moderate and middle income housing on urban renewal land near the downtown shopping area which has been sponsored by a non-profit group composed of local organizations. The city is also in the final stages of completing a 100-unit Turnkey project which will consist of 80 units for the elderly and 20 garden apartments for families. The project includes community facilities and outdoor as well as enclosed recreation space.

The downtown area of Newton will also be drastically changed by the urban renewal program.

New offices for the local newspaper and county government are planned and several businesses have been relocated into more modern and attractive structures. A major redesigning of the city's obsolete traffic pattern is underway as well as a 90-car parking facility which will make the downtown area not only more attractive but more accessible for area residents.

Napa and Willows, Calif.

Napa, a city of 35,000 near California's rich wine growing district, has made rapid progress in their community development program. Only 19 months has elapsed from the date of initial HUD funding in January 1970 to the date of sale of the first parcel for private redevelopment in August 1971.

Unlike the other cities discussed here, Napa's interest in urban renewal grew out of one major incident: the threat on the part of the city's two major department stores to move unless the municipality provided more parking, a larger commercial area and a more attractive physical environment. Once the decision to undertake an urban renewal program had been made, the city moved rapidly forward with the program. First year Neighborhood Development Program (NDP) funds totalled $1.95 million; the second year the city received $2.25 million and will be applying for $3.9 million next year.

The first stage of Napa's NDP is concentrated in a nine-block area that will include a new facility for the two major department stores but also will provide space for smaller shops and 250 off-street parking spaces. Development of a mall for the Central Business District has been programmed for this year as well, which will make the entire area a more attractive place for commercial interest as well as shoppers.

The CBD renewal techniques undertaken in Napa are being tried in Willows (population 5,000) which recently began construction of its downtown mall in a project encompassing two city blocks. The one million dollar project will include 100,000 square feet of commercial space, free public parking and an open air, landscaped public plaza.

Beacon, N.Y.

Beacon, New York (population 13,000) found itself bypassed by the technological advances of the 20th Century. The community, about 60 miles up the Hudson River from New York, had been an active riverport and industrial center in the late 19th and early 20th centuries. As rivers ceased to be a vital link in the nation's commercial network and as new and cheaper labor markets opened up elsewhere, Beacon's fortunes began to decline. The completion of Interstate Highway 84, which bypasses the city, threatened to cut Beacon totally out of the economic mainstream. Further, suburban areas near the city were growing rapidly and siphoned off many industrial and commercial tax ratables. As Beacon entered the 1960's, it was confronted with an obsolete housing stock, a declining economic base, and growing social problems.

Realizing that Beacon could only pull itself out of economic decline through massive investment that only HUD could provide, the city embarked on its first renewal program in the mid-1960's. The provision of adequate relocation housing for the residents of the urban renewal area has been the major emphasis of the program to date; with the development of 900 new housing units in various stages of completion and planning.

Although new housing is the corner stone of the renewal program, Beacon has mapped out ambitious industrial and commercial redevelopment plans. An industrial firm that has been in the city for many years recently moved out of its antiquated plant into a modern, enlarged structure under the auspices of the renewal program. The city is also trying to refurbish its downtown and make it competitive with outlying shopping areas through increased parking space, street improvements, and more sites for stores and offices. The key to the downtown renewal plan is a new access road linking the city to the interstate highway. Plans also include the development of park land and improved waste disposal systems. (*Journal of Housing*, No. 4, 1972).

EXHIBIT No. 1

TABLE 4.—URBAN RENEWAL PROJECTS AND RELATED FEDERAL GRANTS BY STATUS AND SIZE OF LOCALITY AS OF JUNE 30, 1971

[Dollars in thousands]

Population group (1970 census)	All projects			Approved for execution						Approved for planning [1]		
				Completed			Active					
	Localities	Projects	Grants approved	Localities	Projects	Grants approved	Localities	Projects	Grants approved	Localities	Projects	Grants approved
Total	970	2,087	$8,139,148	364	588	$728,852	718	1,222	$6,471,379	244	277	$938,917
1 million and over	5	124	779,328	4	58	185,272	5	59	532,402	3	7	61,654
500,000 to 999,999	21	132	1,211,990	9	27	56,645	20	89	1,077,289	11	16	78,056
250,000 to 499,999	28	162	1,308,915	19	37	72,877	27	109	1,174,492	11	16	61,546
100,000 to 249,999	78	318	1,524,712	49	96	113,234	69	182	1,204,907	30	40	206,571
50,000 to 99,999	126	313	1,124,613	60	88	96,090	103	187	904,570	34	38	123,953
25,000 to 49,999	198	343	1,002,267	71	97	71,401	145	198	759,411	44	48	171,455
10,000 to 24,999	246	360	728,700	83	103	87,668	166	194	431,956	52	63	159,076
5,000 to 9,999	156	203	284,996	36	42	26,931	110	127	208,347	31	34	49,718
Under 5,000	112	132	173,627	33	40	18,734	73	77	128,005	15	15	26,888

[1] Includes applications under preparation within general neighborhood renewal plans.

Source: U.S. Department of Housing and Urban Development, Urban Renewal Directory, June 30, 1971.

EXHIBIT NO. 2

LOW-RENT PUBLIC HOUSING: NUMBER AND PERCENT OF PLACES AND HOUSING UNITS REPRESENTED BY LOCAL HOUSING AUTHORITY PROGRAMS, BY 1960 POPULATION OF PLACE, DEC. 31, 1970

Population size group	Places with LHA programs		Housing units	
	Number	Percent	Number	Percent
Total	4,399	100	1,270,007	100
1,000,000 and over	5	(1)	191,547	15
500,000 to 999,999	16	(1)	163,223	13
250,000 to 499,999	31	1	173,957	14
100,000 to 249,999	82	2	142,126	11
50,000 to 99,999	164	4	134,769	10
25,000 to 49,999	257	6	112,011	9
10,000 to 24,999	531	12	123,261	10
5,000 to 9,999	516	12	72,715	6
2,500 to 4,999	646	14	60,198	5
Under 2,500	2,151	49	96,200	7

1 Less than 5 percent.

[From Journal of Housing, April 1972]

SMALL CITY, USA, IS MAKING NEWS WITH HOUSING, RENEWAL, CODES, MODEL CITIES PROGRAMS

(By Mrs. Jane Silverman, Editorial Assistant, Journal of Housing)

Even though they rarely capture the front page of newspapers or the prime slot on the 7 p.m. news report, small cities around the nation are making creative, often innovative, use of renewal, public housing, code enforcement, and model cities programs.

According to Professor E. L. Henry, director of the Center for the Study of Local Government at St. John's University near St. Cloud, Minnesota, there are more than 18,000 small cities—communities of 50,000 inhabitants or less— strung across America. The JOURNAL has been receiving reports from many of these municipalities about their community development and housing activities and this article features 10 examples of small city programs

A common theme binds these 10 cities together and is echoed by Professor Henry, whose center has produced a study of small cities entitle *Micropolis in Transition*. That message is: "Cities that do not take advantage of federal and state programs or fail in their efforts to do so may be doomed to decline. Those that show enough leadership to court federal programs and use them well may prove to be the future growth centers in a revived countryside."

Each of these 10 cities has turned its future from decline to prosperity through the creative use of federal and state funds. Most of the entered the 1960s feeling the same social and physical burdens as larger urban areas . . . albeit on a smaller scale: growing quantities of deteriorated housing, declining CBDs, obsolete transportation, even pollution and crime. These smaller municipalities were further hampered by the lack of two critical resources: staff and money.

Their smallness, however, proved to be the greatest asset these cities had. The problems they faced, though serious, were more easily defined. Pressure groups were less sophisticated and interests not as diverse as in larger urban areas. At the same time, citizens could participate in planning and decisions through town meetings, task forces, and even word of mouth in a way impossible in a big city. As a result, the residents of these small communities were well informed and had a real stake in the outcome of their community development projects. Finally, since government in "small city, USA" tends to be less monolithic and complicated, public officials can often bring a fresh approach to slicing through red tape and expediting programs through cumbersome bureaucratic machinery in federal agencies.

The Department of Housing and Urban Development is recognizing that small communities have distinct characteristics in dealing with federal programs and is evolving a set of policies to deal with this reality. HUD is now actively encouraging small city housing authorities to band together in regional agencies to hire staff and resources and to work together cooperatively on tenant and management services.

In 1965, the JOURNAL published a special issue devoted to small city activities in housing and renewal (see 1965 JOURNAL No. 5) and more recently has featured

stories about projects in such communities (see 1971 JOURNAL No. 6, page 284). JOURNAL coverage is only one example of NAHRO's continuing interest in "small city, USA." The NAHRO 1971–1973 Program Policy Resolution set forth three proposals to reach rural areas and small towns (see 1971 JOURNAL No. 10, page 535). These prposals included "an administrative structure . . . geared to special rural needs," field staff; and a greater supply of mortgage credit for small city projects.

The cities discussed in this article, located throughout America, range in size from 1300 to 35,000 inhabitants and in character from suburban to rural. Their projects are as diverse as a public housing program using modular construction to a model cities economic development project concentrating on blueberry crop cultivation. They show a pulsing validity in Professor Henry's "revived countryside." "Small city, USA" is giving a new dynamism to community progress.

The Mexican-American community of Santa Fe Springs, a small city in California, working first at odds with city hall and then hand in hand with it, have sponsored a community center so successful that it is receiving national attention. Like Hillsboro, North Dakota (see page 175), Santa Fe Springs has been cited as an All-America Cities award finalist, largely on the basis of its community facility.

The citizens of Santa Fe Springs are now extremely proud of their $300,000 center, funded through a HUD neighborhood facilities grant and completed in late 1969. They remember, however, that the building was once a source of acrimonious controversy in the town.

The story begins in 1962 when the city of Santa Fe Springs received a survey and planning grant to develop a program for the "Flood Ranch" area, the section of the city populated almost entirely by Mexican-Americans—known as a *barrio*. After much study and many reports, Santa Fe Springs signed a loan and grant contract with HUD in 1967 and it was then that the controversy began. Several members of the community vociferously expressed their distrust of any urban renewal plan. In the words of one citizen of the town, "they found it difficult to believe that a government agency could work to their benefit." Specifically, the residents felt that the plan, which emphasized physical renewal, especially housing, did not reflect any contribution from the residents themselves, nor did it necessarily answer their needs, which involved as much social as physical renewal. They organized first within the *barrio* and then city-wide to change the redevelopment plan. One tangible result of these efforts is the neighborhood facilities building, now the cornerstone of the renewal plan. The center first operated in a temporary building and the city paid for the leasing, operation, and maintenance of the facility. In 1968, HUD approved the neighborhood facilities grant and the center was completed in November 1969.

The citzens recognized that to ameliorate their problems, social services were as necessary as bricks and mortar. The neighborhood center offers 16 different social, economic, educational, and medical programs. They include a manpower center; a child guidance project; a youth clinic offering counseling and medical service to young people; an information and referral center for other local agencies; and an array of educational and recreational activities.

The success of the neighborhood center has now moved the local residents towards a greater acceptance of the urban renewal plan. They have joined together for other causes now, including ecology, improved transit, and youth problems. The local citizens have endorsed the residential program for the area and many non-Mexican-Americans are moving in, integrating it for the first time.

If the neighborhood center started out in controversy, the outcome has been much greater and more positive than the mere building itself, according to the mayor of the city, Ernest R. Flores. The main achievement, he feels, is an active, aware, and organized citizenry. Mayor Flores says: "In fighting city hall, the people of the *barrio* learned a lesson that the most expensive college education could not have taught them. They learned how to make the system work for them. They learned that not fighting city hall, but guiding city hall, moving city hall, using city hall, was the answer to the request for a better life."

As recently as 1968, the citizens of Hillsboro, North Dakota, a tiny city of 1500 inhabitants, had no street signs to guide the postman in delivering the mail. The town also lacked sidewalks, curbs, gutters, and many other facilities in much of its residential section.

That same year, the city began participating in HUD's code enforcement program, one of the smallest municipalities in the nation to do so. According to George D. Christians, the administrator of the code program, Hillsboro is "the only city in North Dakota to have a FACE program." Now street signs have

been installed and other improvements have been made, so the postman's rounds are much easier. Just in time, too, for Hillsboro will be receiving a very important letter any day. Because of its FACE program and the city's volunteer ambulance service, the community has been named one of 12 finalists in the National Municipal League's All-America Cities Award competition. Santa Fe Springs is also a finalist in the contest, winners of which will be announced this spring.

The mini-city, incorporated in 1881 and located midway between Fargo and Grand Forks, lacks many of the problems associated with a larger metropolis, such as air pollution and high crime rates. Nevertheless, it shares other worries with its larger urban neighbors. One of the most serious is dilapidated housing. The city planning commission received funds to undertake a master plan under HUD's 701 program in 1966 and the resulting document showed an accelerating growth in substandard housing, including a number of units without sewer and water facilities. "The improvement of housing became the primary objective of the community," according to Mr. Christians, "since the plan showed that this was our greatest problem."

A FACE program, funded for more than $500,000, was launched on May 1, 1968 in the western area of town, the section that showed the most blight. About two-thirds of the 246 buildings in the 36-block area showed some sort of code violation. Extensive inspections and reinspections were completed on all of the buildings and loans and grants were made available to residents for improvements. In addition, the inspection team counseled home owners in contracting for rehabilitation work and in obtaining loans. When the program was completed in February 1971, the area showed substantial improvement and 95 residential buildings had been rehabilitated at a cost of $200,000.

HUD found the city's work so successful that it cited Hillsboro for an honorable mention in its newsletter. More important, the federal government funded the municipality for a second FACE program, initiated in December 1970. To date, 54 of the 211 properties in the new 29-block area have been inspected. The city will soon submit an application for an NDP program in its downtown commercial area.

Public response to the code program has been very enthusiastic, according to Mr. Christians. "Once the citizens became aware of the benefits, there has been a tremendous demand," he says, noting that before the second campaign was launched there were over 60 requests for inspections. "The nice part of code enforcement," he points out, "is that everyone benefits."

All-America Cities awards are given to communities that make significant improvements through citizen action. The residents of Hillsboro, eager to improve and modernize their community, enthusiastically joined with officials in the code program and that is the key to its success, according to Mr. Christians. He says: "Regardless of the type of program, the federal government will only be able to do a small part of what is required. The citizens of the community must be willing to proceed with dispatch, vigor, and persistence if they are to reach their goals."

MODULAR UNITS BUILT FOR ITHACA HOUSING AUTHORITY

The housing authority of Ithaca, New York (population 26,000), home of Cornell University, is using modular building techniques to develop a housing project that can be put up quickly and within HUD's cost limits. The 54-unit townhouse Turnkey development, built by Stirling Homex Corporation for $1,233,000 is for low-income families and is one of five projects in the city's ambitious public housing program, according to David S. Armstrong, executive director of the housing authority. The city has gone far towards meeting its goal of 500 units, set in 1965. Since the first Turnkey project of 10 units for the elderly was bought by the authority in 1968, 275 units are in development and many have been completed. The propjects are diverse: there is family and senior citizen housing, Turnkey and conventional, townhouse and highrise, modular and "stick" construction. They are stitched together by the city's scattered site plan to locate the projects in small groups throughout the community.

Mr. Armstrong first became involved with modular housing in 1968 when he attended several sessions on industrialized construction sponsored by Cornell University. A few years later, he hypothesized that modular units might provide the answer to the authority's problem of building low-income units within HUD's statutory room cost limits. The authority announced that they would accept bids from both conventional and industrial housing firms for a projected 54-unit project on Hancock Street, in the northern section of Ithaca. Three general contractors and two modular housing enterprises submitted bids and only

one, Stirling Homex, was within the prototype cost limits. Their bid was accepted in June 1970 but, because of further HUD budgetary questions, negotiations were not closed for almost a year, in March 1971. Occupancy is expected this spring.

In addition to the modular apartments, the complex will also include a community building with kitchen and meeting facilities, constructed by conventional building techniques, designed by the Syracuse architectural firm of Sargent, Webster, Crenshaw and Folley. The apartments, designed in colonial style, include 28 three-bedroom and 26 four-bedroom units. Stirling Homex puts in all plumbing, electricity wiring, and fixtures on the assembly line and delivers the boxes complete to the site. In addition to costing less, construction on the site can be completed in about 90 days, according to the company.

The Hancock Street project is only one of the authority's five developments. Two small Turnkey projects were launched between 1968 and 1971; the first, a 10-unit complex for senior citizens, was acquired in June 1968; the second, 16 apartments for low-income families, was occupied in June 1971. In addition, the authority expects to complete its 15-story highrise apartment building for the elderly this June and will begin construction of 30 more Turnkey units in April.

The public's reaction to the authority's activities has been mixed. There has been resistance to location of the scattered sites in local neighborhoods. Apparently, residents fear a concentration of minority tenants near them and resent "that people on welfare are going to live in those beautiful units," according to Mr. Armstrong. Public opinion about the new modular units has also been "sorted," he says, "due to the lack of knowledge about this type of construction." To counter criticism, both the housing authority and Stirling Homex have come forward to try to explain to the public what modular construction is all about. Mr. Armstrong hopes to persuade Ithaca citizens that public housing is only part of a general neighborhood conservation program that will include rehabilitation and code enforcement, too.

Since the program first began, most of the icy public reaction has thawed. Mr. Armstrong attributes this success to a concerted effort and strong cooperation by the board of commissioners and the city government. As a result, the small city of Ithaca has a public housing program that much larger municipalities would be proud to sponsor.

NEWTON'S URBAN RENEWAL SOLVING HOUSING SHORTAGE

The year 1972 will be an especially active one for the town of Newton, New Jersey. This spring, the small community of 7200 will complete construction of a 100-unit Turnkey project for senior citizens and low-income families. By the end of the year, the town expects to have broken ground for 252 units of moderate- and middle-income housing in the city's Mill-Water urban renewal project, according to Paul Busch, director of the city's urban renewal program. He also says that Newton will be well under way with its commercial redevelopment by the end of 1972.

Newton still retains much of the old-fashioned charm that dates from its original incorporation in 1864. The small city, which is the county seat of Sussex County in the northwestern corner of New Jersey, is clustered around a picturesque town square, nestled in the foothills of the Appalachians. The picture postcard quality of the town, however, has masked some distubing trends: poor housing has increased in the older parts of town and the housing market, especially for rental units, has grown tighter. The downtown shopping area, even with its charm, is losing customers to more modern facilities beyond the town's boundaries.

In 1966, the downtown merchants launched their own self-help renewal effort, without the benefit of federal funding. Called Project 66, the businessmen renovated five older commercial buildings. It was only a marginal success, according to Mr. Busch, because the group lacked the power of eminent domain, sufficient funding, and technical skill.

In 1967, the city decided to try a different approach—the federal urban renewal program. That same year they received survey and planning money from HUD and the following year were funded for a 1.8 million dollar program that will include both residential and commercial redevelopment.

Housing, which is one of the most serious problems facing the small city, was attacked with gusto by Newton. On urban renewal land near the downtown shopping area, the city will develop 232 units of moderate- and middle-income apartments, sponsored by a nonprofit group composed of local organizations. The 5.6

million dollar project has already received seed money from the New Jersey Department of Community Affairs and expects a mortgage commitment from the state housing finance agency within the next few months. The design of the housing project retains the intimate quality that characterizes the city. Is four highrise buildings sit admidst clusters of townhouses on a site landscaped to emphasize the sloping terrain and the small creek flowing near the project. A new street alignment will draw the project closer to the downtown area. The development will provide units at all income levels, thus serving a wide spectrum of the city's housing needs; middle-income apartments, financed through the state housing finance agency; moderate-income units under the federal Section 236 program; a share of low-income units, funded through HUD's rent supplement activities. One of the highrise towers will probably be reserved for senior citizens; the other apartments will be for larger families.

The city's other housing effort is well under way, with the project expected this spring. It is a 100-unit Turnkey project developed by Leon Wiener Associates. The public housing development will consist of 80 efficiency and one-bedroom apartments for the elderly in a highrise, surrounded by 20 townhouse apartments for families. The project includes community facilities and outdoor as well as enclosed recreation space.

Through urban renewal, the downtown of Newton will also get a new look. Several businesses have already been relocated into more modern premises. The town plans to build a 90-car parking facility, as well as new offices for the local newspaper and the county government. It will make major improvements in the obsolete traffic patterns in the downtown area.

Mr. Busch feels that one reason renewal has worked thus far in Newton is because of the compact, efficient municipal government. He, for example, is both the executive director of the renewal program and the housing authority. The city is administered by a professional city manager. The town council, which serves as the LPA, consists of five elected non-partisan members who have a strong rapport with the manager. According to Mr. Busch, "local politics is one of the greatest factors in determining whether urban renewal will work." The absence of strong partisan political pressure, he contends, is one reason why the program has been effective in Newton.

Even though Mr. Busch is a full-time employee of the city, he has used outside professional help extensively because of the complexities of the federal and state programs that are funding the town. He feels that most small communities, with limited staff, do not have the capacity to work effectively with the many levels of public funding necessary to redevelop a town without technical help from specialists in housing and renewal. The city's planning consultant, Alvin E. Gershen Associates, rewrote the urban renewal plan twice: it started out as a conventional project; was converted to an NDP; and, because of lack of funds, reverted back to a conventional project. The firm has guided the housing program not only through HUD red tape but through difficult and lentghy negotiations with the state government.

Newton's urban renewal and housing programs have taken several years to show results, largely because both HUD and the state government are more geared to serving big cities than small communities, according to Woody Jarmer, who represents the Gershen firm in Newton. Still, this small city has made an aggressive start in tackling its problems by using big city programs to serve small city needs.

FULTON HOUSING AUTHORITY ACTIVE IN LOCAL PROGRESS

The housing authority of Fulton, Missouri has long been the leader in that community for more and better housing. Last fall, the authority completed 100 new units, bringing the public housing total in Fulton to 174 apartments; now the agency is working with a nonprofit sponsor to develop moderate-income units. In Fulton (population 12,972), thte housing authority is involved with day care programs, health facilities, institutions, employment, even parks and recreation, to promote improvements of all sorts in the city. According to A. Bruce Musick, the executive director of the Fulton housing authority and one of NAHRO's most articulate spokesmen for small city housing programs, "the local housing authority does function as a dominant force in community-wide planning covering programs aimed at focusing remedial action on the city's housing problems."

Fulton is a good example of a growing, prospering microcity. It is the home of two colleges and two state institutions. It is far enough from big cities to be an independent entity; close enough to them to be readily accessible. Fulton has a substantial economic base of its own. It has gained, not lost, population in the last 10 years.

Like other microcities, Fulton is also feeling the pinch of big city problems. When the housing authority was first established 12 years ago, 34 percent of the city's housing stock could be classified as dilapidated or deteriorated, according to Mr. Musick. Most of this substandard housing was for rent, in sections of the town occupied by minority group members. Though new construction was flourishing, it was producing housing for middle- and upper-income residents. For the low-income tenant in Fulton, housing was limited and the market was tight.

Enter the housing authority, which was created in 1959, after community leaders urged a strong low-rent housing program. The authority started with 58 units and added 16 more. Until 1971, it operated a total of 74 apartments in the town.

In the fall of 1971, the authority opened 100 more units, 50 of which were designated for senior citizens. The new project sits on land given to the municipality by Westminster College and represents what is, in effect, a renewal effort by the authority. The site, which was once a clay pit and a garbage dump. has been developed into a public park and lake, financed by close to $75,000 in municipal funds. The public housing units flank the park in two groups. The project also contains a community center that is used for senior citizen and youth activities, in-service training conferences for housing authorities throughout the state sponsored by the state department of community affairs, and for education and recreation programs run by Westminster College and local groups. The center is sponsored by the city of Fulton and administered by the local parks and recreation commission.

Fulton's public housing units have been clustered in six sites around the city. Mr. Musick feels that the authority's conscious effort to select lots "in both undeveloped areas and areas which were slum-like in character" has had "a tremendous impact upon the community . . . in significant upgrading of surrounding areas."

The housing authority has ambitious plans for the future. It is one of the major participants in a study of municipal services in a severely blighted area of Fulton. The study, financed by a private foundation, will map out an action program for the neighborhood. If the program is funded, the housing authority will become involved in developing day care centers, health facilities, job training programs, physical improvements, and park facilities.

The authority is now assisting the Ecumenical Ministries, a nonprofit group in developing 80 units under the HUD Section 236 program. They are also working hand in hand with the Missouri Association of the Deaf to plan a retirement center in Fulton. The complex would contain a nursing home and housing units.

The authority has involved the public in its program from the very beginning when the agency was first established. Then, local leaders candidly made an objective study of the community's housing needs, which showed the necessity for an aggressive program. As a result, the Fulton housing authority has enjoyed strong community endorsement for its programs, including the support of the chamber of commerce, churches, municipal agencies, institutions, schools, and service clubs. "It is this kind of community support," according to Mr. Musick, "that must be developed in a small authority if it is going to succeed."

Mr. Musick feels that a small municipality is often at a distinct advantage over a large city in running a public housing program because "the social and economic fabric of a small community, generally speaking, is more stable than in the large cities." He points out that in Fulton, "the tenant body is cosmopolitan." Even though all the residents are low-income. they represent a cross-section of the community. "Where this is true," Mr. Musick maintains. "a small authority operates at a distinct advantage."

TWO CALIFORNIA CITIES UNDERTAKE CBD RENEWAL

Two small cities in California—Napa (population 35,000) and Willows (population 5000)—are regenerating their downtown business districts through urban renewal. Their CBD efforts "could well provide the inspiration needed by other small cities to reverse the decline of downtown commercial areas," according to Richard A. Oliver, executive director of the Napa Community Redevelopment Agency. Both cities give plaudits to HUD's interest and attention; yet one is sharply critical of HUD's policies towards small cities, while the other is not.

Napa, which is the gateway city to California's rich wine growing district, faced imminent commercial decline in 1968 when the two department stores remaining in the city threatened to move out unless the municipality provided

more parking, larger commercial area, and a more attractive physical environment. Since 1965 the city had been toying with the idea of a downtown modernization program, recommended by planners and the local citizen advisory group, but it was not until December 1969 that an urban renewal plan, developed with 701 funds, was unanimously adopted by the city council. Once the decision to become involved in urban renewal was taken, Napa moved rapidly forward with its program: less than two years after initial funding, parcels were being sold for redevelopment and renewal was on its way. The city applied for NDP funds for its first action year in the amount of 1.95 million dollars. The community is now in the midst of its second year of NDP funding, for 2.25 million dollars, and will be applying for a third action year allocation of 3.9 million dollars shortly.

Napa has now signed leases with the two major department stores that had threatened to leave the area and ground was broken in the fall of 1971 for the construction of a new store for Carithers, one of the major retailing tenants. The first stage of Napa's NDP project is concentrated in a nine-block area that will include not only new facilities for Carithers and its competitor, Mervyn's but space for smaller shops and 250 off-street parking slots. The city has also completed construction of the first portion of a semi-mall in the downtown and will begin building the second section this spring. Deveopment of a full-scale mall for the CBD has been programmed for this year as well.

City officials feel that the streamlined municipal government is one important factor in their success. The director of the city's department of planning and community development is also executive director of the renewal agency. The city council not only acts as the redevelopment agency, but also as parking authority and housing authority, too. In this way, there is a great deal of coordination between the city officials and agencies involved in Napa's redevelopment projects.

Mr. Oliver also credits the involvement of the city in the NDP program for much of the downtown renewal progress. As a result, Napa, has gotten its community development program under way in an extremely short time span—only 19 months elapsed from the date of initial HUD funding in January 1970 to the date of sale of the first parcel for private redevelopment in August 1971. Mr. Oliver feels that NDP "enabled the Agency to rapidly execute the first phase of redevelopment in the nine-block Action Area. . . . Such progress could never have been accomplished under the conventional urban renewal process."

Willows: The CBD renewal techniques being tried in Napa are being echoed in another small California city, Willows, which recently began construction of its downtown mall in a project encompassing two city blocks. The Mendocino Gateways Project, as Willows' renewal effort is called, will eventually involve more than one million dollars of federal and local funds. It will include 100,000 square feet of commercial space, developed by Art International of Sacramento; free public parking; and an open air, landscaped public plaza.

In 1965, the citizens of Willows asked the state department of housing and community development to study and make recommendations for the city's impoverished CBD. In 1966, Willows created an LPA and applied for survey and planning funds from HUD. In June 1968, part one of their loan and grant application was approved. It was not until early this year that work began on the mall.

Willows has proceeded with demolition in the downtown area in a novel fashion. The division of fire service training in the California State Department of Education has been using the buildings for fire fighting practice for more than 200 trainees, thus demolishing them at little cost to the city.

The Willows project has taken more than twice as long as the Napa effort to get off the ground. Floren V. Boone, director of the Willows Community Redevelopment Agency, feels that much of this problem lies with HUD. According to Mr. Boone, "one of the great difficulties of the small communities is adapting to a program designed for the metropolitan city." He feels that it is unrealistic to expect Willows to have the same problems and to be subject to the same procedures as much larger cities, like San Francisco and Sacramento. Small communities, he says, involve total renewal. Unlike larger urban areas, it is difficult to isolate one small sector of blight for redevelopment, "for what you do in any geographical area has an overall effect on the community and its people."

Between Willows and Napa lies a population spread of 30,000 people, and this may account for the differences in the administration of their renewal efforts. HUD's definition of a small city is a community of 50,000 inhabitants or less, but according to Mr. Boone, "there is less of a common denominator between the 10,000 population and 50,000 population than exists between the 50,000 population

and 500,000 population of cities." He feels that HUD has been very cooperative in the Willows project, but points out "that alone is not the solution . . . small communities need a program oriented to their needs and circumstances."

HOPKINS, MINNESOTA, USES NEW RENEWAL TECHNIQUES

Hopkins, Minnesota, a small city of 13,000, 10 miles from Minneapolis, is the first Minnesota municipality to use a technique for funding urban renewal projects, passed into law by the state legislature over two decades ago. Called the "local approach to urban renewal," according to Terry Novak, city manager of Hopkins, the idea enables a community to finance projects through tax increments instead of by using federal funds. Hopkins is also one of three municipalities in Minnesota to be given powers to declare land "development districts" for the purpose of renewal.

The city has already financed a 161-unit, 11-story apartment building in its downtown using the *tax increment concept.* Construction of the 2.5 million dollar, Section 236 project began in April 1971. In March of the same year, Hopkins broke ground for 2.2 million dollars worth of senior citizen housing. The city is now in the process of developing land in the downtown as a parking lot, using the *development district concept.*

The *tax increment* funding legislation was promulgated in the Minnesota Renewal Statute MSA 462 as long ago as 1949; yet, Hopkins is the first municipality to take advantage of the law. Tax increment financing enables a community to fund urban renewal through a source other than the limited federal dollar renewal pool. The key is "tax anticipation borrowing," according to Mr. Novak. By this he means that the redevelopment agency can "borrow money to finance the 'write-down' and repay that money over a period of years from the increased property tax proceeds derived from the new development on the site." The local school district, which shares 65 percent of the local taxes, will receive the increased proceeds once the renewal bonds have been paid off. In the meantime, the city and the school district will continue to be paid the tax revenues that they had been receiving before the improvements were made.

Hopkins has used the *tax increment* technique together with a second tool, the *development district,* to accomplish its renewal goals. The city, along with Minneapolis and Robbinsdale, was empowered to establish development districts by the 1971 Minnesota legislature. Such areas are separate from federal renewal project designations and need not be declared blighted, an important psychological advantage, according to Mr. Novak. According to the law, cities can condemn land in designated development districts for parking structures, pedestrian walkways, underground concourses, and special lighting systems. Hopkins is using its first development area for a parking lot to serve the downtown business district and they are financing the project through tax increment funding.

Mr. Novak feels that these tools give Minnesota communities a valuable alternative to the federal urban renewal program. Since renewal dollars are limited, tax increment funding enables municipalities to take advantage of a new financing source. It also frees communities from time consuming federal negotiations and approvals. According to Mr. Novak, if the city's Section 236 housing project had been funded through the renewal program, Hopkins would barely be past the survey and planning stage now. Instead, they are well on their way toward a brand new building.

MODEL CITIES REVIVES RURAL GEORGIA COMMUNITY

Alma, a tiny rural community of 3700 inhabitants on Georgia's coastal plain, is a model city in more ways than one. It is the smallest community in the nation to be chosen for the model cities program and, along with Bacon County, in which it is located, the only county-wide program in the United States. It was one of the first municipalities in the country to sponsor a congregate housing facility with public housing funds (see 1967 JOURNAL No. 9, page 511). Alma not only has a model cities program but also urban renewal, neighborhood facilities, and public housing, not to mention funds from many non-HUD sources. The purpose of all this activity, local officials claim, is to reverse the town's declining population trend and to literally keep Alma's citizens "down on the farm."

One reason local residents have been leaving this rural community is that economic opportunities appear greater elsewhere. If the Alma model cities program has its way, that won't be true in the future. Capitalizing on the county's fertile soil, model cities has granted $25,000 to a local group, the Georgia Blueberry Asso-

ciation, to develop 2000 acres for cultivation in Bacon County by 1980. This program alone could yield the participating farmers up to $500 an acre. In the fall of 1971, the Economic Development Administration announced that it would provide $343,200 to supplement model cities funds for a 200-acre industrial park. In the summer of the same year, the Federal Aviation Agency announced that it would provide over $100,000 to finance 50 percent of the cost of an expanded Alma airport; model cities and state funds will provide the other half.

When the Senate rural development agriculture committee toured the nation in the summer of 1971, they were greeted by devastating poverty and acute economic depression at most of their stops. When they reached Alma, however,[1] * * * posed of local church leaders and bankers, has received HUD approval for 12 units of middle-income garden apartments on a 5.2 acre site. Construction of the units recently began.

Both of these two housing efforts were financed in part through the city's urban renewal program, which wrote down acquisition costs and helped pay for site improvements. Forrestal Heights is located in the city's first urban renewal project area. The LPA, faced with serious relocation problems, took advantage of HUD's "early land acquisition" program. They developed a site that had a light relocation load and built the Forrestal Heights project on it. Now they will use the public housing units to relocate families from the rest of the renewal area.

Relocation has been an important component of the Beacon renewal program. When redevelopment began seven years ago, there was no subsidized housing at all in the city. Surveys showed, however, that many families, a large proportion of which are black, could not afford market rents for apartments in the area. Raymond, Parish and Pine, the planning consultants advising the city, made clear that without a comprehensive housing program for Beacon, renewal could not proceed.

Forrestal Heights and the Unity Interfaith Housing Corporation are the first two such housing efforts. The city wants to provide "the broadest possible spectrum of relocation housing," according to Mr. McGill, and they are planning 30 townhouses under Section 235, as well as unsubsidized units and single-family lots for families wishing to build their own homes. All in all, the redevolpment agency hopes to develop over 900 new housing units in their first urban renewal effort. The city has also been working with the state Urban Development Corporation to build 190 middle-income apartments on a site overlooking the Hudson River and to develop 50 acres of surplus institutional land in the city for housing and industry.

Although new housing is the cornerstone of the renewal program, Beacon has mapped out ambitious industrial and commercial redevelopment plans. An industrial firm that has been in the city for many years recently moved out of its antiquated plant into a modern, enlarged structure under the auspices of the renewal program. The city is also trying to refurbish its downtown and make it competitive with outlying shopping areas through increased parking space, street improvements, and more sites for stores and offices. The key to the downtown renewal plan is a new access road linking the city to the interstate highway. Plans also include the development of park land and improved waste disposal systems. Construction is now under way on the renewal project.

Beacon's success can probably be attributed to an active and aggressive city leadership that includes not only elected officials but appointed staff as well. The municipal government reflects a bipartisan and especially representative approach. The mayor and the chairman of the renewal agency are from opposing political parties. Many of the renewal officials are black, giving this large segment of the city's population an identification with the program. The renewal board reflects a cross-section of the community. This strong public representation in all phases of government is one reason why Mr. McGill feels that the renewal program, resisted at first because of fear of federal intervention, has been given enthusiastic acceptance now. He points out that "in the early stages of our program there was an agreement by civic leaders that there were compelling reasons to save the old city."

Beacon had learned several important lessons from their experience. They saw that renewal is an extended process that works best when there is "long and personal attention to every detail," according to Mr. McGill. The importance of details is reflected not only in their successful relocation program but also in their insistence on high architectural quality in all new housing.

The city also learned that it is best to tackle difficult problems directly and that they cannot be swept away. Only when the redevelopment agency met the relocation problem head-on, was it able to deal with it effectively. Relocation

[1] Exhibit, as submitted. — Ed.

opened up another serious issue -racial discrimination, which the renewal officials also attacked forthrightly. Beacon has tried to disperse housing sites and to mix units by income, age, and race. Now black families are purchasing homes in white sections of the city and the Forrestal Heights project, which reflects a mixture of age and racial groups, is so far working out successfully.

The Beacon renewal agency discovered "that fear of the unknown" is often a dominant problem in a small community, according to Mr. McGill. The Forrestal Heights project includes the city's first highrise: a 10-story structure. Resisted at first, the attractive building is now a source of pride to the community.

The "ruggedly individualistic citizens of Beacon," as Mr. McGill characterizes them, were also leery of the unknown of involvement in federal programs. It took courage and effort for the city fathers to persuade them that the alternative to public help could very well be rising taxes, which nobody wanted. According to Mr. McGill, "Beacon's experience has shown that only through taking advantage of every federal and state program can the required level of financing be made available," to give small cities their needed rebirth and make them once more a part of the economic mainstream.

Mr. KLUCZYNSKI. Any comment, Mr. Corman?

Mr. CORMAN. I have just one question to ask.

Do you have any figures as to where most of those municipalities of 50,000 or less are located? Are they in metro areas or nonmetro areas?

Mr. MAFFIN. I would suspect in the total aggregate they would be outside the standard metropolitan statistical areas. I am talking about under 50,000.

Mr. CORMAN. In population. In other words, taking all of the people of the United States who live in municipalities of 50,000 or less, you think that more of those would live in nonmetro areas?

Mr. MAFFIN. As units of government, yes.

Mr. CORMAN. I am thinking about in total population?

Mr. MAFFIN. In total population, I would suspect that the SMSA's act for around 65 or 70 percent of the population. The central cities, of course, are a predominant percentage of that number.

But I believe, if I understand your question of cities under 50,000, just in sheer numbers, probably more of them would live in cities of under 50,000 in the SMSA's, than live outside. I would not swear to that. But in terms of numbers of units of government, obviously not.

Mr. CORMAN. Thanuk you very much.

Mr. HUNGATE. No questions, Mr. Chairman.

Mr. BERGLAND. No questions, Mr. Chairman.

Mr. STANTON. No questions, Mr. Chairman.

Mr. KLUCZYNSKI. Thank you. It has been a pleasure to have you before this committee. Your testimony will be very helpful to us when we have our executive session.

Mr. MAFFIN. Thank you very much, sir.

Mr. STANTON. Mr. Chairman, I would like to point out that this is especially good testimony here and it is in contrast with the previous witness.

Mr. KLUCZYNSKI. We will have the members of the subcommittee read that and make sure they know what your positions are.

Thank you ever so much for being with us.

Mr. James Gavin, executive director of the National Federation of Independent Businesses will appear tomorrow morning before this committee.

We will recess until 10 o'clock tomorrow morning.

Thank you for your cooperation.

(Whereupon at 12 noon, the subcommittee recessed to reconvene at 10 a.m., Wednesday, May 3, 1972.)

THE FUTURE OF SMALLTOWN AND RURAL AMERICA: THE IMPACT ON SMALL BUSINESS

WEDNESDAY, MAY 3, 1972

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON SMALL BUSINESS PROBLEMS
IN SMALLER TOWNS AND URBAN AREAS OF THE
SELECT COMMITTEE ON SMALL BUSINESS,
Washington, D.C.

The subcommittee met, pursuant to recess, at 10:05 a.m., in room 2359, Rayburn House Office Building, Hon. John C. Kluczynski (chairman of the subcommittee) presiding.

Present: Representative Kluczynski.

Also present: Representative Hungate of the full committee; Donald B. Roe, subcommittee counsel; John M. Finn, minority counsel; and Myrtle Ruth Foutch, clerk.

Mr. KLUCZYNSKI. The hearings will come to order.

The Subcommittee on Small Business Problems in Smaller Towns and Urban Areas today continues hearings on the future of small town and rural America, the impact on small business.

We were all extremely sadden to learn of J. Edgar Hoover's death yesterday. It is my information that the Speaker has invited Members to be present at the Capitol this morning for special ceremonies. Our first scheduled witness this morning, Hon. Earl L. Butz, Secretary of the Department of Agriculture, has also informed us that the White House has requested his presence at the Capitol.

Therefore, today's hearings will be postponed until a date to be announced.

However, since two of our witnesses are already here, we would like to receive their written statements for the record.

The first witness this morning will be Mr. Gavin, the legislative director of the National Federation of Independent Business.

We are sorry that we were not able to hear Mr. Gavin yesterday. Is Mr. Gavin here?

TESTIMONY OF JOHN MOTLEY, CONGRESSIONAL LIAISON, NATIONAL FEDERATION OF INDEPENDENT BUSINESS

Mr. MOTLEY. I am John Motley, congressional liaison for the National Federation of Independent Business. Mr. Gavin was unable to be here, and I am representing him.

Mr. KLUCZYNSKI. I understand Mr. Gavin has a prepared statement. Hearing no objection it will be made a part of the record in its entirety.

(The statement referred to follows:)

STATEMENT OF JAMES A. GAVIN, LEGISLATIVE DIRECTOR, NATIONAL FEDERATION OF INDEPENDENT BUSINESS

Mr. Chairman and distinguished members of the Committee. I am James A. Gavin, Legislative Director of the National Federation of Independent Business. In behalf of our 310,000 member firms across the country, I wish to thank you for this opportunity to testify on the future of small, independent business in rural America.

The National Federation of Independent Business, founded in 1943, has grown into the largest single member business organization in the United States. Our member firms represent a true cross section of the nation's small business community—retailing, wholesaling, manufacturing, contract construction and the service trades.

Small business, I'm sure everyone present would agree, plays a vital role in the American economy. A graphic demonstration of this can be obtained by examining the important part played by N.F.I.B. members in the economies of the various states represented by the members of this Committee.

In those 17 states the Federation has 157,152 member firms. They employ 1,135,676 people and have average gross annual sales of approximately $25.9 billion. A state-by-state breakdown of these figures is attached for the Committee's appraisal.

THE RURAL CRISIS

During a more simplistic era of America's past, one of her greatest philosophers and statesmen, Thomas Jefferson, could look at the nation he had helped to create and confidently remark that the basis of her present and future success was the "yeoman farmer." He viewed this hardy class as the social and moral fiber of the nation—its guarantee against the spread of the decay and decadence that infested the moribund society of the Old World.

What Jefferson saw was a self-sufficient, rural society. Its basis was cheap, plentiful land, which allowed its members to control the means of production and the wealth created by their labor.

Of course, our third President was not able to foresee that the American Industrial Revolution, the ultimate source of our wealth and power, would drastically rechannel the course of national development. It caused fundamental shifts in the pattern of growth, and had a profound effect upon the social, political and moral attitudes of its people.

The rapid and uncontrolled industrial development of the United States was a severe blow to the pride and economic well being of its rural inhabitants. Within a short time it had transformed the landscape and quickened the pulse of the nation. It sired the birth of massive urban centers, elicited dismay and marvel over the efficiency of its assembly lines and glorified those who kept them well oiled and running. But, at the same time, it demeaned the rural American as a hayseed and transferred his political and economic power to a relatively small group of successful entrepreneurs. In short, it replaced Jefferson's "yeoman" farmer" with the business orientated heroes of Horacio Alger.

Rural America's answer to this threat was Populism—a socio-political movement that looked back to the "good old days" for its inspiration. But Populism, which was more of an emotional crusade than a well organized political campaign, could not muster the strength needed to halt the march of progress. During its short lifespan it raised the eyebrows of a few politicians, but it soon disappeared from the political scene without noticeably altering the process of industrialization.

Dismayed by their own weakness and inability to change this situation, rural Americans despaired, and helplessly sat back to watch as a dangerous phenomenon—outmigration—gradually altered the basis of their lives and livelihoods.

The corporate policy of the day tended to concentrate the nation's major industries in a few economically advantageous areas, and, as this trend continued, good jobs in rural America grew scarcer and scarcer. Soon, young men and women began to realize that it was impossible for them to make a decent living in the countryside, so they began to move to the city in increasing numbers in the hope of securing steady, well paying employment.

This flow of young adults into our urban centers has continued unabated over the past century, but in recent decades it has reached crisis proportions, seriously

eroding the already weakened balanced between urban and rural life and threatening the very fabric of American society.

While the population of the United States has doubled since 1900, and that of our cities has grown by approximately 350%, vast stretches of rural America have been steadily depopulated. According to the latest census, over one half of all the counties in the United States lost inhabitants during the last decade. In 1950, 36% of the nation's population lived in the countryside; by 1960 this had dropped to 30%; and by the end of the last decade it stood at only 26%. The 1970 census also gloomily points out that nearly 74% of our citizens live on only 2% of our land.

A more detailed examination of these statistics will clearly show that the rural crisis is much more ominous than it appears on the surface. Numbers alone do not tell the full story, because those that are migrating—the young adults—are its lifeblood and its future. Since 1945, over twenty-six million young Americans have deserted the rural areas of the country to seek a better way of life in our urban centers. Some of them, undoubtedly, were bored with their small town. agrarian existence, but the majority simply realized that the economic facts of life left them no choice.

This distressing situation is attested to in a letter N.F.I.B. received from a concerned young man in Utica, New York. He writes:

"I live in a town, though not that small, that is definitely plagued by this condition. There is no industry; young men and women leave the area by the droves upon the completion of high school, mostly because there are no jobs and little hope of business opportunity.

"I am 24 years old, a college graduate, and like the others will soon be forced to leave the area. I don't wish to do this, as I believe the central New York area has tremendous potential, and I really love it. I want to stay and I want to start my own business. I have several ideas, but I am running into many problems that seem insurmountable."

A recent article in *U.S. News and World Report* quotes another young, college student from Cumberland, Maryland, in much the same vein. He said "I was born and raised here. But there aren't any jobs. If I could find work, I'd like to stay—but I can't, I'll have to leave."

The older residents of rural America are also very concerned about the continued exodus of their children to the cities. A mother of six from Wisconsin writes that she, "would like to know what it is all about. I have three children wanting to leave and three already gone." And an N.F.I.B. member from rural Mississippi flatly states that, "many young people have to leave our area each year because of a lack of job opportunities. Most of them would prefer to stay in a rural type area."

The real tragedy of this deplorable situation is that most of these young migrants simply do not want to leave their friends and families. And once they experience the impersonality of city life, with its crime, pollution and overcrowding, they long to return to the fond memories of their childhood and adolescence.

This desire is expressed aptly by a young couple from Allen Park, Michigan. who write:

"We are from a small town in south central Texas—Three Rivers. We left because jobs and money were more plentiful elsewhere. We would very much like to go back and settle there if possible."

The same sentiments are contained in a letter from a young man from Corpus Christi, Texas, who write N.F.I.B. that he worked "for a very large corporation" and was "concerned about the exodus of young people to the cities" He intends to go "back to a small town and start a business."

Many older migrants also have the same desire. A New Mexico man who left his home town some time ago comments:

"I grew up in a small farming area town in Kansas. I left my home town because of the lack of opportunities there in the late 1950's.

"However, I would like to return now, if there are any chances of earning a living for my family."

Rural outmigration has been a very personal and sorrowful experience for countless thousands of American families, but, unless the flow is stemmed soon, the hardships and broken homes it created in the past will be insignificant in comparison to its future impact. Recent predictions of the nation's future growth pattern pessimistically point out that by the year 2000 nearly one hundred million more Americans are expected to move into our already overcrowded cities.

This phenomenon, which by itself is frightening, has and will have profound and far reaching effects upon all aspects of rural life.

The most obvious is that rural communities will be faced with the nearly impossible task of satisfying increasing demands for more adequate social services with the revenues they can squeeze out of a continually shrinking tax base. Their residents, who have long endured the hardships of an agrarian based existence, are becoming more and more impatient, especially when they compare their life style with that of their urban neighbors.

Such common urban services as running water, electricity, sewers and decent public transportation are undreamed of luxuries in rural America. In addition, much of its housing is substandard, and, because of exposure to the elements, badly in need of repair.

Rural poverty is also a serious problem. Although only a quarter of the U.S. population lives in the countryside, half of the nation's poverty-stricken citizens—about 14 million—reside there. In the cities, one person in eight is poor; in the suburbs, one in 15; but in rural America, the figures are 1 out of every 4. At the same time, the rate of unemployment in nonmetropolitan areas often exceeds by two or three times the rate in urban centers. And, when jobs are available, they pay less.

There is also a severe shortage of skilled professionals—doctors, teachers, dentists and lawyers—in rural America. Minimum levels of health care and education are becoming increasingly difficult to maintain, as the college trained sons and daughters of farmers and small town residents seek their fortunes in an affluent suburbia.

In addition to this already heavy burden, rural America is now attempting to weather a new crisis—one that seriously threatens the very foundation of its economic existence.

Over the past quarter of a century the family farmer has been slowly, but steadily, losing ground in his fight against nature, inflation and a determined corporate policy. In 1945, there were approximately six million farms in the United States, but by 1971, there were less than three million in operation—a decline of over 50%. During the same period, nearly 70,000 family farmers were forced to give up their livelihoods each year, adding their weight to the steady flow of people from rural to urban America.

The economic structure of rural America is based, to a great extent, on agriculture, and the distribution of wealth is closely related to the number of farms in operation. As one N.F.I.B. member from Rose Creek, Minnesota, puts it, "When agriculture does well it seems our whole economy prospers. The farm depression is driving many small businesses, and even larger manufacturers, out of business, or, forcing cutbacks."

This trend toward fewer and fewer family farms must be halted. If it is not, rural America will turn into a corporate wasteland.

The economic pressures caused by all these factors—outmigration, a shrinking tax base, and the decline of the family farm—pose a serious threat to the viability of rural and small town independent business. They have created a customer drain, causing many small firms to close their doors forever. It is no quirk of fate that nearly 73% of all the business failures in the United States during 1970 occurred outside the nation's metropolitan areas.

This situation is dramatized by an N.F.I.B. member from rural Texas, who writes:

"Our area where we now live is in need of some kind of industry. I know for a fact from talking to the great majority of business people here that they are willing to work and cooperate in every possible way to bring any kind of industry into the area. . . . This rural area town needs this badly, if something is not done soon, in the next decade. I'm afraid it will not be able to survive."

In every section of the country concerned communities, like the one in Texas, are trying desperately to find a solution to the same problem. As more and more people leave the land, their economic base shrinks, forcing local businesses to tighten their belts. Margins are cut and payrolls reduced, adding the final link to the vicious cycle of decline.

Businessmen realize that their communities must change their economic base to survive, but this is easier said than done, because the same factors that caused the problem make it even more difficult to solve. Executives of corporations sometimes practice philanthropy, but they are extremely reluctant to locate new plants in depressed rural areas. Lack of transportation, and inadequate supply of trained labor and many other disabilities simply make such a move *poor business*.

THE URBAN IMPACT OF THE RURAL CRISIS

Mr. Chairman, while it is not completely germane to the Committee's inquiry, the Federation feels that a brief discussion of the urban impact of rural outmigration will help place the entire subject in a clearer perspective.

While the rural problems resulting from this massive population shift have long been apparent, the seriousness of its urban impact has just recently emerged with a shattering effect. During the past few years the plight of the nation's metropolitan centers has been widely publicized, and Congress has devoted a great deal of its time and energy to the difficult search for a viable panacea.

America's cities, once the marvel and envy of the western world, are in serious trouble. They are plagued with crime, pollution and overcrowding, and many of them are saddled with huge deficits, with little or no prospect of ending the flow of red ink, simply because their outlays for vital community services far exceed their ability to raise revenue.

Natural growth can be blamed for part of their dilemma, but the real culprit is uncontrolled industrial development. It has deprived the nation of sorely needed economic balance, and opened the floodgates of rural outmigration. Our urban centers have literally been forced to absorb and assimilate millions of young, unskilled migrants, and the rising cost of providing them with adequate education, housing, transportation, health care and welfare benefits has pushed them to the brink of financial disaster.

Recent studies of the effect of this migration on ninety-four large U.S. cities clearly shows that its cost is appalling. In 1960 alone, before the inflation of the last decade, this phenomenon placed a net burden of at least $2.5 million on each of these cities. The median net cost per migrant—to provide him with community services—was *NINE* times greater than per city resident. In many cases, urban governments can never recoup these losses, because the migrant, after becoming discouraged by the lack of opportunities in a particular city, simply moves on to try his luck in another.

Because of this obvious interaction, the Federation feels that the problems of urban and rural America are inseparable. And, we strongly believe that the root cause of the former can be found in the economic dislocation that is occurring in the latter. Therefore, we are convinced that any attempt to serve the urban crisis is doomed to failure, unless some way is found to arrest the flow of migrants from rural America.

SOLUTIONS

The Negative Approach

The National Federation of Independent Business is, and has been for some time, deeply concerned about the plight of rural America. Over the years we have invested a good deal of time, money and effort in the search for a viable solution to this dilemma, yet, even during periods of complete frustration, we never gave up hope in the ultimate success of our cause. Because of this, we find the recent negative approach espoused by The Commission on Population Growth and the American Future totally unacceptable.

The Commission's recommendation, contained in Part III of its report, *Population and the American Future*, is as follows:

"In chronically depressed areas, it may sometimes be true that the prudent course is to make the process of decline more orderly and less costly—for those who decide to remain in such areas as well as for those who leave. . . . In that event, the purpose of future investment in such areas should be to make the decline easier to bear rather than to reverse it."

Although the Commission's Report qualifies this position by establishing the feasibility of economic development as a criterion, it is defeatist in attitude and extremely depressing. It makes several suggestions aimed at improving the lot of those who are forced to move to find work, which is good, but, in the same breath, it accepts rural outmigration as an unalterable fact, which means that it has found no solution for the problem. Instead, it is content to offer halfway measures to ease the impact of dislocation, a stand that does nothing to head off the growing crisis.

Only once, when it states that, "a superior approach may be to create new jobs nearer to or within the declining rural areas," does the Report come anywhere near recognizing the heart of the problem. But, then it turns right around and suggests that this expanded employment should be concentrated, "in urban places located within or near declining areas," and that these centers should have, "a demonstrated potential for future growth," a policy which it admits, "could inadvertently produce overurbanization." "Overurbanization" is already a seri-

ous problem in the United States, so why even suggest a policy that could eventually make it insolvable?

In the Federation's estimation the Report of The Commission on Population Growth and the American Future leaves a great deal to be desired in its analysis of the rural crisis. Not only does it fail to address itself to the proper questions, but its suggestions are negative in nature and, in many instances, self-defeating. In addition, it offers absolutely no hope at all to those rural inhabitants who wish to remain on the land where they were born and raised.

Positive Approaches

Balanced development has always been a primary concern of rural residents and the legislators who represent them in Washington. But, until recently, they have had to wage a very lonely fight in the halls of government, because other special interests, including business and labor, failed to realize the growing magnitude of the rural crisis.

A sign of the changing atmosphere in the nation and its capital is the recent formation of the Coalition for Rural America and its sponsorship of the unique Ad Hoc Committee. The latter is a discussion group that shares similar interests without any formal affiliation to the Coalition. It includes not only the Federation, but the AFL–CIO, NFO, Independent Bankers and a host of other diverse organizations.

Significant also is that rural problems are receiving more and more attention from urban Congressmen. Many of them are beginning to realize that the ultimate cause of their own District's problems lies outside the city's limits. This is vital, because their cooperation is necessary for passage of any important reform legislation.

During the last few sessions of Congress, many members of both the House and the Senate have introduced bills aimed at correcting the problems of rural America. All of these proposals, from rural revenue sharing to a rural development bank, are positive in their approach and, as such, are commendable. But, all of them, without exception, simply don't go far enough. They deal with the visible symptoms of the disease, rather than with the disease itself.

A good example of this is the recently passed Rural Development Act. Its primary goal is to reduce the impact of inadequate community and social services in declining rural areas by increased funding of tested Federal programs. While this is needed to ease the hardship of rural living, it does little to attack the cause of these inequities—an insufficient and continually shrinking tax base.

The only way to accomplish this is to first, halt, and then, reverse the flow of out-migration. While this will not be an easy task, it is not impossible, and it behooves us to realize that we cannot expect an overnight change in a situation that we have allowed to develop uncontested for more than a century.

The economic base of rural America must be altered and strengthened, and we must actively seek the balanced development that is needed to make this a reality. As a first step in this direction, we must dedicate the nation's resources to the creation of steady, well paying, jobs in our nonmetropolitan areas.

Jobs are the key. Without them, millions of young, rural Americans will be forced to move to our cities to find satisfactory employment.

If we do not provide them with jobs, we will not have to worry about improving rural housing, sewerage, transportation, education and medical care, because, eventually, there will be very few residents left to take advantage of these benefits.

The creation of employment opportunities in these economically depressed areas is a difficult challenge, simply because knowledgeable businessmen are extremely reluctant to take the enormous risks involved in this type of a venture. In other words, they have to have some reasonable assurance that their efforts will stand at least a 50–50 chance of success.

Yet, even though they are presently faced with many trying obstacles, such as, poor transportation and services, an unskilled labor force and inadequate financing, many established firms and individuals are seriously considering moving to rural locations. A prime example of this trend is Waveline, Inc., an electronics firm in West Caldwell, New Jersey. Its President writes:

"Waveline, Inc., a manufacturer of electronic equipment is seriously considering a move to a new location. We are currently located in an industrial area about nine miles northwest of Newark, N.J.

"Although several possible locations have been examined, we are also considering rural re-location . . .

"Waveline operates in two locations, the second being Cheshire, Conn., with a total employment of 225 persons. Annual volume is in excess of $3,000,000."

The impact of a company the size of Waveline re-location in a rural town would probably mean the difference between continued decline and survival. It would create 391 new jobs, 252 new households and enough business for nine new retail establishments. Population would increase by 666, personal income by 1,341,000, bank deposits by $607,000 and retail sales by $810,000. In addition, the community's economic base and tax structure would be significantly changed, enabling it to provide more services for its residents.

Although less startling, there are other examples. A contractor from metropolitan New York, writes:

"Right now I am in industrial and commercial building doing most of my work on Long Island.

"But not enjoying it to the fullest, I have talked to my family about leaving Long Island and starting somewhere else.

"I would like to start a business in the country, this is why I am writing and asking you for your help and advice."

And a former salesman for an international corporation declares:

"I have been doing my utmost to locate an existing business to buy in a rather small Michigan town . . . So far this has been easier said than done, though I'll keep at it until I find what I think I'm looking for.

"Spent twelve interesting years in international sales and marketing management. Made more than a good living at it, but found that the more I traveled, the more I needed to travel. Always did want to own and operate my own show; saved my bonuses, burned by passport and resigned by job. That was last March, and I'm still looking for a business.

These are just a few of the many thousands of requests that NFIB has received concerning the opening or relocating of businesses in rural America. (A selective list of some of these firms appears in Appendix II.) Because of this, we strongly feel that balanced industrial development is a feasible solution to the urban-rural crisis. All that is needed is time and a commitment by Congress to give these willing business people a reasonable chance of success.

The means for acheiving this goal, the Rural Job Incentive or Development Act (H.R. 5190 and H.R. 5603, respectively), has been before Congress for a number of years. Its chief sponsors are Congressman Keith G. Sebelius, of Kansas, and the esteemed Chairman of this Committee, Congressman Joe L. Evins, of Tennessee.

Basically, this legislation attempts to give a new enterprise locating in rural America a reasonable chance for success. It balances the heavy risks involved in this decision with tax incentives designed to assist it through those first few critical years—a period that usually make or breaks a new business. The logic behind its approach is based on a proven principle—that tax policy does, in fact, influence the course of business investment.

With this in mind, it seems to provide a judicious blend of private initiative and public responsibilty.

This approach also has the added attraction of being negligible in cost. It requires no new massive outlays of Federal tax dollars. Instead, the available evidence strongly indicates that these new businesses, along with the jobs they would create, will provide the United Stated Treasury with a net revenue gain. Granted, those firms that are eligible will take advantage of these tax incentives, but this should not place a drain on the Treasury, because they are now non-existent. The Treasury cannot lose what it never had.

The bill, as now written, also provides safeguards for urban jobs. It clearly states that no company can qualify for these tax incentives if it diminishes operation or employment in an existing location by opening a branch or building a new facility in rural America.

Although this worthwhile legislation has been before the Congress for several sessions, it has just recently received the attention it merits Almost a year ago the Federation with great success, mounted a campaign aimed at increasing Congressional awareness of the bill. To date, it has attracted the support of 198 Members of the House and 58 Senator, but, unfortunately, the Committee on Ways and Means has not held hearings as yet. We hope they will be able to do so in the future.

NFIB, its member firms, and the small business community have long supported and shown a strong preference for the tax incentive approach to rural development, and a recent survey of the Federation's Advisory Council enforces this stand. The tabulation shows that 95% of the respondents support this legis-

lation. In addition, 96% of them state that they would not object to the new competition created by the bill as long as new jobs came into their area. The questionnaire also explains that additional employment would probably mean higher taxes to pay for expanded community services, and, somewhat surprisingly, almost 81% answered that they felt this would be acceptable.

A few sample comments from the businessmen participating in the survey will emphasize how strongly they feel about this legislation.

A small stationer from Alaska writes:

"In my opinion, this is the best thing along this line that has been presented. I hope it passed so we can show them how free enterprise can solve some of our problems if given an opportunity."

The owner of a fuel oil distributorship in Goldsboro, North Carolina, declares:

"This makes more sense to me than any program introduced to date to more equitably spread our population and reduce the urban inner-city problems. It appears logical that the large pollution centers would be helped and the welfare rolls diminished by a de-centralization of industry. At the same time this legislation would provide a larger tax base for many small towns to handle *local* problems that might occur."

Somewhat in the same vein, the Vice-President of a Iowa bank writes:

"I believe all efforts should be expended to improve areas in 'Rural America' so industry would be encouraged to locate away from metropolitan areas. People would then be encouraged to locate away from metropolitan areas. People would then be encouraged to move to rural areas, where jobs would be available. This would certainly tend to relieve some of the pressures in the highly populated areas and everyone would benefit."

The owner of a concrete product manufacturing plant in upper New York State comments:

"This certainly would be worth trying. Young people are leaving rural areas due to lack of jobs. Many small stores are closing up due to people moving closer to the cities to find work.

The president of a small service firm located in Michigan says:

"I believe our Federation is on the right track in pushing the rural development concept. The midwest region of the U.S. has been economically under pressure and programs like the 'Upper Great Lakes Regional Commission' have been *grossly* ineffective—they only produced 'studies and books' to my knowledge. This Rural Development is a forward-looking approach to the solution of many of our problems, i.e., crime, unemployment, pollution, etc."

A New Mexico retailer reports:

"Some aspects of the Evins bill have already been instituted by communities of New Mexico and it will absolutely work even in this and other states, if Congress will only enact legislation and give it a chance."

And finally, a Texas banker has no doubt that this tax incentive approach will work, commenting on a local effort as follows:

"In 1968, fifty-six local businessmen each invested in a local industrial corporation. Each man purchased $1,000 in stock and the money was used to purchase land and construct buildings for new industries. The local banks, the local savings and loan, and the Small Business Administration participated in these loans. To date we have three new industries employing 150 to 175 local people."

Mr. Chairman, we submit that if the preceding comments illustrate anything, it is that America's rural businessmen are deeply concerned with the economic plight of their communities—concerned enough to willingly shoulder their share of the cost of revitalizing them. But they cannot do it alone, so we strongly urge you to recommend to your colleagues immediate consideration and passage of the Evins-Sebelius bill.

A BRIEF SUGGESTION

Mr. Chairman, as a short footnote to our main testimony, the Federation would like to note, for the record, that there are three executive offices, ten cabinet departments, twenty-one independent agencies and eight special commissions participating in or administrating Federal programs to assist rural America. This is a commendable effort, but, unfortunately, it is largely ineffective, because of duplication and a lack of coordination or cooperation among these groups. In fact, red tape is so thick at times that a hard pressed community can be left to fend for itself while bureaucrats discuss interdepartmental jurisdiction and procedure.

N.F.I.B. feels that there is a relatively simple way to correct this distressing situation, and we, therefore, strongly urge this Committee to recommend in its report the creation of an Office of Rural Services to coordinate the Federal effort. In other words, there is need for a clearing house type operation—one that would disseminate information on rural-oriented programs and then assist communities to decide which approach is best suited to their particular needs.

The National Federation of Independent Business considers it a privilege to have had the opportunity to appear and testify before this distinguished Committee. We stand ready to be of assistance at any time in our mutual efforts on behalf of small business.

Mr. Chairman, should there be any question from the Committee regarding my testimony, I shall be happy to try to answer them.

Thank you.

APPENDIX I

	Total members	Number of employees	Average gross sales
California	28,137	176,796	$4,460,860,000
Colorado	5,327	29,253	626,605,000
Illinois	9,276	58,751	1,348,012,500
Iowa	8,306	56,321	1,411,395,000
Maryland	3,093	21,478	638,540,000
Massachusetts	8,103	82,872	1,746,427,500
Michigan	12,691	84,567	1,730,525,000
Minnesota	8,357	77,607	1,775,540,000
Missouri	6,866	44,916	1,035,722,500
New Mexico	1,849	15,292	320,027,500
New York	19,511	116,106	2,752,967,500
North Carolina	7,087	57,367	1,205,540,000
Ohio	13,139	102,847	2,048,640,000
Oklahoma	6,510	35,676	885,590,000
Pennsylvania	12,031	105,214	2,324,555,000
Rhode Island	1,078	11,336	164,340,000
Tennessee	5,791	59,277	1,370,125,000
Total	157,152	1,135,676	25,845,412,500

APPENDIX II.—FIRMS AND ORGANIZATIONS INTERESTED IN RURAL JOB DEVELOPMENT

Allied Biocide, San Diego, Calif.
Bobsen Building Co., Oceanside, N.Y.
Burlington Clinic, Burlington, Ind.
CCB Electronics, York, Pa.
California Farmer, Fresno, Calif.
Communitarian, Providence, R.I.
County Electric, South Egremont, Mass.
Elliott-Newton, Inc., Sikeston, N.Y.
Entertainment Products Group, Batavia, N.Y.
Farmer Land Exchange, Shawnee, Okla.
First City Mortgage Co., Dallas, Tex.
First Presbyterian Church, Ferriday, La.
Geyer and Hollister Assoc., Delmar, N.Y.
Harrison News-Herald, Cadiz, Ohio
Hendricks Products, Reno, Nev.
Holmen-Halfway Creek Lutheran Church, Holmen, Wis.
Home Mart, Rolling Prairie, Ind.
Inter-Lakes Community Action, Inc., Madison, S.D.
J. Elliott Lormand Assoc., Baton Rouge, La.
Karfax Industries, Scotia, N.Y.
Kesel Assoc., Rochester, N.Y.
Luzerne County Planning Commission, Wilkes-Barre, Pa.
Marquette Medical Center, Marquette, Mich.
Mason County Indusirial Development Corp., Ludington, Mich.
Memorial Hospital, Uvalde, Tex.
Mid-South Supply Corp., Monroe, La.
Mohawk Valley Community College, Utica, N.Y.
Noranda Aluminum, Inc., New Madrid, Mo.
North Carolina State University, Greensboro, N.C.
Ohio Power Co., Minerva, Ohio
Ohio State University, Canfield, Ohio.
Paterno Pro Hardware, Lamoni, Iowa.
P.R.I.D.E. in Logan County, Logan, West Virginia
Property Management Consulting, Palm Springs, Calif.
Queens Devices, Inc., Long Island City, N.Y.
Rensselaer Polytechnic Institute, Troy, N.Y.
Schoharie County Community Action Program, Richmondville, N.Y.
South Central Arkansas Community Action Authority, Camden, Ark.
The Williams Company, Stone Mountain, Ga.
Union Rural Electric Association, Inc., Brighton, Colo.
University of Kentucky, Lexington, Ky.
University of Maine, Orono, Me.
Vinton County Industrial Development Committee, McArthur, Ohio
Washington County Board of Supervisors, Fort Edward, N.Y.
Washington State University, Pullman, Washington
Waveline. Inc., Caldwell, N.J.
Wendell Tires, Studio City. Ga.
Wilson Building Contractors, Muncie, Ind.

APPENDIX III.—SUPPORTERS OF THE RURAL JOB INCENTIVE/DEVELOPMENT ACT

ALABAMA

Sen. Allen
Rep. Bevill
Rep. Dickinson
Rep. Nichols
Rep. Flowers

ALASKA

Sen. Gravel
Sen. Stevens
Rep. Begich

ARIZONA

Sen. Fannin
Sen. Goldwater
Rep. Udall

ARKANSAS

Rep. Pryor
Rep. Alexander

CALIFORNIA

Sen. Tunney
Rep. Gubser
Rep. Veysey
Rep. Johnson
Rep. Waldie
Rep. Leggett
Rep. Clausen
Rep. Talcott
Rep. Schmitz
Rep. McFall
Rep. Teague
Rep. Goldwater
Rep. B. Wilson
Rep. Van Deerlin

COLORADO

Sen. Dominick
Sen. Allott
Rep. McKevitt
Rep. Brotzman

CONNECTICUT

Sen. Ribicoff
Rep. Steele

DELAWARE

Sen. Boggs
Rep. du Pont

FLORIDA

Sen. Gurney
Rep. Fuqua
Rep. Sikes
Rep. Haley

GEORGIA

Rep. Brinkley
Rep. Hagan.
Rep. Stuckey
Rep. Mathis
Rep. Thompson

HAWAII

Sen. Inouye
Rep. Matsunaga

IDAHO

Sen. Church
Rep. Hansen
Rep. McClure

ILLINOIS

Sen. Percy
Rep. Kluczynski
Rep. Findley

INDIANA

Sen. Hartke
Rep. Hillis
Rep. Myers
Rep. Zion
Rep. Landgrebe
Rep. Roush
Rep. Hamilton
Rep. Bray

IOWA

Sen. Miller
Rep. Scherle
Rep. Culver

KANSAS

Sen. Pearson
Sen. Dole
Rep. Sebelius
Rep. Winn
Rep. Roy
Rep. Shriver

KENTUCKY

Sen. Cooper
Rep. Mazzoli
Rep. Perkins
Rep. Stubblefield
Rep. Snyder
Rep. Carter
Rep. Natcher

LOUISIANA

Rep. Caffery
Rep. Waggonner
Rep. Boggs

MAINE

Rep. Kyros
Rep. Hathaway

MARYLAND

Sen. Beall
Rep. Byron

MASSACHUSETTS

Rep. Harrington
Rep. Donohue
Rep. Hicks
Rep. Burke
Rep. Macdonald
Rep. Boland

MICHIGAN

Sen. Hart
Rep. Cederberg
Rep. Hutchinson
Rep. Harvey
Rep. Esch
Rep. Brown
Rep. Ruppe
Rep. Vander Jagt
Rep. G. Ford
Rep. Riegle
Rep. McDonald

MINNESOTA

Sen. Mondale
Sen. Humphrey
Rep. Nelson
Rep. Quie
Rep. Bergland
Rep. Zwach
Rep. Frenzel

MISSISSIPPI

Rep. Griffin
Rep. Colmer
Rep. Montgomery

MISSOURI

Sen. Eagleton
Rep. Burlison
Rep. Hull
Rep. Hungate
Rep. Ichord
Rep. Randall

MONTANA

Sen. Mansfield
Rep. Melcher

NEBRASKA

Sen. Curtis
Sen. Hruska
Rep. McCollister
Rep. Thone
Rep. Martin

NEVADA

Sen. Bible
Sen. Cannon
Rep. Baring

NEW HAMPSHIRE

Sen. McIntyre
Rep. Cleveland

NEW JERSEY

Rep. Helstoski
Rep. Howard
Rep. Roe
Rep. Thompson
Rep. Forsythe

NEW MEXICO

Sen. Montoya
Sen. Anderson
Rep. Lujan
Rep. Runnels

NEW YORK

Sen. Javits
Rep. Halpern
Rep. King
Rep. Robison
Rep. Terry
Rep. Scheuer
Rep. Hastings
Rep. Hanley
Rep. Kemp
Rep. Fish
Rep. Horton
Rep. Podell
Rep. Stratton
Rep. Lent
Rep. Rangel
Rep. Grover
Rep. Brasco
Rep. Conable
Rep. Smith
Rep. Rosenthal

NORTH CAROLINA

Sen. Jordan
Rep. Henderson
Rep. Broyhill
Rep. Jones
Rep. Mizell
Rep. Lennon
Rep. Taylor

NORTH DAKOTA

Sen. Young
Sen. Burdick
Rep. Link
Rep. Andrews

OHIO

Rep. Miller
Rep. Stanton, J. W.
Rep. Harsha
Rep. Ashley
Rep. Latta
Rep. Seiberling
Rep. Powell

OKLAHOMA

Sen. Harris
Rep. Albert
Rep. Steed
Rep. Camp

OREGON

Sen. Hatfield
Sen. Packwood
Rep. Ullman
Rep. Wyatt

PENNSYLVANIA

Sen. Scott
Sen. Schweiker
Rep. McDade
Rep. Williams
Rep. Nix
Rep. Johnson
Rep. Coughlin
Rep. Clark
Rep. Rooney
Rep. Flood
Rep. Eshleman
Rep. Whalley
Rep. Saylor
Rep. Yatron
Rep. Goodling

RHODE ISLAND

Rep. St Germain

SOUTH CAROLINA

Sen. Hollings
Sen. Thurmond
Rep. Gettys
Rep. McMillan
Rep. Mann
Rep. Dorn

SOUTH DAKOTA

Sen. McGovern
Rep. Abourezk

TENNESSEE

Sen. Brock
Sen. Baker
Rep. Evins
Rep. Jones
Rep. Quillen
Rep. Blanton
Rep. Duncan
Rep. Fulton
Rep. Baker
Rep. Kuykendall

TEXAS

Sen. Bentsen
Sen. Tower
Rep. Wright
Rep. Price
Rep. White
Rep. Archer
Rep. Pickle
Rep. Fisher
Rep. de la Garza
Rep. Purcell

UTAH

Sen. Bennett
Sen. Moss
Rep. McKay

VERMONT

Sen. Aiken
Sen. Stafford

VIRGINIA

Sen. Spong
Rep. Broyhill
Rep. Daniel
Rep. Downing
Rep. Robinson
Rep. Wampler

WASHINGTON

Rep. Adams
Rep. McCormack

WEST VIRGINIA

Sen. Randolph
Rep. Staggers
Rep. Slack
Rep. Heckler

WISCONSIN

Sen. Nelson
Sen. Proxmire
Rep. O'Konski
Rep. Obey
Rep. Thomson
Rep. Steiger
Rep. Zablocki

WYOMING

Sen. Hansen
Sen. McGee
Rep. Roncalio

Mr. KLUCZYNSKI. Thank you, very much.

Mr. KLUCZYNSKI. The next witness will be Mr. Aubrey J. Wagner, Chairman of the Board of the Tennessee Valley Authority.

Red, it is a pleasure to have you before us again, and the floor is yours. And you may proceed in any fashion you wish.

Do you have a prepared statement?

TESTIMONY OF AUBREY J. WAGNER, CHAIRMAN OF THE BOARD, TENNESSEE VALLEY AUTHORITY

Mr. WAGNER. Yes, Mr. Chairman. I have a prepared statement.

Mr. KLUCZYNSKI. Without objection it will be made a part of the record in its entirety.

(The statement referred to follows:)

STATEMENT OF AUBREY J. WAGNER, CHAIRMAN OF THE BOARD, TENNESSEE VALLEY AUTHORITY

I appreciate the opportunity to appear before this Subcommittee to discuss TVA activities as they relate to the economic strength of rural and small town America.

The Tennessee Valley region, which includes both the Tennessee River watershed and the areas outside it in which TVA power is distributed, encompasses an area of about 80,000 square miles of which about half is occupied by the watershed. The region is larger than the combined size of the States of Vermont, New York, New Jersey, Delaware and Maryland. It contains only seven cities having populations of more than 50,000 people. According to 1970 figures, 46 of the 201 counties in the region have cities with populations in excess of 10,000 people. Within the Tennessee River watershed there are only three cities with populations of more than 50,000 people and 89 percent of the Valley's citizens live outside of these cities.

Population of the region grew by about 9 percent during the past decade. The distribution of this growth within the region occurred as follows:

The 7 counties having cities with a population of more than 50,000 people in 1960 experienced a population gain of 14 percent.

The 30 counties with cities between 10,000 and 50,000 people in 1960 experienced a gain in population of 34 percent.

The 84 counties with cities between 2,500 and 10,000 people in 1960 experienced a population drop of 1 percent.

The 80 counties having no city as large as 2,500 people in 1960 experienced a population drop of over 18 percent.

During the decades of the 1940's and 1950's more than 1.3 million people migrated from the Tennessee Valley region. The rate of net outmigration has slowed considerably during the 1960's with only about 120,000 more people leaving the region than moving to it. From the standpoint of the work force, recent figures indicate that there has actually been a reversal in the migration pattern; there is now a net *in*-migration of workers to the region.

Outmigration during the 1960's was inversely correlated to population density. Counties in which there was no city with a population of more than 2,500 experienced nearly a 10 percent net outmigration rate, which declined to virtually zero in counties with cities in the 10,000 to 50,000 population bracket. Counties with cities over 50,000 people experienced a 1.2 percent net in-migration.

It is apparent from these statistics that the Tennessee Valley is not unlike many other areas of the country which are experiencing population declines and substantial outmigration rates in the more depressed rural areas. The region *differs from most others, however, in that it is experiencing both the greatest growth and the highest rate of growth in its smaller and medium-sized towns and their environs rather than in its largest cities.* According to available data, 63 percent of the increase in nonfarm employment in the Tennessee Valley region between 1967 and 1969 occurred outside of metropolitan areas. Nationally, the increase was only 21 percent. TVA believes that these types of growth patterns are healthy and should be fostered. Encouraging growth within small and medium-sized towns in rural areas not only strengthens them economically but tends to relieve pressures in metropolitan areas. In human terms, it means that workers in an industrial society can live in pleasant, uncongested surroundings with ready access to natural amenities and recreation opportunities rather than in the slum congestion that has too often accompanied industrial employment. TVA has developed a number of projects and programs which have as their central purpose the improvement of economic conditions and the quality of life in rural areas. We believe these actions have contributed to the strong growth rates in the smaller and medium-sized towns in the region.

One of TVA's major efforts in the strengthening of small towns is its Townlift program. The program is designed to revitalize existing communities so that they may be more attractive and satisfying places to live and work. It places a heavy emphasis on TVA's role as a conduit for technical information to the communities involved, but relies on the communities themselves to implement the needed changes. TVA provides technical assistance both by making available the services of its community and regional planners, economists, architects and engineers for preliminary planning, and by advising community leaders of other available public and private assistance sources.

Each community has its own problems. In some cases the downtown area may be deteriorating, in others traffic congestion may be serious and in some there may not be sufficient industrial areas available to attract new employment sources. Since 1964, when the Townlift program was initiated, TVA has discussed prospective Townlift programs with some 90 communities in the region and to date 15 of them have undertaken Townlift projects.

Pulaski, Tennessee (population 6,989) was one of the first cities to participate in the Townlift program. Its initial project was to refurbish the city square. Subsequently a program of individual storefront remodeling, interior renovations and relighting has been undertaken by local merchants and the county courthouse which occupies the center of the square has been completely landscaped. Local action of this kind builds enthusiasm that triggers other actions. In 1967, the city sponsored a community-wide beautification survey which resulted in a number of local beautification projects including one which was awarded a HUD open-space utilization demonstration grant.

Between 1967 and 1971, 16 new plants or plant expansions were announced for Giles County, in which Pulaski is located. When completed they will represent an investment of over $12 million and provide 930 industrial jobs. Per capita income in Giles County increased by 65 percent between 1965 and 1969 as against 43 percent for the Tennessee Valley region and 34 percent for the Nation.

A considerably broader Townlift program was initiated in Oliver Springs, Tennessee (population 3,405) in 1967. This southern Appalachian community has declined over the years as a result of reduced mining activity in the area and periodic flooding. Working with TVA the community prepared a comprehensive redevelopment plan which included a local flood control project, highway improvements, a park, a swimming pool, a waste water system, and a public housing project. A summary of the program and the various funding sources involved is attached to my prepared statement. Major TVA participation at Oliver Springs, apart from the planning assistance, involved the construction of Indian Creek Channel which was completed in 1970. The growth of this community since its Townlift program began has been remarkable. A new community bank has been built, three new residential subdivisions have been started, and 30 of the 165 new homes proposed for construction have been completed. Most important, a "can-do" enthusiasm and a renewed local involvement in community affairs has replaced the frustration and hopelessness that frequent floods and economic depression had created.

TVA's Office of Tributary Area Development is also involved in programs to help stimulate the economy of rural areas in the Valley. Under this program TVA cooperates with state agencies and citizens' development associations organized on the basis of sub-regions within the Valley. Initially the local citizens are encouraged to make a resource inventory covering the entire area to determine both what assets they have to work with and what their major problems are. Then plans are formulated to identify ways in which local resources might be more effectively utilized. In some cases these plans have identified water resource projects as being keys to the development of a region; in other cases different types of investment, public or private, have been identified as of first importance or as essential companion elements.

In the Elk River area, for example, TVA constructed the 10,700-acre Tims Ford Reservoir which was impounded in the late 1970. During the early planning for this project the Tennessee Elk River Development Agency (chartered under State law) and TVA worked closely together to identify opportunities which might maximize the economic contributions of the reservoir to the area. Although the reservoir has been in existence for only a little over a year, a privately financed $3 million resort and recreation complex is now nearing completion. On the shores of the lake, residential development is underway and plans for privately developed marinas, campgrounds and other recreation facilities are actively being pursued.

In the five years following the start of construction on Tims Ford Dam, industrial firms announced plans for eleven new or expanded facilities in the reservoir area. These facilities will involve an investment of more than $4.2 million and provide employment for nearly 500 people. A number of nearby communities have undertaken improvements in their business areas and several of them are working together on studies for area-wide water and sewer service.

Another type of Tributary Area Development project is underway in Lee, Wise, and Scott Counties in southwest Virginia. This is an area of small farms and relatively high unemployment and underemployment. It is typified by steep terrain and virtually no flood-free level land on which substantial industrial development could occur. Following much the same pattern as in Oliver Springs, TVA assisted the local multi-county agency in marshaling the necessary financial and technical assistance to develop an industrial park at Duffield. TVA constructed a channel to provide flood protection at the industrial park site and development of the site is being undertaken with other federal, state, local and private funds. Perhaps the most significant element of the Duffield project is the successful cooperation among three counties and a city to develop a mutually beneficial project which could not have been undertaken by any of them individually. This is a feature of the Tributary Area Development program on which we place considerable emphasis.

In addition to projects such as those I have described, the Tributary Area Development program includes a wide range of activities designed to improve the quality of life in rural areas. These include technical assistance in the development of solid waste collection and disposal systems and junk-car removal programs, and assistance to local education leaders and government officials in improving the quality of their services and the efficiency of their operations.

The projects and programs I have just described have been developed during the past decade or so. In addition, we are studying new ways in which we can help to both strengthen the economy and improve the quality of life in the Tennessee Valley region. Two such programs involve what might broadly be called new communities.

One, Timberlake, is being planned for development along the left bank of Tellico Reservoir, on which construction began in 1967. Tellico Reservoir presents an unusual opportunity for major industrial and recreational development which is expected to create some 25,000 jobs. Recognizing the possible dangers of instant urban sprawl which might result. TVA has worked closely with local units of government in planning for residential development and for urban and governmental services. This planning showed the need for a socially balanced new community of 50,000 people, planned to the highest developmental standards, offering a wide range of amenities, and closely linked to the surrounding rural area. TVA and the local units of government envision Timberlake serving as an urban center with strong educational and government service links to the surrounding area. A map showing the results of this planning effort is attached to my prepared statement. The three project area counties have begun to explore means of cooperatively improving their education services and two of them have formed a joint urban services system which is in the process of establishing a water system and which later will provide sewer and solid waste services to the area along with possible industrial environmental protection services.

The other new community type development is quite different, encompassing an area of some 1,000 square miles which includes over a dozen communities. A few years ago several interested groups in this Lower Elk River area became concerned with the population and economic decline of the rural parts of the area as well as with the loss of job opportunities for many people who wanted to continue to live there. The group also recognized the environmental problems associated with developmental programs relating to such areas. After discussions with TVA, the group came up with a proposal for the redevelopment of the area that would provide a new alternative mode of rural living to workers in the towns and in the high growth centers that border the area. Development would be designed to preserve the openness and the rural atmosphere yet provide a high level of services and amenities. As an example of the directions in which these local rural-oriented groups are moving, your Committee may be interested in this particular group's stated goals for its area:

1. Provide a range of choices in living conditions in the area by:
   a. Upgrading existing urban centers Pulaski (Pop. 6,989), Fayetteville (Pop. 7,030), Athens (Pop. 14,360)
   c. Developing new rural neighborhood communities (size about 2,500 people)
2. Maintain the natural beauty and openness of the area
3. Improve job opportunites in existing towns and provide for ready access to jobs outside the area
4. Provide housing for a full range of social, economic, and racial groups.

TVA is working closely with the residents of this area in the development of what we hope will be a model for many similar areas throughout the country.

In conclusion I have several observations. The statistics I discussed at the beginning of my remarks indicate that the TVA region is experiencing rural and small-town growth patterns quite different from the national norm. We have great optimism about the ability of the region to sustain this type of growth, and about the new opportunities it offers for an improved life-style in an industrial society. We see a need to continue and expand our efforts to encourage it.

The types of activities we engage in involve close working relationships with State agencies and with citizens groups and planning and development units at the grass-roots level. In some cases a substantial federal investment is involved, but in many others the price tag is quite low. Often a stagnant or deterioriating area can change dramatically through modest federal efforts which provide the temporarily needed skilled personnel and the necessary initial guidance to translate the desire for a better community into a reality. Once the initial impetus has been provided, we have found that local leaders have a remarkable ability to sustain and expand such efforts.

We have been asked to give our views on the parts of the report of the Commission on Population Growth and the American Future that deal with the future of depressed rural areas.

As I mentioned earlier, the growth patterns in the Tennessee Valley region differ from the national norm in that rural counties with cities in the 10,000–50,000 population bracket are experiencing very good growth rates. In our view, the growth center concept described in the report should be expanded to include the smaller cities such as those that are doing so well in our region. The report also states that it might be prudent to plan for the decline of certain decaying rural areas. In some cases this might be the best course, but we believe careful consideration should first be given to the use of the types of projects and programs I have described. We believe that such investments provide a very substantial return. They help improve the quality of life now available in rural areas. They provide needed alternatives to the congestion problems inherent in a metropolitan life style. And, perhaps of greatest importance, they help reduce existing pressures on troubled metropolitan areas.

I appreciate this opportunity to present TVA's views.

TOWNLIFT PUBLIC PROGRAM FUNDING, OLIVER SPRINGS, TENN.

Project	Cost	Source of funds	Status
Indian Creek Channel	$1,770,000	TVA	Complete June 1970.
Public housing	1,600,000	HUD	
Burney Ave. (27 units)			Occupied June 1970.
Tri-County Blvd. (48 units)			Construction start February 1972.
Wastewater system	2,288,000		
Plant			Complete June 1970.
Collection system			Under construction.
	1,319,000	HUD	
	208,000	FWPCA	
	126,000	ARC	
	85,000	WPC-TN	
	550,000	Oliver Springs	
Arrowhead Park	150,000		Application funded April 1972.
	75,000	HUD	
	75,000	Oliver Springs	
Municipal swimming pool	75,000		Application funded April 1972.
	37,500	HUD	
	37,500	Oliver Springs	
Wartburg Bridge	150,000	State highway department.	Opened December 1969.
Kingston Ave. Bridge	150,000	TVA	Opened July 1970.
State highway 61, bypass	3,500,000	State highway department.	Construction start 1973.

Exhibit 1

Mr. KLUCZYNSKI. And you understand the situation this morning. I am sorry that we do not have a good attendance here this morning. We are all interested in that great agency, the Tennessee Valley Authority. And we are very, very happy to have you before the committee.

We have many questions that we would like to ask you, but we cannot do it this morning. So we will appreciate it if you will answer our questions for the record.

Mr. WAGNER. You will give us questions and ask that we submit the answers in writing?

Mr. KLUCZYNSKI. Yes.

Is there anything you want to say to the subcommittee?

Mr. WAGNER. I want to say that we do appreciate the opportunity to appear before you. And this is certainly a very important series of hearings that you are embarked on. We know of your interest in the area. And we recall the visits that you have made to the Tennessee Valley and your interest in the rural development activities that are taking place there.

I think the only thing that I might say is that in the Tennessee Valley, somewhat different than the rest of the Nation, our greatest population growth is taking place in the smaller towns and the rural communities, largely based on the fact that there are a great many citizen organizations there which are looking at the resources that they have to work with, and they are attracting industry to their areas, and as a result, jobs and economic growth that are suited to their particular circumstances. And the details of this and some examples are given in my prepared statement.

Mr. KLUCZYNSKI. Thank you.

I have been there several times. And I always got that southern hospitality. And I have always been happy and proud of the Tennessee Valley Authority.

Gentlemen, you understand the situation this morning. I am very sorry, but we just cannot go on. I don't want to call the witness back tomorrow. So, we will let him go back and take care of the TVA.

Mr. WAGNER. Thank you.

Mr. KLUCZYNSKI. As I said before, we will send you the questions, hoping to have the answers for the record.

Mr. WAGNER. Thank you.

(The questions and answers follow:)

SELECT COMMITTEE ON SMALL BUSINESS,
HOUSE OF REPRESENTATIVES OF THE UNITED STATES,
Washington, D.C., May 30, 1972.

Hon. AUBREY J. WAGNER,
Chairman, Tennessee Valley Authority,
Knoxville, Tenn.

DEAR MR. CHAIRMAN: This is in reference to the recent hearings by our Subcommittee on the future of small town and rural America. As you know, I indicated that we would appreciate your answering some questions for the record. I am sorry that we were not able to complete the hearings as scheduled.

The Subcommittee understands that during the current fiscal year, the Tennessee Valley Authority has expanded its Agricultural Projects "program planning and analysis" to include "indepth studies of rural-urban migration and the development of plans to improve rural resources development".

1. How are these studies being conducted?
2. How many personnel are being utilized for this purpose?
3. What is the status of these studies?

4. When will they be made public and published?

Your early attention to the above will be most appreciated.

With warmest personal regards and best wishes, I am

Sincerely yours,

JOHN C. KLUCZYNSKI,
Chairman, Subcommittee on Small Business Problems in Smaller Towns and Urban Areas.

TENNESSEE VALLEY AUTHORITY,
Knoxville, Tenn., June 13, 1972.

Hon. JOHN C. KLUCZYNSKI,
Chairman, Subcommittee on Small Business Problems in Smaller Towns and Urban Areas, House of Representatives, Washington, D.C.

DEAR MR. KLUCZYNSKI: This is in response to your letter of May 30 requesting information about studies of rural-urban migration conducted in connection with our Agricultural Projects "program planning and analysis." This activity is conducted primarily to improve data for planning TVA's regional agricultural resource development programs. For these and other development programs, we have for many years studied various aspects of rural-urban migration. We recognize that the materials TVA uses for internal planning are often useful to others, and in some instances the results are published or prepared in written form suitable for distribution to agencies and individuals outside TVA.

Our labor mobility studies are based on the 1-percent sample of the "Old Age and Survivors Disability Insurance" (OASDI) data file from the Social Security Administration's Continuous Work History Sample. The file consists of data for states and counties for the years 1957 through 1968 on an annual basis and includes both the employee-employer file and the self-employed file. TVA has merged these two data files for the entire United States. In this respect our data file is unique. As a result, the movement of workers and self-employed persons and their classification by industry of employment, geographic location of employment, age, sex, race, and income can be traced. We have recently received data for the first quarter of 1970. This information, along with data for the first quarter of other years, is being used in a study that examines the growth of the labor force by age, sex, race, income, industry of employment, and location of employment for the Tennessee Valley region and the Southeast for the periods 1960–1965 and 1965–1970. Results from the study will be presented later this month at a symposium entitled "The Labor Force: Migration, Earnings, and Growth," which is being cosponsored by TVA and the Social Security Administration (SSA). We plan to publish the proceedings of this symposium.

In 1972, 2.8 man-years of time were budgeted to the entire activity—"program planning and analysis." Within this program category, one-half man-year of professional and one-half man-year of clerical time were devoted to social security data studies in the Division of Agricultural Development. In addition, other TVA staffs provided limited assistance in the form of supplemental data, review, and analysis.

Several sutdies have resulted from this activity. The completed studies include four that have been published and three papers that were presented by their authors at meetings of regional scientists and similar professional organizations. One of these will be published in the 1972 proceedings of the Southern Regional Science Association. Mention has already been made of the study, nearing completion, that will be presented at the TVA-SSA-sponsored symposium. Other studies related to rural-urban migration are planned.

A list of the migration studies we have undertaken is enclosed. Copies of completed studies are made available to interested organizations or individuals upon request. To date, several hundred copies of the published reports and papers have been distributed. In addition, our computer processing and programming of the data have enabled us to provide computer programs and data on magnetic tapes to meet the research needs of such organizations as regional planning commissions, university research bureaus, and others.

Sincerely yours,

AUBREY J. WAGNER,
Chairman.

LABOR MOBILITY STUDIES BY TVA

Published Studies

Movement of Labor Between Farm and Nonfarm Sectors and Multiple-Jobholding by Farm Operators in the Tennessee Valley, Bulletin T67-4AE

Mobility of the Tennessee Valley Labor Force, 1957–1963, Bulletin Y–23

Contribution of Farm Labor to the Nonfarm Labor Force in the Tennessee Valley, 1960–1965, Bulletin Y–24

[1] Metropolitan Labor Force Migration in the Southeast, 1960–1965, Bulletin Y–39

Other Studies Completed

Movement of Labor Between Farm and Nonfarm Sectors of the Tennessee Valley

The Mobility of the Tennessee Valley Employed Labor Force

Some Policy Implications of Labor Mobility in the South With Special Reference to the Tennessee Valley Region

Study in Progress

[1] Reflections on the Future Growth of the Southeast

Mr. KLUCZYNSKI. The hearing is adjourned until tomorrow morning at 10 o'clock.

(Whereupon, at 10:15 a.m., the hearing was recessed, to reconvene at 10 a.m., Thursday, May 4, 1972.)

[1] Completed or scheduled to be completed in fiscal year 1972.

THE FUTURE OF SMALLTOWN AND RURAL AMERICA: THE IMPACT ON SMALL BUSINESS

THURSDAY, MAY 4, 1972

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON SMALL BUSINESS PROBLEMS
IN SMALLER TOWNS AND URBAN AREAS OF THE
SELECT COMMITTEE ON SMALL BUSINESS,
Washington, D.C.

The subcommittee met, pursuant to recess, at 10 a.m., in room 2357, Rayburn House Office Building, Hon. John C. Kluczynski (chairman of the subcommittee) presiding.

Present: Representative Kluczynski.

Also present: Representatives Bergland and Lujan of the full committee; Donald B. Roe, subcommittee counsel; John M. Finn, minority counsel; and Myrtle Ruth Foutch, clerk.

Mr. KLUCZYNSKI. The hearing will come to order.

Today we continue with our hearings on the future of smalltown and rural America.

Witnesses this morning will include the Honorable Robert Podesta, Assistant Secretary for Economic Development, Department of Commerce; the Honorable Samuel Jackson, Assistant Secretary of HUD; and Mr. Alvin Jones Arnett, Executive Director, Appalachian Regional Commission.

Before calling our first witness I would like to announce that we were unable to complete our schedule of witnesses yesterday. This was due to circumstances beyond our control. However, the hearings may be resumed within the next few weeks in order to complete the testimony.

And as you know, we were supposed to have the Secretary of Agriculture yesterday morning, and we had to postpone that until a future date. The committee will be very happy to hear the testimony of the Secretary.

And now our first witness, the Honorable Robert Podesta, Assistant Secretary of EDA.

Bob, you have the floor now. It is up to you, and you may do it in your own fashion. You have been a very good friend of mine for many years. You are doing a wonderful job, and I hope you will continue. It is nice to have you here before this committee.

TESTIMONY OF ROBERT A. PODESTA, ASSISTANT SECRETARY FOR ECONOMIC DEVELOPMENT, DEPARTMENT OF COMMERCE, ACCOMPANIED BY JERRY CONROY, GENERAL COUNSEL

Mr. PODESTA. Thank you, Mr. Chairman. Maybe I had better quit while I am ahead.

Mr. KLUCZYNSKI. Mr. Bergland.

Mr. BERGLAND. Mr. Chairman, before Mr. Podesta begins, I would like to compliment him and his agency on its activities in about 20 counties in the district I represent. They have done a marvelous job in helping people who without their help would probably have been driven out of the rural areas into the cities which are already overcrowded.

Thank you for your able administration.

Mr. PODESTA. Thank you.

Mr. KLUCZYNSKI. Mr. Lujan?

Mr. LUJAN. Mr. Podesta knows that in our district we have a lot of contact with EDA. And it is one of the agencies that we really feel that we can go to for help. We want to thank you for all you have done in our area.

Not only in the small towns, but in the Indian reservations, EDA has been very helpful to us.

Mr. PODESTA. Thank you, Mr. Lujan.

Mr. Chairman, I must start by saying that it is very gratifying to hear the people with whom we work say that we are responsive and at times helpful. And I appreciate the chance to be before the subcommittee and to present the views of the Department of Commerce and of the Economic Development Administration on our economic development efforts relating to rural America and smalltown America, and the impact of those efforts on small business.

The primary ingredients of the EDA program to fight problems of unemployment and low income are public works grants and loans, business loans, technical assistance and planning and, pursuant to the 1971 amendment to our act, a public works impact program.

Although EDA does not have a specific mandate to concentrate on rural and smalltown America, many of the areas designated pursuant to our act are in that area. We have aided these areas and we have made a beneficial impact on them and their small businesses. Our figures show that through fiscal year 1971, 85.4 percent of our public works moneys were marked for expenditure for such areas. This has amounted to $893,140,000 since EDA's inception in 1965. Since 1965, $253,025,000 in business development funds has been advanced in such areas which amounted to 89.3 percent of total funds available in this category. 98.2 percent of our planning grants, $25,108,000, since 1965, has gone to non-SMSA's, those parts of the country with which this committee is concerned. And 47.8 percent or $30,871,000 of EDA's technical assistance moneys has been spent in these areas in the same period of time.

Let me break down the figures in a different way. Since the beginning of EDA in 1965, through June 30, 1971, we have provided to areas with populations of 50,000 or less, which can be categorized as smalltown America, 2,385 public works and business loan projects. Total EDA investment in these projects has been $1.1 billion or about 90 percent of all our public works and business loan funding. It is estimated that this has triggered about $2.2 billion of private investment. Public facility loans and grants have provided the basic infrastructure which must be present in rural and small town America to attract private capital investment in industrial and commercial enterprises. EDA funds have made it possible for many of these small towns to develop industrial parks; to construct needed access roads for

the movement of goods and personnel; to construct regional technical skill centers for training of the labor force; and, otherwise to make the communities more attractive to industry. The returns on the basic investments in needed public facilities are very satisfactory. Our evaluations show that for every $229 of EDA public works funds, one new job is created in new and/or expanding businesses.

One of the principal strategies used by EDA in assisting rural areas in the "growth center" approach. This approach calls for the selection of a growth center, a small town, or city not over 250,000 in population, located within an economic development district or redevelopment area and an integral part of the overall economic development plan for that area or district. By injecting strong assistance at the growth center, we hope to push it into an economic upswing which will diffuse itself throughout the area or district and provide an alternative to migration that might otherwise go to urban areas. EDA has invested more than $201.8 million in growth centers.

EDA makes many loans to small businesses which are ineligible for SBA loans. We also feel that loans we make to larger companies locating in rural or smalltown America create a climate in which many small businesses, either local subcontractors or the community's general businesses, benefit. We have examples where such loans have created substantial direct nonseasonal employment; increased the property tax base; and allowed the community to upgrade its social services.

Now, I would like to tell you how we help smalltown and rural America in identifying its problems.

The technical assistance program has responded to a variety of requests from units of local government and nonprofit local development corporations to examine the feasibility of exploiting natural resources such as mineral, timber, and agricultural production and has undertaken preliminary examination of rural industrial location development. Some of these latter have involved the reuse of surplus military establishments and the assessment of the economic potential of interstate highway interchange locations and airport related industrial growth.

Of particular importance has been examination of industrial potentials of sites on existing navigable waterways and of newly constructed aids to navigation.

The technical assistance program has also assisted in the establishment of resource centers at many universities located in or near concentrations of low level or declining rural business activities.

The adverse social dynamics of rural areas require continual study of the problem in any given place, isolation of its elements and planning for and providing meaningful solutions.

First, we recognize the significance of regional migration flows and support a number of research projects to identify and explain these migratory flows. This research has helped to pinpoint the nature of the flows of people among the various places of our Nation and the demographic composition of these migratory flows. That is, we attempt to identify which people are more likely to move and to which places they are likely to go.

EDA also studies the relationships between cities as well as among these cities and the rural areas of America. It has been possible to classify cities according to their surrounding urban places and rural

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hinterlands by the economic functions they perform. This work is related to the role of growth centers as pregenitors of regional economic development and helps clarify the role of growth centers in regional development programs.

Second, EDA has undertaken an industrial location planning system intended to develop information about the industrial resource requirements of growth manufacturing industries and compare these requirements with the resources availabilities of EDA's redevelopment areas and growth centers. Areas which experienced the specific matching of these resource demands with resource supplies, could then go directly to manufacturing industries which might be attracted to them were they aware of their existence.

It is amazing—to digress for a minute from my prepared statement—how many places in rural America are so small that they simply do not have the expertise or the tools available to find out who they would go to to attract people. They don't even know the first step. And we try to help them do that.

So that industries in search of new industrial sites would be informed about the attractiveness of these redevelopment areas and growth centers.

One example. Most people think that businesses are turned on by railroads. Some of them are. But since the highway system—which I understand the Chairman has some interest in—have been in place, railroads have lost their importance as a number one reason why someone would go someplace. And we established that by going out and actually talking about something, asking what factors are important, water, people and so on.

Third, we have funded research on some broader policy questions including analyses of the regional effects of the family assistance plan as well as the regional impact of introducing either general or special revenue-sharing programs. For example, EDA is studying how migration and labor force participation rates, particularly among secondary workers, are likely to be affected by some national family income minimum. EDA-supported research is also looking into the net effect of introducing revenue sharing in place of expanded categorical grants-in-aid programs with various revenue raising tax programs being used to fund the revenue-sharing program.

I believe I can say unqualifiedly, Mr. Chairman, that EDA has under constant scrutiny many of the problems of rural and small town America. We are trying within our legislated responsibilities, to respond to those problems. We know we have a good deal to learn even yet, about the potential inherent in the tools we now have. But we mean to continue our efforts, continually evaluate results, and, wherever possible, make the changes necessary to do what we like to do best: to help people who help themselves especially in rural and smalltown America.

Thank you.

Mr. KLUCZYNSKI. Thank you, Mr. Podesta.

Do you see the growth center approach as a means to stem the tide of migration?

Mr. PODESTA. Yes, we do. I will give you my personal assessment of that, Mr. Chairman.

The growth center idea really didn't grow up in this country, it grew up abroad. They are called growth polls in Europe. In my job

I found myself a member of the Committee of the OECDO Regional Economic Development. And I have discovered that this idea is a basic idea.

Now, if you read the paper this morning far enough you would see that in Brittany at the moment there is a strike. They had a regional growth center theory, and they are having trouble with it.

So, let me preface my answer by saying, there are great differences of opinion about what the size of a growth center should be. Our legislation says it can't be over 250,000 people. But some of our resource grants come back and say, a growth center can't be under 250,000 people.

Now, my assistant, Mr. Blount, who is a pro on Livingston, Ala., said it grew from 1,500 to 24,000, and in his book that is a growth center.

So, we think it does work. We think it doesn't work in the classic way that some people think it should. In other words, you have a district—here is a distressed area, there is a growth center there, put your money there, and these people instead of going to the ghetto in Chicago and New York will stop off there. And they tend to measure the growth center by how many guys really got jobs. And it is too early to prove that that really happens. We really wonder whether that is the way you should measure it or not.

So, our answer is yes, the expert has some promising results, but the returns are not in on growth studies.

Mr. KLUCZYNSKI. What studies do you have underway now in regard to rural development?

Mr. PODESTA. We have a whole catalog of them which I would like to supply for the record, and specifically what we are doing.

Mr. KLUCZYNSKI. I would appreciate it if you would supply that for the record because I would like to have it. I am sure that the members of this committee are very much interested in that.

It is a pleasure for me to have you before this committee. And I want to compliment you for the splendid job you have done. Any time I want any information I call there, and within five minutes I have the answer.

Mr. PODESTA. Mr. Chairman. I was derelict in not introducing my chief counsel, Jerry Conroy. He is a graduate of Notre Dame and Georgetown University. And we middlewesterners don't mind him coming down to Georgetown.

Mr. KLUCZYNSKI. What is the name?

Mr. PODESTA. Conroy.

Mr. KLUCZYNSKI. I thought they were all Poles and Lithuanians there at Notre Dame, and that is why they had such a good football team.

Mr. BERGLAND. Notre Dame at one time had a Norwegian football coach, Mr. Chairman.

Mr. KLUCZYNSKI. I heard about that.

I am happy Mr. Bergland and Mr. Lujan are here today. I happened to be in Mr. Lujan's part of the country last summer and he is doing a marvelous job out there. So, you must be all right to be praised by both a Democrat and a Republican.

Any questions or comments. Mr. Bergland?

Mr. BERGLAND. Yes, I have a couple of questions, Mr. Chairman.

Mr. Secretary, the public works impact program is relatively new. What is your authorization in terms of money?

Mr. PODESTA. Jerry, what is the authorization? I know the dollars you have.

Mr. BERGLAND. How much money do you have, let's put it that way.

Mr. CONROY. We are authorized to spend up to $50 million.

Mr. PODESTA. This year, fiscal '72.

Mr. BERGLAND. Has that money been appropriated?

Mr. CONROY. Our authorizations and our appropriations are so intermingled in this public works impact program that it is hard to give you an ordinary straightforward answer. We are authorized to spend between 25 and 35 percent of our appropriation. Our appropriation is about $106 million. So, we can spend up to 50.

Mr. PODESTA. What happened is, the appropriation in Title 1 is $106 million. The language said, you must spend no less than 25 or more than 35. And then there was a supplemental. The net result is that we have $50 million to spend in fiscal '72. In our fiscal '73 budget we have asked for, assuming it is a level budget, the 25 percent, which is what the Congress told us to do. So, we have spent, I think, obligated just a bit under $50 million, which is all we have for this fiscal year. And beginning July 1 we will have $27 million to spend on these kinds of projects.

Mr. BERGLAND. Do you have any idea how many projects have been submitted for approval under this Title beyond what you have been able to authorize?

Mr. PODESTA. We have authorized 204 in 49 States, I know that number. But I would say—I can find out the exact number, but it is also a difficult answer to give you exactly, because it is misleading. We intended—the public works project is what we called it. It is a different word than accelerated public works, because that is an inflammatory word which people are against even before they know what is means. But we called it public works impact projects, PWIP. That means in our area, Podesta wants instant processing. I wanted to call it WHIP, which would be the White House Impact Project, but they won't let me get by with that.

What we set out to do was to see whether you really could put people to work with accelerated public works. When I testified against accelerated public works I was very unhappy with the backup of the opinions expressed. And with the full approval of the White House we set out to see what would happen if we really tried to short circuit everything. You can't short circuit the environmental impact States. We got by with that. We had so many coming in that we picked one where it wasn't a factor. That may not be fair, but we were trying to put people to work in immediate useful work, which turned out to be construction. The key thing about the legislation is that it did not require an overall economic development plan, which is usually the thing that people don't understand.

The area becomes eligible, it is designated, and then they say, where is the project? You come up with an economic development man and here is the money to put it together but it takes a long time, and people get frustrated. So, in this case you don't have to. So, if the projects are on the shelf—we wrote some very rigid guidelines, in other words, when did you get going on this thing, when did you start, when did you break ground. And in order to do that—I am backing into an answer to your question—we said, come on, bring them in. So ordinarily we wouldn't have encouraged that many. But we had to sort

them out as they came in and as they fitted the specification. So, I think at one time we had almost $85-million worth when we said, don't take any more applications. And so that is about it.

The actual number of applications we have is a figure we can supply. But in dollars—incidentally, these turned out to be rather small projects. We couldn't spend—everybody wants to build a dome stadium. And what I said, Mr. Chairman, to one guy, I said, "I have got 16 tickets to the Chicago Bears, and if we are going to build a dome stadium you know where I am going to build it."

But we couldn't respond to a dome stadium with that amount of money. That would take over $50 million. But I think the average project turned out to be under $300,000. We put a limit of $600,000 because we didn't have very much money and we wanted to spread it out.

Mr. BERGLAND. Did you get the instant results you were after?

Mr. PODESTA. We are measuring that now. Our target was to break ground by February 15 with the first $27 million that we had. We actually broke ground on the first project on January 6. But some projects—and one in the District which we are very anxious to do over at Anacostia, and which the Mayor is very anxious to do, has been on the planning shelf for 6 years, and he has never been able to get the money. It is in an area of very high unemployment where all the public housing is. It is a recreation center. And he wants to break ground and I want to break ground. But it includes a gymnasium, and it is too small. The kids say, why can't we have a regular gymnasium? I was a basketball player one time when you didn't have to be 6 feet 9 to play and I can understand why they want a big one. Who wants to play on a small floor when you can build a bigger one?

We are investigating the job, and we expect to be able to report to the Office of Management and Budget and to the Congress exactly what happened. But it is too early in the ball game to say now.

Mr. BERGLAND. One last question. And that has to do with your regular EDA grants for public facilities.

Is it necessary that a community be within one of the economic development regions before you can approve such a request? Not all States have these economic development districts.

Mr. PODESTA. Economic development regions.

The District thing says, you can put counties together, but at least two of them must be eligible areas. And then you can put a growth center outside of there, and we can put our money in the growth center or in the growth spots. And if it should be someplace else, we can't do it. We have suggested to the legislative people that maybe we ought be able to put a project 5 miles down the road where there may be a railroad or something else that will have the same thing. The result of this restriction is that we have got some very funny-looking growth centers, because obviously you have got to put a project over there, and we extend the boundaries if we are convinced that it is a good project, but that is a bad way to run a railroad.

So, the answer is that, with everything but our title III money, which is the technical assistance money, you actually have to be eligible. With the title III money there is a clause which says, "Whereas the Secretary decides." That is how we get into the cities.

Secretary Jackson will tell his problems as compared to ours. We work very closely toegther, as I am sure he will tell you, in something they would love to do and we are able to respond to.

Mr. BERGLAND. I would like the record to show that as a consequence of the programs of the Economic Development Administration no less than 5,000 new jobs have been created in my district within the last 10 years. Without these services there would have been 5,000 more families crowded into the cities against their will. I commend the Secretary and the agency. And I only wish they had 10 times more money.

Thank you, Mr. Chairman.

Mr. KLUCZYNSKI. Thank you.

Mr. Lujan?

Mr. LUJAN. Thank you, Mr. Chairman.

I am sorry that I don't have figures to give as to how many jobs have been created, but I can tell you that there have been plenty.

One of the areas that I thought was excellent for aiding small businesses was mineral resources. You mention that at page 3 of your statement.

Can you give me some examples of what you might have found or what we can do? We have a lot of public land that I think could be used to the advantage of small business.

Mr. PODESTA. Mr. Lujan, I wish I was more of an expert on that. And I also wish I had with me my public works chief, George Karras, who would know about that, who was here when I got there, and I am glad he stayed.

Of course, it is a romantic business, the mineral business. Some people coming in are going to discover uranium and titanium. We have to sort it out to find the immediate impact. What I would like to do to answer your question exactly is to come up with some examples as to what we have done and what we have been frustrated in trying to do.

Mr. LUJAN. Would you have George do that?

Mr. PODESTA. Sure.

Mr. LUJAN. Getting back on the question of economic growth centers, the 250,000 population figure seems to cause us some problems around the country. Specifically let me ask you if it would be possible, in a county with disadvantaged areas and a city, which may not qualify as a disadvantaged area—is that a proper term?——

Mr. PODESTA. It is as good as any other.

Mr. LUJAN (continuing). Is it possible, then, to create an economic district, say, of surrounding three counties plus the part of this particular county in question outside of the city limits designating only the city as the growth center and the outlying areas as underdeveloped?

Mr. PODESTA. Let me give you some background comments, and then I will ask Jerry Conroy to talk about what is possible.

Under the legislation as amended a year ago there is a special impact program, so that we can go in and carve out places within a city.

For example, the Stockyards has long been an area that originally was under something called a sudden and abrupt rise in unemployment, when the packing industry just picked up and went someplace. The Brooklyn Navy Yard is another classic one when the Navy closed it up. But now in the lower East Side of New York, and what we call the Mid-west impact area in Chicago, which is the place where the burnings took place after the unfortunate event of Dr. King's death, we have carved out a place within a city. And one of the things—the first district that we have ever had with a big city that has just been

designated is Seattle. Seattle itself is a major disaster area employmentwise. But there are counties around there, and it is the only district that we have got with a big city in it. That has only been designated for a year, and we were watching it with interest.

Jerry, would you say that is possible?

Mr. CONROY. Yes. that is possible. But you have to recall that the economic development districts—we only work in two areas. One is the redevelopment area inside the district. And the second is the growth center, which is the economic development center, in the language of our act, outside the redevelopment area.

So, we would be, of course, empowered to work inside any redevelopment area in any city in there regardless of its size, or regardless of its relative impoverishment if the statistics for the whole redevelopment areas show that we ought to be there.

The incentive, you see, is to designate growth centers outside of the impoverished county, so that we are empowered to work both in the impoverished country and in a neighboring relatively healthy area.

Mr. LUJAN. The only thing that causes the problem with this growth center is that if you were to put the whole county into the economic development district, the entire county would exceed the 250,000 limit. The city is just a hair below 250,000. We are looking for a plan, frankly, to get the entire county into the economic development district. Maybe we ought to pursue it a litle further. The specific example that I am referring to, of course, is Albuquerque, which is just below 250,000. But Bernalillo County is somewhere around a third of a million. So, we have three counties around it, with perhaps 230,000 to 250,000 in each one of the counties. And we are now trying to make an EDA district.

Mr. PODESTA. One of our problems that is constantly on the table is that everyone wants their place designated as eligible for our aid. One congressional friend of ours is constantly keeping up with new formulas. It is very clear that the result of each of them is to make the whole State eligible. I will suggest that the more places that become eligible and the more we fight for our fair share of the allocation, the less effect we can have. And especially in the growth center, that is a very difficult—everyone wants to be known as a growth center. If I ran a city I would want my city to be known as a growth center.

And the designation of growth centers to keep them within a limit that we can really do anything with is a very important thing. We don't think we are very good at it, although our evaluation shows that even without the scientific analysis we did pretty good at picking them. Some of our growth centers, however, did not grow in the last census, between 1960 and 1970. And maybe a growth center is only a place that doesn't go down as fast as someplace else.

Where you think they are supposed to increase in population, some of our growth centers went down, not very many of them, but some did.

Mr. LUJAN. It would seem that we would want just the opposite. I would think that from this central city we would want to expand the economic opportunities out into these counties that don't have those opportunities, rather than have those people come into the growth center.

Maybe we are approaching it on the wrong basis.

Mr. PODESTA. You also have to find out what would work, what makes business, what turns business on, would they in fact go into areas that have so little natural resources that you can pour money in there and still nothing will happen. This is a worrisome thing for us, because those people are still in trouble and we still want to address them, but it is no use pouring your money into someplace where you can't see any visible result. And we are struggling with that problem all the time.

Mr. LUJAN. Thank you, Mr. Chairman.

Mr. KLUCZYNSKI. Mr. Roe.

Mr. ROE. I will be very brief.

One question, Mr. Secretary. As you mentioned in answering Mr. Lujan, every Congressman would like to have part of his area decleared a district so he can receive assistance. I wonder if some of the other agencies of the Government also are relying primarily on EDA assistance? I am especially referring to the recent GAO report which indicated that more effective use could be made of program resources to alleviate unemployment. I was wondering if you might have some comments, sir, on how you feel about the findings of GAO—that the interdepartmental agreements between Agriculture, Commerce, and HUD are perhaps not insuring the legislative intent of avoiding EDA's putting money in before other agencies should.

Mr. PODESTA. Mr. Roe, I wonder if in satisfaction of that question I could insert in the record the reply to Mr. Staats in that area, which is rather complete and gives it chapter and verse on our response to those comments?

Mr. ROE. Fine. Basically does EDA feel that it is without legislative authority to do what GAO recommends, is that the implication?

Mr. PODESTA. I am going to ask Jerry to answer that.

But in general what they said was that people were playing games with us, since they knew they had the money but they wouldn't put that money in it. We don't really think that is happening.

Jerry?

Mr. CONROY. Mr. Roe, we have taken the position—and I think it is a correct one—that the legislative admonishment is rather to the other agencies not to pull out, because EDA is authorized to go in, rather than, as might be suggested by some others, that we could not go in where someone else could. So we have checked, and if we find someone else that will do the project, we would be very glad to spend our money elsewhere. But if we have a situation where someone has the power to do the project, but for some reason is not going to do it, and we feel that the economic development of this particular area requires that expenditure right now, we would go ahead and make it. And that has been the interpretation——

Mr. ROE. You feel the responsibility should be on the other agencies rather than EDA?

Mr. CONROY. Yes, sir.

Mr. ROE. You don't want to abandon an area simply because someone else can do it?

Mr. CONROY. Exactly.

Mr. PODESTA. I say can, but may not be able to, because they have run out of money.

Right here in the district, for example, we are mixed up with a mentally retarded children's center. We broke ground on it recently.

HEW has money for mentally retarded, but they only have $100,000 for the whole District. And furthermore, they couldn't put the brick and mortar in. We could. And it has been not only providing jobs for people, but also helping retarded children and training people to become experts in that area. And we were able to justify it on economic grounds.

Mr. ROE. Thank you, Mr. Secretary.

Mr. Chairman, may we insert that reply in the record where he explains fully their position on this matter?

Mr. KLUCZYNSKI. Yes. I am sure that some of the members who planned to be here this morning and could not make it on account of other pressing commitments, would like to have the information you can give us. We have some questions we would like to send to you, and we would appreciate it if you would provide the answers. And they will be made a part of the record.

Mr. Podesta, thanks for being here. We appreciate your testimony this morning and I know it will be very helpful to the committee when we sit in executive session.

(The questions and answers referred to may be found in the committee files.)

Mr. KLUCZYNSKI. The next witness is the Honorable Samuel C. Jackson, Assistant Secretary of the Department of Housing and Urban Development.

I want to thank you, Mr. Jackson, for being with us again, and for yielding your time to our good friend, Mr. Podesta, who has to get out of town.

So, it is a pleasure to have you before this committee again. And I know you are going to continue to do the splendid job that you have been doing and that you will give us the wonderful testimony that we are expecting.

So you may proceed as you desire.

TESTIMONY OF SAMUEL C. JACKSON, ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND MANAGEMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, ACCOMPANIED BY ROBERT PAUL, DIRECTOR, DIVISION OF URBAN GROWTH; CLIFFORD GRAVES, DIRECTOR, OFFICE OF PLANNING AND MANAGEMENT GRANTS; AND ART TROILO, DIRECTOR, OFFICE OF ENVIRONMENTAL STANDARDS

Mr. JACKSON. Thank you, Mr. Chairman.

I want to introduce the people I have with me this morning. Mr. Robert Paul on my immediate right, who is the director of our Division of Urban Growth. And I also have Mr. Clifford Graves, who is director of our office of Planning and Management Grants. And Mr. Art Troilo, who is our director of the Office of Environmental Standards.

Mr. KLUCZYNSKI. It is nice to have you with us.

You may proceed.

Mr. JACKSON. Mr. Chairman and members of the subcommittee, we appreciate the opportunity to meet with you again and present some of our ideas and views on the future of Small Town America and how the Department of Housing and Urban Development can best help meet the particular problems of small business in rural areas.

When I testified before your subcommittee 2 years ago I stated that our Department's policy on small towns reflects two basic concepts: (1) the importance of small towns and the vital part they play in American life and national growth; and (2) the necessity of providing the fullest possible assistance and support to local governments as they work to meet the needs of their citizens.

These concepts are the foundation of HUD's basic commitment to the whole issue of the overall health of communities and the critical factors—like housing, planning, and public facilities—that ultimately determine how well any community functions, what kind of a place it is to live and work in and how the people who are there feel about it.

Too few people realize the importance of these factors in determining the quality of both business and social life in a community whether it be in the center of a metropolitan area or a small, rural town in Kansas.

I wanted to stress this point at the outset because of our conviction that we really can't separate the problems of center cities from isolated small towns. An eminent urban economist pointed out a few days ago that he had concluded that these are the two real trouble spots in our system of cities and that in many ways these problems were more alike than different—they are both economically depressed, are losing population and are inhabited by a special group of disadvantaged people who badly need a scarce resource—jobs appropriate for relatively unskilled workers. Another common problem for small rural towns and center cities is the difficulty of retaining and attracting business activity.

I mention these links between rural towns and center cities because they related directly to the objectives listed in your invitation to appear before your subcommittee. They also underscore the soundness of the President's recommendation for the creation of a new Department of Community Development.

By bringing together programs concerned with community development—physical, social, and institutional—the new Department would move beyond fragmented Federal programs administration. Equally important, it could move toward a community-oriented approach to problems. For the first time, there would be a Federal department having the ability to respond—in a coordinated manner—to local comprehensive community improvement programs.

And for the first time there would be a Federal department of broad enough scope to help State and local governments, private organizations, and the citizens themselves to participate jointly and actively in developing these local programs. This means participation in articulating goals, setting priorities, and devising the best ways and means of improving not only the physical, but also the economic and social, environment of all our communities, from the smallest village to the largest metropolis.

As your committee knows, the establishment of a Cabinet-level Department of Housing and Urban Development was aimed toward this same goal. HUD's creation raised to Cabinet-level status the national concern about our cities and towns, both large and small. The Department now has jurisdiction over many community-oriented programs. It was certainly a move in the right direction. But it took us only part way.

The problems of growth and development in rural, urban and suburban communities are closely interrelated. Yet, to give but one ex-

ample from among many, communities in rural areas and depressed regions must still seek help among three different departments for the planning and construction of their public facilities.

The Department of Community Development, because of its broad yet unified scope, could better serve our communities, regardless of their size. And the President and the Congress would surely find it a more useful source of information and advice to them as they attempt to shape a balanced national growth policy, concerned with—to use President Nixon's words—in this 1970 state of the Union message: "the farm as well as the suburb * * * the village as well as the city * * * the building of new cities and the rebuilding of old ones."

We feel that the proposed Department of Community Development would be particularly effective in delivering assistance to smaller towns in rural areas. As the series of congressional hearings on rural development has clearly shown, the fragmentation of Federal efforts has been a major barrier to effective planning and coordination. This fragmentation—particularly when combined with the complexities of Federal grant programs and the sheer difficulty of filling out the application—has, in too many cases, virtually cut small towns off from Federal help. By gathering the principal Federal programs which support community development within a single Department and providing an extra impetus with revenue sharing, we will be able to start the well-coordinated campaign we need to insure that the Federal dollars have a real impact on rural community development.

In the meantime, though, HUD has moved on its own to strengthen our program activities in small towns and rural areas to pursue broad community development planning in such fields as housing, transportation and community facilities. During fiscal year 1971 alone, comprehensive planning grants were distributed to 155 rural districts covering 791 counties in 34 States.

Our budget request for fiscal year 1973 would increase planning grant assistance for counties and small cities to $15,500,000 almost double the $8 million spent in fiscal year 1971 and a substantial increase over the $12 million of fiscal 1972.

The Nation's smaller communities and rural areas participate widely in the Department's various community facilities assistance programs. For example, 929 water and sewer grant projects, representing 50 percent of all such projects funded by HUD since the program began, are located in rural areas.

We are also proud of the record we have made in improving housing in rural areas although it is clear that rural areas still have a disproportionate share of the Nation's substandard housing. However, the situation has improved quite dramatically in the last decade. For example, in 1960, there were 6,748,000 substandard housing units outside of standard metropolitan statistical areas (SMSA's); by 1968, this number had dropped to 4,130,000, a decrease of almost 40 percent. By 1970 the number of units outside SMSA's which lacked some or all plumbing facilities (such units account for most of the substandard units in rural areas) had dropped to 3,053,000.

The existing programs of this Department and the Department of Agriculture have played an important role in bringing about this improvement. Of the 434,600 new units started outside of SMSA's in 1970, 57,180 were subsidized under the Department of Agriculture's programs for low- and moderate-income families. In addition 11,640

units were rehabilitated under USDA subsidy programs. In the same year, 103,727 units outside SMSA's had mortgage loans insured by this Department and over 50,000 of these were subsidized. In addition, over 33,000 public housing units outside SMSA's were placed under annual contributions contracts in fiscal year 1971. This rate of subsidized housing production in rural areas is steadily increasing. In 1972 for example, the Department of Agriculture expects to subsidize about 103,500 new or rehabilitated units or over 2½ times as many units as in 1969.

One of the most interesting projects we have underway is to demonstrate how rural electric cooperatives can stimulate construction of low- and moderate-income housing. The Basic Electric Power Cooperative of Bismarck, N. Dak., has done an outstanding job in showing how the co-ops can be a catalyst in creating multicounty housing authorities, building under a variety of Federal programs and generally showing how to use the strength of their organization to overcome the inadequacies of rural housing.

The first HUD new community development project—Jonathan, Minn.—is 20 miles southwest of Minneapolis in rural Carver County. Jonathan is actually a major expansion of the small town of Chaska. Parenthetically, Mr. Chairman, I notice that Chaska is a town of 2,500 people. Under the new community program it will be increased to a community of about 50,000. We have recognized that our rural areas have a potential for new community development that offers a very attractive alternative to both metropolitan congestion and suburban sprawl—particularly when the new community can use an existing town as a base on which to build. The new community of Flower Mound, Tex., is another example of this technique.

My basic point is that many people think of us as being oriented only to big-city problems. Perhaps it is because our name refers to urban development, instead of the more appropriate community development. Our deep concern with the critical problems of large cities and metropolitan areas is widely known. Much attention has been given to our many efforts on their behalf and the severe difficulties that they continue to face. Much less is known about our programs as they apply to small communities in rural areas.

We feel that we have effectively increased the attention and direct assistance we are giving to small communities. The most significant step has been the recent decentralization of authority to the Department's new system of area offices. For the first time, the smalltown mayor will be able to get direct answers to his questions without having to wait for a reply from Washington. With community development revenue sharing becoming a distinct possibility for next year we will be able to take another giant step in reducing the redtape that has been so burdensome to smaller communities who have found it very difficult to use available funds for their highest priority projects because they have been locked into the restraints imposed by categorical grant programs.

These two factors—the flexibility that Congress is providing and our new organization which lets decisions be made quickly by local program managers who are personally familiar with a community's needs—will enable us to provide more and better assistance to the smaller towns that are of most concern to your committee.

I wish to assure the subcommittee that HUD's interest and concern with smaller communities has not diminished even though the

staff office of Small Town Services functions has been subsumed by the Division of Intergovernmental Relations in my immediate office. There was a time when program decisions were made in Washington and smalltown clients had to either make a long trip or overcome the hurdles of correspondence to get information on HUD programs.

With our recent decentralization of authority to the field, this role of the Washington "ombudsman" for small towns changed and the obvious answer was to build small town concern into the day-to-day operations of our area offices.

The results have been most encouraging. Now our program managers are able to talk directly with the mayors who have the problems. Our field representatives are able to become personally acquainted with the communities' needs and most important, are able to offer the full-range of HUD assistance including housing programs. Probably the most frustrating problem for small towns in the past was having to deal with different people—too often in Washington—for every different program, making it almost impossible to count on effective coordination within HUD.

We have also been able to build small town concern firmly into HUD policy because of congressional action in the past two years. For example, the 1970 Housing and Urban Development Act directed that our programs specifically address the problems of slower growth in rural areas, declining farm population and the subsequent migration to cities. By incorporating these considerations into the day-to-day operations of the responsible operations we are convinced that we can do a better job of carrying out the suggestions of your subcommittee.

My immediate staff is charged with the Washington responsibility for the functions of the former office—analyzing the problems of small towns and rural areas, recommendations for coordination of all Department programs in support of small towns and serving as the point of contact with other agencies on small town and rural problems. Part of my personal responsibility is to represent Secretary Romney on joint HUD-Agriculture committees on rural development and housing. It is frankly difficult to forecast the scope and direction of our rural and small community concerns next year. We, too, are awaiting final congressional action on the rural development program.

We are about to launch a series of conferences whose goal is to strengthen the role of the nonmetropolitan associations of governments in dealing with critical rural and small community issues. It is our intention that these conferences become a forum for presentation of the concerns of States and nonmetropolitan agencies, as well as for those of the Federal and other local agencies whose programs focus on rural and semi-rural issues of growth and economic development. We intend for these conferences to be the focal point of a larger effort to improve the capability of these organizations to carry out their mission. Both our central office intergovernmental relations division and our regional office staff counterparts are involved in support for these conferences. The section of most States and scheduling of firm dates should be completed within the next few days.

In your inviation to appear before the Committee you indicated that the members of the Subcommittee are interested in the new report of the Commission on Population Growth and the American Future. Frankly, we have not been able yet to make a detailed review of the Commission's report and are consequently not able yet to make any informed comment on the Commission's conclusions. We are ex-

tremely interested, however, in any testimony or statements submitted to your subcommittee on the potential impact of the Commission's recommendations on our present rural community programs. I can say without hesitation, however, that our interest has not lagged in maintaining the viability of small towns and the unique contributions and opportunities that they provide. We are deeply committed to a policy of balanced national growth—growth that is distributed among both rural and urban areas.

Mr. Chairman, we appreciate this opportunity to appear before your subcommittee again and will be glad to answer any questions.

Mr. KLUCZYNSKI. We are very glad to have you. And that is a very fine statement.

Mr. Secretary, this subcommittee recommended that you expand the Office of Small Town Services, and now you have abolished it. Why?

Mr. JACKSON. Mr. Chairman, the functions of the Office are continued in terms of policy development here in Washington. The role of the Office at the time that we testified before you, and you made your recommendations, two years ago was to serve as an ombudsman within the various offices of HUD here in Washington in helping small towns to run through the maze of many separate programs that were fragmented within the Department. I think it did a fine job in that regard. Decisions were being made here in Washington, and applications were being processed here in Washington. We no longer do that here in Washington now, Mr. Chairman. We have decentralized all the program processing and all the decision making for the programs to offices within each state. We call these offices area offices. So, there no longer is any role for the office to play here in Washington because the functions that it performed are not here. They are now in the various offices in the state. Each area director has people who make far more ombudsman services available to the small towns directly within that state. So since the mayor and the officials of small towns no longer have a need to come to Washington to present their applications or to have decisions made upon them, then the ombudsman role of Small Town Services Office is not needed here.

We retain the function, however, of the Office of assuring that every program has within its policy and its operation the special concerns of small town and their needs, and that it will respond to those needs in program administration.

Mr. KLUCZYNSKI. I served in the legislature in Illinois for a number of years. And coming from a big city like Chicago, having been born and raised in a big city, I have learned a lot about these small towns, country towns while I was in the State Legislature. I remember that when we tried to introduce some legislation they would say, be careful of that city slicker. I always believed that down State needed Chicago and we needed down State—the farmer needed the city slickers, and we also needed the farmers.

All my life, and in all my days of legislative duties, I supported the farmers. And I was always happy to do that

Mr. Secretary, do you honestly feel that we can solve our rural problems by creating an even larger bureaucracy?

Mr. JACKSON. Yes, Mr. Chairman, I think we will be able to do a much more effective job of solving the rural problems in that way. The reason, Mr. Chairman, is that people who leave the rural areas and

small towns and go to the cities are attracted by what they believe exists there. The relationship between the draw and attractiveness of the large cities with their variety of lifestyles, and a better economic base in most instances, permits the interest groups that support the separate interests of small town and rural people and those in the cities to engage in a kind of competition for Federal resources, for the skills available, and grantsmanship to secure federal resources, that puts the small towns in rural America at a great disadvantage. What we are seeking to do is to have a single department that is concerned with the function of community development.

The truth of the matter is that the needs of communities in order to develop are basically the same. The differences, of course, are important, and the program administration should, of course, reflect those differences. But an economic system is an economic system. And the elements of it are the same for large cities and suburban communities as for rural communities. What we have to do is to remove the disadvantages that one community may have as against the other because of either superior knowledge or superior staff capability to take advantage of the programs, and because of the inconsistencies that fragmentation of administration permits.

Mr. KLUCZYNSKI. Well, you are doing a good job.

Mr. JACKSON. Thank you, Mr. Chairman.

Mr. KLUCZYNSKI. Your Secretary of HUD was in to see me last week. He came in to explain the proposed new Department of Community Development. I am still studying that. I don't know what they are trying to do in this reorganization. But I will assure you that Big Klu will be right on the job when that bill comes up on the 15th of May.

Mr. Bergland, I am sure you will want to ask some questions of a gentleman who is trying to do a wonderful job. And you remember, he appeared before this committee 2 years ago.

Mr. BERGLAND. Thank you, Mr. Chairman. I do have a few questions to ask of the Secretary.

On page 4 of your statement you referred to planning grants. In your criteria do you have a population number that governs the communities eligibility? For example, do you plan with communities that are very, very small. or do you confine your planning grants to growth areas, or just what kind of a plan do you have?

Mr. JACKSON. Section 701 of the 1954 Housing Act, with all of its various amendments, Mr. Chairman, is the program that we are referring to. And within the industry it is called the 701 program. It has been available to assist small towns and communities of under 50,000 in population down through the years.

Mr. BERGLAND. Would that include a town of 2,500?

Mr. JACKSON. Yes, it would.

Now, the law provides that communities of less than 50,000 receive their assistance through a State planning agency, which in turn provides additional assistance from the State, and helps provide the ongoing planning assistance for the small town. The smaller communities obviously do not have the professional staffs to actually do the planning themselves. So, what generally happens is, they make their needs known to the State planning office. And the State planning office in turn, either through its own staff or through the hiring of planning consultants, assists that town in preparing a plan for its needs. Most

often it is a water and sewer program, or it is tying in a State transportation system to the local transportation needs, or it may be planning for housing, or tying in the housing needs of that small town with those of the county, or a multicounty housing authority. So, this kind of planning does go on, and it is available to small towns as well as to the larger communities.

Mr. BERGLAND. So the technical assistance for planning is provided by the State planning agency?

Mr. JACKSON. Either that or by providing private consultants to the city.

Mr. BERGLAND. Further, on page 4 you talk about, 805 water and sewer grant projects have been approved in rural areas. Here again, is there a population criteria involved? My experience has been that HUD tends to confine its activities in this area to the larger towns.

Mr. JACKSON. Mr. Chairman, by statute we are not limited at all in where we would make our grants available. By agreement with the Department of Agriculture, which has a statutory limit on their programs, we do coordinate closely. Prior to 1971, when the legislation for the Department of Agriculture limited its participation of its programs in communities of 5,500 or less, any application for a grant that came in to us from a community of 5,500 or less, was transmitted to the Department of Agriculture for funding. We did fund communities of 5,500 or less when it was in an urbanizing area, and in even a smaller community that was growing say, from 3,000 to 10,000 because of some development activities there. In some cases we would make a combined grant with Agriculture or EDA. There are several instances of that occurring. But in communities of 5,500 or less, prior to 1971 we generally deferred to the Department of Agriculture in our grants.

Now, in 1971 the Public Facilities Act for the Department of Agriculture was amended, increasing their authority to towns of 10,000. So, they do business now in communities up to 10,000. While we have not discontinued doing business in towns with population of between five and ten thousand, we are deferring to the Department of Agriculture to give them the first opportunity to participate in communities of five to ten thousand.

Now, when I mentioned rural water and sewer projects funded by HUD, you must understand that that what we are saying, Mr. Bergland, is that almost half of all the projects funded by HUD since 1965 in its water and sewer program have gone to cities of 10,000 or less.

Mr. BERGLAND. But they will be in communities of 5,000 or more because of your agreement with the Farmers Home Administration?

Mr. JACKSON. In most instances that would be true.

Mr. BERGLAND. Do you know offhand, does the Farmers Home Administration of the Department of Agriculture have the same general authority to cost share in these projects as you have?

Mr. JACKSON. Mr. Paul, can you answer that?

Mr. PAUL. It is somewhat different, Mr. Bergland. They do have an option there where they can give a combined grant and loan. They are somewhat more flexible than we are for small communities, and that is one advantage of their program. Ours are pretty much 50-percent grants, but Farmers Home can make loans over that. Aside from that their authority is about the same.

Mr. BERGLAND. In my district the FHA has confined its programs exclusively to loans. I hear complaints that the larger grants are available to the cities are not available to the small towns.

Mr. PAUL. I suspect it is not in the basic legislation, Mr. Congressman, probably just the current budget situation.

Mr. BERGLAND. Is there anything in the works around here to remedy this inequity?

Mr. JACKSON. While I am not an authority on the legislation which just passed the House and the Senate, I am sure that you are aware that the President's rural community development revenue sharing bill is now in conference. The rural development bills would expand greatly the authority of the Department of Agriculture to make loans in smaller communities and to make grants in smaller communities to assist them in community facilities development.

Mr. BERGLAND. I was an author of that bill, and I served on a committee that heard it. I am just wondering if we are going to be able to provide FHA with the same kind of authority that you have. I think so, but I wanted to get another expert opinion.

Mr. JACKSON. I must say, Mr. Bergland, that I do not consider myself to be an expert on that bill. I read the earlier draft on it, but I have not read the version that passed the House and Senate. I have read summaries of them, but I have not studied the two bills with the kind of care I would like to in order to give a legal opinion.

Mr. BERGLAND. On page 5 I think theremay be a typographical error. On line 5 you say: "There were 6,748 substandard housing units outside standard metropolitan areas (SMSA's); by 1968, this number has dropped to 4,130,000."

Mr. JACKSON. I read into the record 6,748,000 substandard housing units.

Mr. BERGLAND. Thank you, Mr. Chairman.

Thank you, Mr. Secretary.

Mr. KLUCZYNSKI. Mr. Roe?

Mr. ROE. Thank you, Mr. Chairman.

Mr. Secretary, following up for a minute Mr. Bergland's questions about your statement on page 4 about 805 water and sewer projects, that 805 is this year?

Mr. JACKSON. That is since 1965, when that water and sewer program was started, 42 percent of the program activity was in cities of 10,000 or less.

Mr. ROE. In 1969 the chairman of this full committee, Mr. Evins, Chairman Kluczynski, Wright Patman, and a number of people had a number of comments placed, of course, in the Congressional Record concerning the Office of Small Town Services. And there appeared an article in the Nation's Cities magazine that was placed in the record entitled "HUD's Concern for Small Towns, Office of Small Town Services Promotes Better Communities." I believe you were the author of that article, Mr. Secretary, in which you stated that "the creation of the Office of Small Town Services within HUD's Office of Metropolitan Development underscores our concern toward insuring that the small community point of view and condition are fully recognized in developing policy and program decisions."

Now that we no longer have that office, has HUD abandoned its concern toward insuring the small community point of view?

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Mr. JACKSON. On the contrary, Mr. Roe, we have stepped up our expression of our concern. We did that directly by the establishment of our area offices.

Keep in mind that the most disadvantageous thing that we could do to small towns was requiring them to have to come to Washington, or to have to negotiate with Washington in competition with the big towns in having their projects approved. They did not have the capability in most instances of completing their applications, they didn't even know what to apply for in most instances. The Office of Small Town Services, which I was very proud of administering, served as an ombudsman for small towns when the application were filed here and processed here and decisions made on them here. We no longer do anything like that in Washington any more. So the need for the office is not here in Washington. The need for the offices is down in the States where the work is accomplished. And so what we have done now is to establish program managers who have under their control all of the programs of the Department, housing, planning, urban renewal, model cities activities, all of it now is under program managers that operate within the State. And as program managers they can be so much closer to the mayor of the small town. The program manager has in his staff a community development representative who goes to the community and calls on them and says, now, here are the community development programs we have available to assist you, here is how they work, here is how you apply for them. He has a community planning and management representative, and that representative goes right from that office in that State and sits down and discusses with the mayor of the small town, here are the planning programs available, here is how we can help you build staff capability, improve the management process or the decisionmaking process in your community.

So, rather than having them come to Washington or having our staff from Washington going out to the small town, we have the same kind of people who are available with the decisionmaking authority right in the State. And so we have increased our concern for small towns by making the service more available to the small towns and increasing the authority of those who are there to respond to their needs.

Mr. ROE. Reviewing just briefly the track record of the Office of Small Town Services, I believe the office was subsequently changed following our previous hearings, or at the time of those hearings 2 years ago, into the Office of Small Towns Services and Intergovernmental Relations. And then it was further reorganized into the Office of State and Local Management Assistance. That doesn't exist any more, does it, the Office of State and Local Management Assistance?

Mr. JACKSON. No——

Mr. ROE. What I am getting at, Mr. Secretary, is that the office started out as something working for small towns exclusively in the Department, and now it has been reorganized to be combined on your area level, which efforts for the most part are located in large cities, so that there is no such small town program any more. You now have everyone working on everything, is that right?

Mr. JACKSON. Mr. Roe, let me restate the chronology. It is true that we had an Office of Small Town Services prior to 1970 that just concerned itself with being an ombudsman for small towns. But I think you have to keep in mind that this was more illusory than it was real.

Mr. Roe. You mean that office didn't really do anything?

Mr. Jackson. No; I didn't say that. But at that time it had three people assigned to it. And it did a fantastic job with such thin resources of making available to small town officials knowledge of what our program activity was all about and how they would go about using our programs. It also served as a point of reference in the Department for people to contact. And then we also reviewed the circulars of other program agencies to make sure that they were responsive to the needs of small towns in the development of the circulars and policies.

Now, what we wanted to do was to make the service that we provided to small towns more a reality by having people available to give technical assistance as well as to be sort of a clearing house for ideas. So, we made the Small Town Services Office a division of a larger office called Small Town Services and Intergovernmental Relations, and then of the State and Local Assistance office.

So, there was not just three people who are responsible, then, for handling an information service for small towns, but I think I hired 30-some people whose concern was how you make government work better and make the programs of our Department more responsive. So, we had people then who could actually go down and spend 4 or 5 days or 2 or 3 weeks with the mayor of a small town and give them technical assistance in addition to sharing information. We have done everything from helping them to organize their governments to helping them to learn the functions of their job.

There are several small towns under the arrangement we had in 1971 that said they needed to have technical advice on how to set up their bookkeeping systems, and so on, because in those days the States were not providing that kind of assistance. So we then expanded the capability of the office by taking it in effect from an office of three people to an office of approximately 30 that was concerned with the coordination of programs between State and local governments and the Federal Government, and by providing technical assistance to them.

Mr. Roe. Those 30 people aren't there any more. Where are they now?

Mr. Jackson. Those 30 people are in a combination of places. Some of them are yet in Washington. And they continue to carry out the responsibility of concern for small town services in their current assignments. But they only deal with that portion of that assignment that was policy development, such as the review of circulars and policies to assure that they reflect a concern for small towns. That is the only part of the work that is a central office's responsibility.

The bulk of the work and thus the bulk of the people, is now in our area offices, because that work which dealt with assisting them in application development, understanding what programs are available, coordinating the programs one with the other, and providing technical assistance to assist them in carrying on their activity, is now done in the area office.

So, it is closer to them, there are more people doing it, and it is being done far better.

Mr. Roe. But it is now spread out so that in your area office—I believe you have an area office in Nashville?

Mr. Jackson. No; the area office is in Knoxville.

Mr. ROE. In Knoxville. And you have your staff in that particular office who handle programs not only for metropolitan Knoxville, but for the outlying counties in eastern Tennessee. I am wondering—

Mr. JACKSON. Keep in mind, there were only three poeple for the entire Nation initially, Mr. Roe.

Mr. ROE. But that had to do with planning, is that correct?

Mr. JACKSON. No; the office never was limited to planning. The office also served as an ombudsman for all HUD programs. It went even beyond that after we expanded into the Office of State and Local Assistance, and even assisted them in other Federal programs in other Federal Departments. So there were three initially for the entire Nation.

Mr. ROE. And this committee recommended that this be expanded?

Mr. JACKSON. And we went to 30. It was again the entire Nation.

Now, one might say that we have thousands of people doing this now in every State in the Nation.

Mr. ROE. Not on small towns especially, though.

Mr. JACKSON. But the point is, what they are delivering is the same service the small towns need. And what they do now and what they could not do prior thereto, Mr. Roe, is actually be within the State and available to sit down and have discussions on a regular basis, and have the authority to act. You see, the small town services office was just a staff function and it had no program authority to do anything. And now when they go out these are the people who actually process the application. These are the people who actually make the decision on these projects. So they are getting faster service, they are getting more service, and they are getting better service.

Mr. ROE. The metropolitan area is not getting a higher priority for applications?

Mr. JACKSON. Absolutely not. If Congress had a committee that concerned itself just with the problem of central cities, they would be making the same complaint that we are giving entirely too much attention to the small communities of America. The truth of the matter is that while we indicated 43 percent of HUD-supported water and sewer projects are in cities of 10,000 or less, you will find that nearly 75 percent of all the water and sewer projects that we have assisted are in cities of 25,000 or less.

So, our Department is not at all one that is a big city program. The bulk of our moneys go to the rank and file of communities in America of 25,000 or less.

Mr. ROE. Mr. Secretary, the Senate Committee on Agriculture and Forestry in a recent report on the economic and social conditions of rural America stated that whole nonmetropolitan communities accounted for two-thirds of all substandard housing units in 1968, they received only 16 percent of all housing assistance. It looks like the rural areas, although they have the greatest number of substandard housing units, are getting the least amount of Federal outlays.

Mr. JACKSON. I really don't know what they mean by 16 percent of all assistance. Do they mean 16 percent of all HUD assistance programs?

Mr. ROE. All housing assistance, federal outlay.

Mr. JACKSON. Housing assistance is a word in the housing industry that generally refers to all those programs in the Department of HUD which provide assistance. It could be the low and moderate income

housing, or section 235, or 236, or the rent supplement. And that would probably be correct, if they are using housing assistance in that way. But then you have to add to that the activity of the Department of Agriculture rural housing program, as well as the Veterans Administration program that also operates in the rural field. You see, we each year make a portion of our 235 and 236 program funds to the Department of Agriculture to administer for us so that people in the rural areas can also have the same kind of programs that exist in the SMSA's. I don't know if that is exactly what they are talking about, but 16% of all HUD housing assistance may very well be correct. But if so, then you would have to add to that the housing program activities of the other departments of the federal government.

Mr. ROE. One of our previous witnesses on Tuesday, Mr. Clay Cochran, from the Rural Housing Alliance, in talking about FHA said:

> Since FHA can insure loans only where there is a private lending agency to make the loans, this meant that in the beginning it had an overwhelming urban bias. By and large it does not function in small towns or rural areas, nor is it likely to. It is estimated that 14 percent of FHA assistance units are in nonmetropolitan areas.

Mr. JACKSON. That is what I thought they were referring to, this 14 percent, according to Clay Cochrane. He helps us quite a bit in understanding the program needs for rural housing. And we consult with him from time to time in that regard.

I think that you will recall, Mr. Roe, that Secretary Romney and Secretary Hardin, who at that time was Secretary of Agriculture, pursuant to some interest expressed by Chairman Patman and Senator Sparkman, developed a joint report on the rural housing needs of America. The two agencies studied the rural housing program. I served as the chairman of that group interagency committee on housing. We also had OEO participating with us in that. At that time we studied with great care the problems associated with expanding the delivery of housing to rural America. And what Clay Cochrane refers to there is one of the findings that we made in that report. There is no question but that the housing programs of the Department of Housing and Urban Development depend upon two basic considerations that do not exist for the most part in rural America. One is the inadequacy of the mortgage bank or savings and loan credit institutions that are the major originator of housing activities for the HUD type housing programs; and two, the relatively small mass market aggregation capability. The average builder in rural America builds six to 10 houses a year. The average builder who builds under our programs would build substantially more than that. Rural builders have difficulty expanding production. The market is so fragmented in the rural areas, there are relatively few credit institutions in the rural area for housing and mortgage activities. The small town bank generally does not have a mortgage department, and it takes people with skill to use those programs. It is exactly for those reasons that Congress has proposed to expand the rural housing program to recognize that another type of credit institution was needed in the rural area.

Now, I think again that this supports the President's wisdom in initiating the effort to establish the Department of Community Development. This would go a long ways toward permitting us to extend the kind of credit institutions that exist in the urban areas to the rural

areas, because we can provide strong program linkages. We can then begin to talk about aggregating markets between the urban and non-urban areas where we cannot do so now. It would be extremely difficult to attempt to do that now because of the different kinds of commitments.

Mr. ROE. Aren't you going to end up in the proposed new Department of Community Development with having the rural and small towns' efforts actually swallowed up? It appears to be very similar to what this Committee has been fighting against for a long time, in regard to keeping the independence of the Small Business Administration. The Department of Commerce has shown a desire to have SBA in their Department. And can we see what is going to happen to small business, it is going to get lost in the shuffle.

Don't we have that same situation here in terms of rural America in HUD?

Mr. JACKSON. Absolutely not, for several reasons. One, the combination of the housing administrations into one department would not eliminate the specific authorities for rural areas. So, that would not change.

And two, what you really are picking up is the coordination between the programs so that they can mutually support each other in a far more effective way than they do now.

And thirdly, I could say that you then begin to recognize the interrelationships between these problems and the internal migration in the country from the rural areas and small towns to the central city.

Now, if we ever are going to make sense out of a national growth policy, if we are ever going to develop a rational approach to providing a high quality of life for our citizens in all communities in America, we need to have one department which is developing the national policy the President and the Congress need for an effective program. Otherwise, by nature it will be a fragmented policy. And as long as it is fragmented you are going to have disparities between the quality of life in different communities, and you will keep the rural and urban areas from sparring with each other, not only in the federal Congress, but also in the State legislatures and in county commissions. We simply must discontinue this polarization that is shaping legislation, and the response of government to the needs of all communities, as each tries to outgrantmanship the other for limited state, local and federal tax dollars. We think that a rational approach to this problem would be to have them an organized department with clear lines of functional activity. And then you can administer the programs to take into consideration the shifts in population, the growth center concept that Secretary Podesta talked about earlier this morning, and the interrelationships of these activities that are so essential for delivering resources to meet all community needs.

Mr. ROE. On June 19, 1969, Chairman Evins inserted in the Congressional Record a press release by HUD in regard to a study by the Jacobs Co., on small town problems and needs related to HUD programs. I believe that report was issued and recommendations were made. Whatever happened to those recommendations?

Mr. JACKSON. That was a very fine report, Mr. Roe. As you know, I supervised the development of that contract by the Jacobs Company and its implementation. And they did a very fine job for us. That report and the findings and recommendations were made available to each Assistant Secretary as they related to his program area.

Mr. Roe. It never was published, though, was it?

Mr. Jackson. I believe it was published, wasn't it?

Mr. Paul. Yes, it was published.

Mr. Jackson. At least we released the findings of it. It served to permit each Assistant Secretary of each program area to study his own program activity in the light of the findings of the Jacobs Company. It also specifically gave us a feeling that the problems were so immense at the small town level that it would be far better to have more people available to assist the local level than to have a few people available to assist them in Washington.

So, the study helped us in reaching the conclusions that justified the reorganization we spoke of earlier. I don't want to suggest that we would not have reorganized had the study not been done. But I am saying that the study confirmed the existence of problems of such magnitude that more people were needed at a closer level to respond to those needs.

Mr. Roe. What happened to all the recommendations in that report? Have they been implemented?

Mr. Jackson. Those recommendations, as I indicated, were made available to the various Assistant Secretaries.

Mr. Roe. And that is all?

Mr. Jackson. And also to the Secretary and Under Secretary. And they were used to assist us in looking at our program activities to make sure that we responded to their needs.

Now, perhaps I should insert into the record a copy of a letter that was sent to Senator Humphrey in response to a letter that he wrote to Secretary Romney on February 28 that asked the same question. And we responded to that. And, Mr. Chairman, if you would permit, I will read it.

Mr. Kluczynski. Without objection.

Mr. Jackson. It is a three paragraph letter. I will read it for the record.

It says:

Dear Senator Humphrey: Secretary Romney has asked that I respond to your February 28, 1972 letter concerning the June 1970. Study of Small Community Needs as Related to Federal Housing Community Development Assistance.

You will find enclosed a special analysis of the followup taken by HUD on the 25 specific recommendations contained in the subject study. Additional administration initiatives bearing favorably upon the future of rural and small town development have been put forward in the February 1, 1972 program on Rural Development submitted to the Congress, and in the President's proposal to create a new Department of Community Development.

With respect to the question raised in your final paragraph, the folio of concerns for small towns and nonmetropolitan matters is now carried in the Office of Planning and Management Assistance under the Assistant Secretary for Community Planning and Management. I want to assure you that there has been no diminution of HUD's interest in delivering its programs and services to the smaller communities of this nation.

And I signed the letter.

I call it to your attention, Mr. Roe, because Secretary Romney serves on the Domestic Council, as you know. And the Domestic Council receives recommendations from all of its members on all of the program activities under consideration. He made recommendations to the Council, and served on the particular task force on rural community development, as well as being chairman of the urban community develop-

ment. And many of the recommendations he made included the concepts recommended to us in the Jacobs report.

Mr. Roe. You mentioned in that letter, I believe, that you attached what happened to the recommendation.

Mr. Jackson. Yes. We will supply that for the record.

Mr. Kluczynski. Without objection it may be received.

(The document referred to follows:)

Hon. Hubert H. Humphrey,
Chairman, Subcommittee on Rural Development, Committee on Agriculture and Forestry, U.S. Senate, Washington, D.C.

Dear Senator Humphrey: Secretary Romney has asked that I respond to your February 28, 1972, letter concerning the June, 1970, "Study of Small Community Needs as Related to Federal Housing and Community Development Assistance." You will find enclosed a special analysis of the follow-up taken by HUD on the 25 specific recommendations contained in the subject study.

Additional Administration initiatives bearing favorably upon the future of rural and small town development have been put forward in the February 1, 1972, Program of Rural Development submitted to the Congress, and in the President's proposal to create a new Department of Community Development.

With respect to the question raised in your final paragraph, the portfolio of concerns for small towns and non-metropolitan matters is now carried in the Office of Planning and Management Assistance, under the Assistant Secretary for Community Planning and Management. I want to assure you that there has been no diminution of HUD's interest in delivernig its programs and services to the smaller communities of this nation.

Sincerely,

Samuel C. Jackson.

(Enclosure.)

Status Report on Recommendations Contained in HUD 1970 Study Report: "Small Town Problems and Needs as Related to HUD Programs"

(By the Jacobs Co., Chicago, Ill.)

BACKGROUND

In June 1969, the Department awarded a one-year research contract to the Jacobs Company, Inc., of Chicago, a management consultant firm in public administration and finance, to study small community needs and make recommendations for adapting or developing HUD and other Federal programs to effectively meet these needs.

This undertaking was part of the Department's Small Town Services Program on-going mission to sharpen HUD's focus on less populous communities and to improve delivery of program aid funds and technical assistance to small towns. The study was conducted under a contract monitored by the Office of Small Town Services (subsequently changed to Office of Small Town Services and Intergovernmental Relations.) In February 1971, the mission of these organizational units was incorporated into a new Office of State and Local Management Assistance.

As part of this project, a sub-contract study on minority group needs and problems in smaller communities was prepared by Roy Littlejohn Associates, Washington, D.C. Major emphasis was placed on the housing situation of minority groups in smaller communities with special reference to equal opportunity, availability of public services, and local leadership.

GENERAL

The final report of this $150,000 study effort was submitted to HUD by the contractor and sub-contractor in July 1970. It consisted of three volumes:

Volume I—Study Design, Analysis, Conclusions and Recommendations—"Small Community Needs As Related to Federal Housing and Community Development Assistance"

Volume II—Community Profiles

Volume III—Minority Group Needs in Small Communities (Roy Littlejohn Associates, Inc.)

Departmental briefings on the various study findings and recommendations were conducted for all departmental Assistant Secretaries and key staff members shortly after the final report was submitted by the contractors. Also, the Office of Small Town Services and Intergovernmental Relations followed-up with selected program directors to discuss in detail the study recommendations dealing with specific program areas and explore various follow-up alternative actions. These include:

Comprehensive Planning Assistance Program
Workable Program
Equal Opportunity Program
Public Facilities Loan Program
Urban Renewal
Housing Production and Mortgage Credit Programs
New Community Development Program

Departmental activity in follow-up to this report with other Federal agencies, states, area development districts, localities, the private sector, etc. by HUD's staff unit concerned with smaller community and non-metropolitan matters has been limited. The Report has been treated as an internal document and its findings and recommendations have not been widely released.

The study examined a representative sample of smaller communities with populations under 50,000 to identify their physical, social and governmental needs. The information contained in forty community profiles developed to assess HUD program delivery and recommend specific improvements have been disseminated to the communities concerned as well as to HUD field staff. Reaction to date, to the community profile analysis format, has indicated that both HUD and smaller communities would benefit if comprehensive Community Profile Analysis guidelines were developed and available for wide use by other smaller communities and HUD program review officials. Development of information profiles, such as those in the study can provide a new perspective on particular small community or area-wide needs.

The community profile format calls for and outlines essential elements for the comprehensive diagnosis of a smaller community—economic, physical, social and governmental aspects. It can be utilized as an analytical or management tool by HUD program officials (particularly at the Area Office level), states, area-wide agencies, and the small town itself for assessing local problems and needs and identifying specific solutions. This vehicle provides a comprehensive approach to viewing the smaller community and can supplement data required in Federal and state program aid applications.

This study report contained a number of specific recommendations for strengthening HUD and related program assistance to smaller communities. These recommendations to improve the delivery and service of HUD programs were grouped under the following major headings:

Modification of Existing Federal Programs
Recommendations for New Programs
Administration of Federal Programs
State Assistance to Small Communities
Growth of Regional Agencies

The current status as to major implementation actions considered, planned, or taken for each of the specific study report recommendations follows:

I. MODIFICATION OF EXISTING FEDERAL PROGRAMS

Comprehensive Planning Assistance Program

Recommendation 1: "The community planning process should be reoriented and divided into two distinct parts: (a) preparation of a preliminary plan which would include an overall analysis of the community formulation of long-range objectives and goals, establishment of priorities and preparation of a work program to carry them out; and (b) detailed studies of major subject areas identified during the preliminary plan and included in the work program."

This recommendation is fully implemented with procedures spelled out in HUD's 701 Program Handbook.

Recommendation 2: "The preparation and adoption of a preliminary plan should be prerequisite for all HUD public housing and community development programs."

This has become essentially a reality through the Area-Wide Planning requirements and the Workable Program requirements (for community development programs), which have been issued by the Department since the submission of

the Jacobs report. Additional requirements have been levied through issuance of project selection criteria to our Regional and Area Offices.

Recommendation 3: "Requirements should be formulated by HUD to require that applicants for "701" funding submit evidence that responsibility for implementation of the plan has been assigned to a specific individual on the city staff and professional assistance in implementing the plan will be available from either the city staff, county, regional or state planning agencies, or a private consulting firm."

Provision has been made for this in the Department's 701 Program Handbook by requiring that the planning process be linked directly to and be responsive to the chief locally elected official. The intent is to link the planning to implementation through the chief executive, as he is responsible for development decisions. The assurance of professional assistance in implementation is not a requirement. However, we strongly encourage such assistance through state services and the provision of continuing professional services being available through area-wide planning agencies.

Recommendation 4: "Activities eligible for funding the Comprehensive Planning Assistance program should be expanded to provide specifically for continuing professional planning assistance in administering local plans."

States are being encouraged to allocate 701 program funds received for planning assistance in smaller communities (under 50,000 population) to provide continuing type and/or full-time planning services. Increased emphasis is being placed to establish sub-state planning and service districts in order that local governments may share a common professional staff and obtain needed services.

Recommendation 5: "The preparation of area-wide rather than individual community comprehensive plans should be encouraged for small, non-metropolitan communities (generally under 25,000 population)."

This is now being done through Part IV, OMB Circular A–95 as revised February 9, 1971. This Circular furnishes guidance to all Federal agencies for improved cooperation with state and local governments through coordination of planning in multi jurisdictional areas. Common or consistent planning and development districts or regions are encouraged and procedures for bringing this about with a state input, have been spelled out.

HUD, in administering the Comprehensive Planning Assistance grant program, is actively encouraging such action on the part of states. To date, approximately forty states have delineated and are establishing sub-state districts. During FY 1971, $3.4 million in comprehensive planning grants by HUD were awarded through the states to 155 non-metropolitan districts covering 791 counties in 34 states. This compares with $1.4 million awarded to 61 districts in 18 states during FY 1969, the first year this program was funded. During FY 1972 the number of non-metropolitan areas funded and the total dollars allocated will be above the 1971 level.

The Workable Program For Community Improvement

Recommendation 6: "The requirement for a workable program for community improvement as presently constituted should be discontinued. However, the adoption of codes and establishment of an effective codes enforcement program should continue to be required prior to the acceptance of an application for urban renewal programs."

Rather than discontinuing the Workable Program for Community Improvement as presently constituted, we have endeavored to improve the administration of this program. The Workable Program represents a means by which communities of all sizes and discipline their development. It serves on an overall basis as a vehicle to identify community needs, provide a plan for meeting these needs, identify resources available to meet these needs and establish priorities. It is a major tool for directing local programs, staff and other resources to meet basic local policy and improve the quality of local government and development. The application documents the record of past accomplishments and sets forth a course of future actions which will serve to prevent and eliminate slums and blight. The Workable Program is the locality's program, prepared by local officials, with citizen involvement in its development and implementation. In itself the application presents a disciplined approach to overcoming local problems impeding sound community development and it serves to aid HUD administrators in assessing a community's performance.

As a result of new approaches introduced to strengthen the administration of the Workable Program, considerable progress has been made in reducing processing time of applications for certification and recertification. Efforts are continuing to effect more expeditious handling of community applications.

The smaller workloads by reason of the elimination of the Workable Program requirement for public housing and Section 221(d)(3) permit HUD staff to devote more time to providing technical advice and assistance to communities and to achieving generally more effective administration of the Workable Program.

Further with the HUD decentralization to Area and Regional Offices, HUD staff have been brought into much closer contact with localities. The HUD field staff is now in a much better position to provide technical assistance to communities and also in a better position to evaluate local needs and accomplishments. An extensive training program has been undertaken for field office staffs in all aspects of Workable Program administration. The training activity is a continuing effort that includes Regional assistance to Area Staff as well as special training, such as the HUD Codes Workshop that was conducted in Grafton, Illinois from March 5–10 for HUD Code Specialists through the Nation.

Recommendation 7: "A Codes Improvement Program specifically designed for communities of 25,000 and under should be created to assist cities of this size in the adoption and updating of codes, and in the establishment of a codes enforcement program. The program should be administered by the states. Technical assistance should be available to aid communities in code preparation and the training of inspectors. Financial assistance should be provided by states to finance the cost of hiring inspectors to implement the codes enforcement program."

A specific "Codes Improvement Program" designed for communities under 25,000 population has not been fully developed yet, but a number of related activities have been started or are scheduled. Organizationally, HUD has established new Regional and Area Offices which are designed to work more closely with all communities in the development of effective local programs of community improvement, including codes adoption and codes administration. Codes specialists based in the HUD Area Offices are specifically charged with the responsibility of providing technical assistance and guidance to smaller communities in the development and administration of active and effective local code adoption and code enforcement programs. Currently, the Department is preparing "A Guide for Code Adoption and Code Enforcement Under the Workable Program for Community Improvement." This manual will be specifically designed to assist small communities in the adoption of local codes and the development of active and effective code enforcement programs. Publication of this Guide is anticipated by June 30, 1972. It will be part of a continuing effort to provide useful technical guidance to smaller communities.

States are being encouraged to initiate training programs for local code inspection. Federal assistance is available for this purpose under HUD's Title VIII Community Development Training Program. Federal funds for the training of local inspectors to be employed in Concentrated Code Enforcement Projects are also available to local governments under HUD's Section 117 program. Also, State Community Development Services may be developed by states under Section 701 Planning and Management Assistance to expand the technical assistance available to local officials.

Technical Assistance to Small Communities

Recommendation 8: "Technical Assistance and Community Development Training programs should be substantially increased and used primarily to assist communities of 25,000 population or less."

HUD's Comprehensive Planning Program grant funds flowing through the states enable small towns and rural areas to pursue broad community development planning in such fields as housing, transportation, human resources, and community facilities. For example, during FY 1971 alone, approximately 50 percent or $25 million of the 701 Program funds went for community development planning in areas with population under 50,000.

A substantial portion of HUD's Community Development Training Program funds (Title VIII of the Housing Act of 1964, as amended) are utilized for the training of officials from small communities and rural areas. These officials may also send staff, tuition free, to workshops conducted jointly by HUD and the U.S. Civil Service Commission on a nation-wide basis in employee development and training. HUD is also sponsoring, under contracts with Temple and Shaw Universities, and the National Urban League, a series of workshops in housing management and community services, open tuition free to small town and rural housing authority staff. Technical assistance services in training, manpower

development, and university curriculum development may be secured from HUD through its newly established Area Offices as well as the Regional and Central Offices. Also, a new manpower workshops program for local officials will be held in the Summer of 1972. Attendance will be free, and approximately 6,000 officials will be invited nation-wide.

Housing Programs

Recommendation 9: "HUD should conduct a study of the present methods for attracting developers and financing for subsidized housing programs to determine whether other mechanisms would be more effective in increasing the use of these programs in small communities."

The recommendation was essentially baesd upon the relative little use of HUD's various housing programs in the small communities surveyed during the study, particularly those communities situated in a rural setting. HUD administers its various housing programs in towns of all sizes and types and in both urban and rural settings. During fiscal years 1968–1970, an annual average of approximately ten percent of the housing units which received assistance through HUD's FHA mortgage insurance programs or through the low rent public housing program were located in rural areas (defined as non-metropolitan counties having no city with a population of 25,000 or more).

The ratio of housing built in small towns and rural areas to all assisted housing remained relatively stable during this three-year period—at ten to eleven percent. The 122,200 single-family homes built in rural areas represented about nine percent of all HUD FHA-insured home mortgages. The proportion of public housing units located in smaller communities comprised one quarter of the national total, with one-sixth of all HUD aided public housing units provided to communities of under 10,000 population. The greatest increase in activity, however, has been in the construction of FHA-insured multi-family projects. FHA multi-family units built in rural areas increased from about seven percent to ten percent of the national total over the three-year interval (1968–1970). Multi-family construction increased more than eight percent from 7,200 units in FY 1969 to 13,200 units in FY 1970. These recently compiled figures clearly indicate that many rural communities across the Nation do find HUD housing programs especially suitable to meet their needs.

HUD and the U.S. Department of Agriculture, recognizing the interrelationship of their respective housing programs as they serve rural small towns, regularly cooperate to deal with mutual problems of housing policy and program administration. Two years ago, this cooperation was formulized by the organization of a HUD–USDA Rural Housing Coordinating Group to focus on increased housing for rural areas. A major concern of this continuing inter-agency effort, which has been broadened to include OEO, is the implementation of specific program recommendations to improve and increase housing program delivery in smaller, non-metropolitan communities under 25,000 population.

The President's proposed executive agency re-alignment calling for a Department of Community Development provides a single Housing Administration built around the housing production and management functions now in HUD and the rural housing programs of the Farmers Home Administration. This would permit for more effective coordination of these rural and urban housing programs with better service resulting for both urban and rural small towns.

Water, sewer, and waste treatment programs

Recommendation 10: "The Water and Sewer Facilities Grant and Loan Consolidation Act of 1969 providing for HUD responsibility for administering for all waste treatment works should be enacted by Congress. The Economic Development Administration and the Appalachian Regional Commission should retain authority to make supplemental grants."

This recommendation for grant and loan consolidation calls for Congressional action. The four Federal agencies administering water-sewer programs (HUD, Environmental Protection Agency, EDA, and Agriculture) have set up an inter-agency committee to study various ways to coordinate all aspects of these separately authorized Federal water-sewer programs. A four-way agency agreement for uniform planning requirements was developed during 1971. To date, HUD and EPA have signed this agreement, drafted and approved by the full Inter-Agency Committee.

New Communities Program

Recommendation 11: "HUD should encourage the development of new communities in non-metropolitan areas. Such communities preferably should be con-

structed around existing seed communities with growth potential. Federal and state officials should identify potential seed communities through study techniques similar to those used in this study."

The New Community Development Corporation Board has promulgated a policy which would give priorities to types of new communities, such as small town growth centers, which are under-represented in the list of applications and pre-application proposals received to date.

Measures have been taken to encourage or assist several major free standing new communities in non-metropolitan areas which should have good chance of success. The Urban Planning Assistance program has been used to assist the State of North Carolina in undertaking the necessary regional and local planning for Soul City, to be located in depressed Warren County. The developer has submitted an application to HUD for guarantee assistance for this project, and is completing arrangements for the required equity investment. A pre-application proposal has also been submitted, with HUD encouragement, for a new community of Midland, Kentucky, which is a free standing new community to be built around a proposed multi-million dollar Corps of Engineers Dam and Forest Service recreation facility. In addition, another pre-application has been submitted for Brier Hill, a free standing new community proposed for development in Fayette County, Pennsylvania.

The developer plans to attract industry to Brier Hill which is located in an area where there is substantial unemployment.

An initial planning study grant has been completed for Pattonsburg, Missouri, to demonstrate how a small town could become a new community. The town has made initial contact with a qualified developer to undertake a new community on the location near the Corps of Engineers reservoir which will force it to move. The Department is continuing to provide encouragement and assistance so that this project can move from initial feasibility stages to a Title VII New Communities Program application. Two other pre-applications for small town growth centers in Arizona and Florida respectively are in the initial stage of review.

HUD has encouraged states which have expressed interest in balanced growth studies and the creation of state or local development corporations which can actively undertake new communities, including those developed in conjunction with small towns in non-metropolitan areas. However, few states have followed the lead of New York in creating strong development corporations. Several states, such as California, Michigan, Pennsylvania and Ohio are considering similar state legislation.

Although it is recognized that our non-metropolitan areas and small towns have a potential for new town development, there are several key problem areas, however, in implementing these broad policy guidelines. First, small town growth centers often would have difficulty in qualifying for Federal assistance because of the lack of capability of these small towns to plan something so complex as a new community. The developer obviously must have the financial, technical, and administrative ability and background appropriate to the size and complexity of the project. Secondly, the creation of a job base is obviously critical to the economic feasibility of non-metropolitan new towns. However, it is virtually always difficult to obtain commitments from industry and other primary employers to locate at the new town site at an early stage when financial commitments must be entered into. HUD places a high priority on this type of new community and will continue to work with and encourage small towns with the potential for new community development.

II. RECOMMENDATIONS FOR NEW PROGRAMS

Small Community Development Program

Recommendation 12: "A Small Community Development Program should be established as a demonstration program for non-metropolitan communities of 15,000 population and under which would provide grants of up to 100 percent to finance needed community development projects and programs. Eligibility in a program would be limited to those communities with future growth potential that could show limited local resources to finance the programs on their own."

With the exception of action projects supported by Model Cities Program supplemental funds, no program authorization exists under current legislation to make 100 percent grants to finance community projects and programs in non-metropolitan communities of 15,000 population and under. It should be noted that of the 150 Model Cities program communities, eight of the communities participating are under 15,000 population.

Enactment of the President's proposed rural development special revenue sharing would permit full funding by communities of needed community development projects and programs.

Public Facilities Program

Recommendation 13: "HUD should establish a program designed to provide grants of fifty percent to communities under 15,000 population for the construction of administrative and public safety facilities. Supplemental assistance up to an additional thirty percent should also be allowed in cases where more than one of the local governments in a community join together to construct a common facility."

HUD has no legislative authority for a program of this type. Enactment of the President's proposed general and special sharing measures will provide new and unrestricted funds to be used as the states and localities deem appropriate.

III. ADMINISTRATION OF FEDERAL PROGRAMS

Small Town Services Program

Recommendation 14: "The functions and responsibilities of the Small Town Services program should continue to involve four major program areas: (a) informational assistance; (b) general assistance and advice; (c) interagency coordination; and (d) research."

Recommendation 15: "The Small Town Services program should be augmented in order to be more effective in assisting small communities. Consideration should be given to the establishment of the program function at the regional level."

Recommendation 16: "The Small Town Services program should take the lead responsibility in urging the development of a small community data system based upon the small community profile methodology designed for this study."

The community profile format calls for and outlines essential elements for the comprehensive diagnosis of a small community—economic, physical, social, and governmental aspects. The study report points to the potential of utilizing the small community profile as an analytical and technical/management tool by HUD program officials (particularly at the Area Office level), states, areawide agencies as well as the small community itself for assessing local problems and needs and identifying specific solutions. The profile methodology provides a comprehensive approach to viewing the small community and often supplements data required in HUD program applications. Comments received from HUD field officials indicate a diversity of uses for a comprehensive Community Profile; e.g., supplemental and supportive to narrower program profiles, additional substantiation for both program and project needs useful to program managers and their teams in working with a community, a guide for government officials at all levels, and a fully documented statement of problems and needs as well as local resources available.

The Community Profiles developed by the study have been distributed to each Regional Office as well as to each of the respective mayors for their use and comment. To date, both the written and verbal responses indicate that both communities and HUD would benefit if comprehensive Community Profile guidelines were developed and issued.

Also, a technique to utilize the community profile methodology is spelled out in the report. A "Classification Ranking of Small Communities" based upon a factor analysis process can provide a HUD program administrator useful information in considering a community's grant application. He can use the factor analysis data as a tool in making his judgment between application for aid. It enables him to select that application that presents the highest indication of success, based on past performance of that community in handling grants or other factors shown on the chart.

Recommendation 17: "The Small Town Services program should concentrate its efforts on communities of 25,000 population or less."

The Small Town Services Program, located in the Department's Office of State and Local Management Assistance, is assigned the mission to provide an improved focus and increased assistance for meeting small town housing and community development problems and needs. One of its major functions is to provide staff support and technical assistance in identifying and analyzing the special housing and community development problems and needs of small towns and rural areas, and recommend appropriate action. A regional counterpart staff to serve as a focal point for small town services and non-metropolitan development matters has been provided in each of the Department's ten regional offices.

Although no formal policy has been established to focus on problems of communities under 25,000 population, the activities of this Office have been so addressed. For example, HUD's participation with USDA and OEO in developing and implementing improved rural housing programs, cited earlier in this report, is an example of the focus being placed on rural areas and communities under 25,000 population. Also, the efforts of this program have been concentrated on stimulating, monitoring and evaluating various demonstration efforts and studies that deal with the problems and special needs of the smaller communities of 25,000 population or less.

Program Application Reviews

Recommendation 18: "HUD field offices should be instructed to conduct pre-application conferences with committees especially for major projects such as housing, urban renewal and water and sewer, prior to submittal of formal applications for funding. Conferences should be held in the applicant community and not at the HUD field office."

Since the completion of this study report, the Department has established 43 Area Offices, throughout the nation, having comprehensive program review and approval authority. The procedures in effect or in the process of being updated call for a conference with each community prior to the submission of a formal program application. The decentralized Area Office structure facilitates the use of the pre-application conference technique in all instances where the community is the applicant.

With reference to applications for housing projects, other than public housing, these are usually submitted by private sponsors and are expected to comply with the planning requirements of the local authorities. To invite small town officials to sit in at a pre-application conference on such numerous housing project applications would result in further delays and reduction of the volume of housing produced in smaller communities.

HUD field offices are now negotiating "annual arrangements" with selected individual communities, packaging Community Development and other HUD aids in a coordinated series of programs most appropriate to meet locally-defined problems and priorities. This negotiation process enables the discussion of suitable programs with community elected officials prior to the filing of formal applications. Further, HUD is now developing a Project Selection System for Community Development Programs which would enable a HUD judgment as to a community's eligibility and priority for community development funds before the submission of detailed technical information is required. This would avoid the burden, particularly onerous on a small community, of preparing such information for projects which cannot or will not be funded.

IV. STATE ASSISTANCE TO SMALL COMMUNITIES

Expansion of State Role in Assisting Small Communities

Recommendation 19: "The Federal Government should continue to encourage the establishment of Offices of Community Affairs in states which do not have them."

Recommendation 20: "The Federal Government should encourage states to assume greater financial responsibilities for assisting small communities in such areas as technical and planning assistance, housing, urban renewal, and other programs aimed at rebuilding and revitalizing small communities."

A major vehicle to achieve these objectives is the President's proposed program for general and specific revenue sharing. Through a general revenue sharing and six special revenue sharing proposals, states and local governments will receive substantially automatic allocations of funds and thereby be given a full share in the task to chart the nation's growth and development. In support of these revenue sharing proposals, a new and broadened program for Planning and Management Assistance to states, to area-wide agencies, and to localities was requested for FY 1972 ($100 million requested—$60 million appropriated). This grant program will enlarge the 701 Comprehensive Planning Assistance Program objectives by providing broader and more flexible state support for local governments to build their capacity to govern effectively. Emphasis is planned on the development and use of comprehensive management (not planning) processes.

Also, through use of funds under Section 111(b) of the Demonstration Cities and Metropolitan Development Act of 1966, HUD has helped to support ten state technical assistance offices concerned with strengthening the capability of local general purpose government and relating state planning and service delivery sys-

tems to locally-determined plans and priorities. In the State of Texas, such HUD support helped provide the stimulus for the creation of a cabinet-level department of community affairs.

State Encouragement of Small Community Consolidation

Recommendation 21: "The Federal Government should urge states to strongly discourage the further proliferation of municipalities and provide financial and other incentives to encourage either municipal consolidations or the transfer of area-wide functions to regional agencies."

Increased emphasis on the creation and support of area-wide planning and service districts to identify problems and priorities, and mobilize available resources is underway. Multi-county districts afford a new focusing device to achieve more flexible and responsive smaller community and non-metropolitan governmental institutions and services. During FY 1971, $3.4 million in comprehensive planning grants were distributed by HUD, through the states, to 155 non-metropolitan districts in 34 states. This is compared with $1.4 million awarded to 61 districts in 18 states during FY 1969, the first year this program was funded. As of June 30, 1971, 38 states had officially delineated area-wide planning and development districts. The potential of the regional or area-wide agencies approach to provide new direction and solutions for small community consolidation or coordination is still largely untapped.

The Department has supported through its 701 grant program and Research and Technology program various efforts designed to achieve community consolidations and area-wide improved public services. For example, a Research and Technology grant has been made to Technical Foundation, Inc. of the West Virginia Institute of Technology, designed to improve public services in some thirty rural communities in the Upper Kanawha Valley of West Virginia.

V. THE GROWTH OF REGIONAL AGENCIES

Recommendation 22: "HUD should recommend to the Bureau of the Budget that it should actively encourage state governments to implement provisions of the Budget Bureau directives providing for common or consistent planning and development districts at the regional level. If conformance is not forthcoming within a reasonable amount of time, other means should be considered to produce compliance."

Recommendation 23: "HUD should urge the states to delegate responsibility for providing better coordination and the common use of resources where feasible in each regional planning and development district to one of the local participating agencies. The non-metropolitan planning district or COG should be considered for assumption of this role. Ultimate responsibility for coordination, however, should remain with the states."

These recommendations are being implemented by the Department primarily through the revised Comprehensive Planning Grant Program Draft Handbook, dated September 1971. Program policy is that whenever possible local assistance and services should be provided through area-wide mechanisms, so as to gain the benefits of a more desirable scale of economy possible with a common or shared professional staff at the areawide level. Also, the Office of Management and Budget through its revised OMB Circular A–95, dated February 9, 1971, spells out guidelines for achieving improved cooperation with state and local governments through regional planning and service districts.

In summary, much useful data on smaller community development with recommendations was presented by this study report. The Department has utilized and plans to further consider the report findings, recommendations, and their implications for achieving sound small town development.

NOVEMBER 1971/Revised MARCH 1972/FCD.

Mr. ROE. That is all, Mr. Chairman.

Mr. KLUCZYNSKI. Mr. Finn.

Mr. FINN. Mr. Chairman, I have no questions. I just want to make a short statement to explain the absence of the two minority members of the subcommittee.

I wanted to assure you that Mr. Stanton and Mr. Horton are both involved with matters closely involved in what you are doing this morning. Mr. Stanton is involved with the housing bill markup, and

Mr. Horton is involved with the Government Operations Committee in the marking up of the legislation in the Department of Community Development. And I am sure they would have liked to have been here otherwise.

Mr. JACKSON. Thank you very much. We have great respect for them, and we know how they support our programs.

Mr. KLUCZYNSKI. I want to thank you for the splendid testimony. It is always a pleasure to have you before this committee. And thanks again for the splendid cooperation.

Mr. JACKSON. Thank you very much.

Mr. KLUCZYNSKI. The next witness will be Mr. Alvin Jones Arnett, Executive Director, Appalachian Regional Commission.

TESTIMONY OF ALVIN JONES ARNETT, EXECUTIVE DIRECTOR, PRESENTING STATEMENT OF DONALD WHITEHEAD, FEDERAL COCHAIRMAN, APPALACHIAN REGIONAL COMMISSION; ACCOMPANIED BY PAGE L. INGRAHAM, INTERGOVERNMENTAL PROGRAMS

Mr. ARNETT. Mr. Chairman and Mr. Bergland, the statement is that of Donald Whitehead, the Federal Cochairman of the Appalachian Regional Commission. I am the Executive Director.

Accompanying me is Mr. Page Ingraham, who is Director of Intergovernmental Programs at the Commission.

Mr. Chairman, it is a pleasure for me to appear before this committee which is considering major Federal policies and programs relating to rural areas and their implications for small business. The Appalachian Regional Commission, since its establishment more than 6 years ago, has been vitally concerned with the problems of rural areas and their need for economic development.

The region has a network of small- and medium-sized communities and cities with only one major metropolitan area, that being Pittsburgh. Central Appalachia, consisting of portions of Kentucky, West Virginia, Virginia, and Tennessee, has one of the largest concentrations of rural population anywhere in the country—in fact it is one of the densest in the United States. In the southern part of the region, an agricultural economy is being increasingly affected by industrialization and urbanization while in the north a coal-steel-railroad economy is shifting to new types of manufacturing and service employment. We have been faced with the problems of change in rural areas and in small and large business which have had a profound impact on the region.

One of the major characteristics of an area experiencing difficult economic growth problems is the special impact on small business which serves local markets and on rural areas where it becomes difficult to provide an adequate level of health, education, and other services. The findings of some recent studies, for example, illustrate the extent of the slack that exists in service and retail employment. It was found that an increase in industrial jobs does not necessarily result in a corresponding increase in service and retail employment, this meaning in small business jobs. This would indicate that existing service and retail establishments are operating below capacity and therefore receiving less return than they should. Another indication

of the particular impact on small business is the active and predominant participation in local industrial and development organizations by small businessmen. They know that their future depends on continued growth of the economy. Their livelihood is fixed by the local market and they need a growing population and rising income level.

Another major characteristic of areas lacking adequate economic growth is the disparity that exists between services and facilities available in the rural areas and those in urban areas.

These disadvantages in educational and medical facilities and services, housing, living standards and personal income are marked. Rural governmental institutions may be unable to respond and provide the type of public services required. The small local governments are frequently not equipped to undertake the planning and development activities necessary to overcome their handicaps.

Our activities under the Appalachian Program have borne out this experience and have shown that the best way to aid rural areas and small business is to undertake a combined urban and rural development program for the total economic growth of an area. The decision to focus on total economic development, broadly construed, has allowed the Commission to concentrate limited resources where they will have the greatest impact while still responding to those needs of people which affect economic growth.

Focusing on total economic development led to the adoption by the Commission of a policy which emphasizes the concentration of investments in areas with growth potential or in areas having a substantial impact on a growth area. The policy recognizes that it may be necessary to provide health and education services in other areas so that the people in more isolated regions, who cannot be served effectively by facilities in a growth area, may nevertheless, receive the health and education services they need in order that they may participate more effectively in society and the economy and thereby contribute to the economic growth of the area. By concentrating major investments at selected locations it is possible to provide the necessary level of services readily accessible to the surrounding rural hinterland. Only by the effective application of such a policy will it be possible to encourage centers which provide a level of services sufficient to provide an alternative to continued migration to major metropolitan concentrations. Such a policy can contribute to a more "balanced" national development—an increasingly sought-after objective.

A number of Appalachian programs illustrate the impact of a total development policy for both urban and rural areas. The local development districts, which cover most of the Appalachian area—and by the way, our Appropriations patron—Mr. Evins—smiles down, if only from a portrait—this area covers the mountainous region from Schoharie County in New York to Kemper County in Mississippi, it runs down the ridge of the Appalachian Mountains. So, it extends almost from New York City to the Gulf of Mexico, with roughly 20 million people. These local development districts which cover most of the Appalachian area, are an organizational embodiment of this relationship. The planning and development districts provide an area-wide forum within which rural and urban, public and private interests can jointly develop programs to provide necessary services and foster the economic growth of the area.

Although the district organizations take a variety of forms, they have in common a multi-county, multi-fuctional approach with provisions for the participation of local governments and private citizens from their area. You will want to contrast with what Mr. Podesta said earlier about the 250,000 limit for the EDA districts. Ours have no such limitations. Ours have to be multicounty and multifunctional. They carry on a wide and varying range of activities including: Planning for areawide development; assistance to local governments and others in the development of proposals for joint programs and projects and funding them; research and studies of areawide resources, problems and potentials; technical planning and research assistance: review of grant-in-aid proposals; assistance and encouragement for companies and industries seeking to locate in the area; and, fostering areawide cooperation and local cost-sharing of services. Local development districts we liken to a barn raising. It is simply the coming together of three, four, five, as many as—the largest district is 10 counties. isn't it?

Mr. INGRAHAM. About that, yes.

Mr. ARNETT. It's simply the pooling of small counties, tax-poor counties, to develop those areas. which done singly they could never do. And coming together they are able to have vocational schools, area hospitals, and area airports. The districts are on the scene at the point where they can be instrumental in developing programs and projects which will contribute to economic growth while providing the necessary services for both urban and rural people within the district.

Local development districts in a number of States have been particularly active in specific development programs and activities within their districts. They have frequently worked closely with industrial development and tourist promotion groups, although we are prohibited by law from actually going after industry, that is, we cannot proselytize, we cannot pirate. There is also an admonition in our law that says we cannot fund production enterprises, that is, we cannot provide startup money for industry. We have no business loans.

The districts provide a unique opportunity for urban and rural areas and representatives of government business and local citizens to work together in pooling the available resources. Most frequently the districts serve as the facilitating agencies through which groups and resources can be brought together, programs can be developed, and available assistance and resources can be most effectively used.

There are innumerable examples of the ways in which the districts have contributed to the potential for economic development. I will mention only a few. The Duffield Industrial Center is being constructed along an Appalachian Development Highway Corridor in the Lenowisco Local Development District in Southwest Virginia. It illustrates the effect that a local development district and a highway corridor can have on the economic potential of an area. The project was located in one county and receives support from two other counties because of its contribution to the whole area. The local funding was combined with funding, projects, and technical assistance from the State of Virginia, the Economic Development Administration, the Appalachian Regional Commission, and TVA.

Several local development districts have been instrumental in assisting in the establishment of small business investment companies o bring additional capital into their area. One of the recurring prob-

lems in the Appalachian Region has been the lack of adequate investment and development capital and the SBIC's, with the support of local business, can help to fill this gap.

If I may add here, we did a study in 1969 that indicated that Appalachia was a capital export region, that is, the bankers would rather put their money in Treasury notes in San Francisco than invest in mortgages in Magoffin County, Ky. We have indications now that that has turned around. And that we are going to check, in fact, by going back and reassessing the situation, whether indeed Appalachia continues to be a capital export region. We are hoping that those 1969 findings are indeed no longer so.

The Appalachian development highway system—and if I may add here, the Appalachian program has been popularly characterized as a highway program, a system of 2600 miles of highways which has been designed to interlace Appalachia. If you will look at the interstate system you will see that it well serves Washington, D.C. and St. Louis, and that when I–64 is built you an whip through Appalachia quite speedily. But for the people in Bluefield and Beckley and those other folks in West Virginia, the interstate highway system is indeed a very limited access highway system. The 2600 miles, in the main, an interstate standard system has been designed to interlace those interstate roads in West Virginia, East Kentucky, Tennesseee, and so forth. That system now provides a prime example of a program which is designed to support a total economic development policy affecting both urban and rural areas. It is almost the backbone upon which the Appalachian program hangs.

The system links the major population centers of the Region and serves the dual purpose of enhancing their potential for development and making them more accessible as service centers for the surrounding rural areas. New industrial locations within the Region illustrate the effect of this policy. Forty percent of new enterprises locating in the Appalachian Region within the last five years have located within ten minutes of development corridors and seventy-five percent within a half an hour of the corridors. But the corridors and access roads not only serve a direct industrial location purpose. They also contribute to the success of another aspect of the economic growth policy. They can make specialized and more sophisticated health and educational services and facilities more generally available and accessible.

In Appalachia, among the other problems, we have a terrain problem. Ground that it takes us 30 minutes to cover in the flat land takes an hour and a half to cover in East Kentucky. And this affects the health delivery system, the educational system, and every other endeavor that you try to plant on the landscape out there.

We are currently embarked on two new efforts to permit the Region to further capitalize on its highway investments. A new highway development planning program has been established by the Congress this past year with the objective of assisting member States in preparing action plans and programs that reinforce transportation investments, while at the same time protecting highway capacities and enhancing highway safety. This type of planning will help to identify feasible development, industrial commercial, and residential, at specific sites and prepare development programs. It will provide the potential for a development link between urban and presently rural areas. And

there you will notice another link between what Secretary Jackson just said a few moments ago.

The development of viable, economically feasible, rural transportation systems is another particularly challenging aspect of the economic growth policy described. Rural transportation systems can provide a vital link in making health and education services available and in providing access to stores, shopping centers, and jobs. However, we have found that the economics of rural systems present major problems which require imagination and dedication to solve. We are only beginning to explore the possibilities in this area of development. We are working with several local development districts to assess their problems and potential and undertake demonstrations designed to test various cooperative approaches to rural transportation.

A second major element of the regional economic growth policy was the decision to assist in providing health and education services and facilities on a broad area-wide basis so that they would be available to those who needed them regardless of where they live. The basis for this decision was the need to equip the residents of Appalachia to participate productively in society and the economy as increasing opportunities became available within Appalachia or elsewhere for those who chose to leave. Meaning, in the Appalachian ghettoes of Chicago, for instance, you should not have a large stream of people coming in from East Kentucky, now, to people those ghettoes. If indeed they do choose to go to Chicago, or to Minneapolis, or what have you, they should be able to compete on an equal footing because of the technical and vocational educational plant and system that we have set in place in Appalachia over the past five years.

As my earlier reference indicated, the local development districts and other area-wide agencies, particularly health demonstration councils and regional educational service agencies which receive assistance through the Appalachian Program, play a vital role in the success of area-wide efforts. It is within the district and regional agency framework that services can most effectively be made available to those who need them in outlying rural areas. A number of examples of the potential presented by this approach could be described, and I will confine myself to just a couple.

The provision of health services throughout their area has been a major objective of the health demonstration programs. This has included the addition of more readily accessible new clinics and the use of mobile equipment. They have also included home health services as an alternative to acute care bed service and have focused on dental services for school-age children.

A major focus of the education program has been to improve vocational and technical education throughout the area. A specific objective was to increase the relevance of education to jobs available in order to better meet Appalachia's manpower needs. A significant contribution of the program has been its emphasis on relating the courses of instruction to the actual job market. Studies show that in 1966 approximately 62 percent of those taking vocational training in Appalachia were studying for occupations making up only 5 percent of the job market. That means that 57 percent of the kids in vocational schools were being trained for the welfare rolls.

Now, 80 percent of all students in Appalachia-assisted schools are training for job opportunities reflecting national, regional, and subregional employment projections.

The regional education service agencies make it possible for a number of school districts to join together in area cooperatives to share the costs of certain types of school services, teaching capability, and occupational information and guidance that they could not have afforded if they went at it alone. The comparison here is like a consolidated high school. Rather than consolidating bricks and mortar we consolidate services over several counties, special art teachers, French teachers, special reading programs, and what have you.

Let me emphasize again the need to view urban and rural development as part of a total growth policy. Looking at rural areas in isolation or at only one facet of industrial and commercial growth will not suffice. Let me illustrate. Early in the last decade, Kaiser Aluminum, a very public minded company, located a plant employing over 3,000 persons in one of the Appalachian States. It was assumed that this would have a major effect on the future of the area. However, in fact, employees commute to that plant from 27 counties in two States. The impact of the payroll is so dispersed that it has not contributed to the location of needed health, education, and public facilities within the area. Although the plant provided much needed employment, its location resulted in less than maximum impact, and this is where we come to the problem of growth centers.

We have to be concerned with a multiplier effect of whatever we do. We have to do those things that will call in, or draw in, or serve as, a lodestone for additional investment. We have to deal in concentration. And there is a critical mass—there is that threshold level—where, in putting together health activities, educational activities, transportation systems or what have you, things start to click. Rostow used the term "takeoff point". And there is that It is not a readily definable and identifiable point. But there is a place at which towns, localities, do indeed take off.

What happened in this Kaiser location is that the effort became sort of diffused, you had a plant there, and the people commuted in from as far away as 60 or 70 miles to work in that plant.

In conclusion, our experience has shown that the problems of rural areas and small businesses in regions lacking adequate economic growth are but one aspect of the total social and economic structure. Small businessman operate at less than adequate levels and rural areas are not provided with needed services, facilities, and opportunities when the potential for growth is lacking, and they are isolated from an area providing such a potential. The total economic welfare of an area, both urban and rural, and small, medium, and large businesses, must be considered.

Let me urge then that the problem of small town and rural America in relation to small businesses be viewed in the broader context of a coordinated growth policy addressed to both urban and rural areas so that a level of services and facilities necessary to undergird economic growth can be provided. We can thereby develop alternatives to continued concentration of more and more people in larger and larger metropolitan areas.

Thank you.

Mr. BERGLAND (now presiding). Thank you very much, Mr. Arnett, for a comprehensive and rather encouraging report.

Could you state for the benefit of this committee and the record how many regional commissions are now in existence in the United States?

Mr. ARNETT. Well, there is only one like ARC. There are five others, the so-called title V Commissions, one for the New England Region, one for the Coastal Plains, one for the Ozarks, and one where the four corners out in Utah, Arizona, New Mexico and Colorado meet, and the Upper Great Lakes.

Mr. BERGLAND. To what extent do they differ from yours? In that they are authorized under title V, are they more limited than yours?

Mr. ARNETT. They are limited principally by money and operation. Whereas we operate on a budget, for instance this year of $302 million, they operate on a level of about $4.5 million a year, I believe. And they also operate within the Department of Commerce, whereas Mr. Whitehead, whose statement I read here, represents the President and reports directly to him. The Appalachian Commission is indeed a full partnership between the 13 Appalachian States and the Federal Government. Mr. Whitehead's opposite number for this 6-month period, the States co-chairman, is Governor Holton of Virginia. For the next 6 months, after July, it will be Governor Carter of Georgia. The Commission operates that budget of $302 million, which breaks down $180 million for highways, and $122 million this next year for nonhighway, health, education, airports, and what have you. It also operates the program with a staff that is sort of an institutional hermaphrodite, neither State nor Federal, 105 people paid 50 percent by the Federal Government and 50 percent by the State. That is the only place that that takes place in the Government.

Mr. BERGLAND. It is apparent that chairman Evins, through his power on the Appropriations Committees, has served the Appalachian Regional Commission.

Mr. ARNETT. That is right.

Mr. BERGLAND. Would you describe for me, not being familiar with it, what your regional—and may I say that most of the district I represent in Minnesota is covered by the Upper Great Lakes Commission, and I am encouraged by what they have started, they have just begun—some day I hope they will be able to be effective as you have been in serving your area—but can you tell me how the Appalachian Development Highway System operates? Do you have highway money?

Mr. ARNETT. Yes, sir.

Mr. BERGLAND. Do you complement the Federal interstate highway system?

Mr. ARNETT. Yes. The highway system was designed in 1965, indeed, to complement the interstate highway system. Our highways are not built with interstate highway trust fund moneys, the moneys come directly from the general revenue, right out of an appropriation. It has run over the past 3 or 4 years roughly at this $180 million figure that we are at this year. Roughly 30 percent of the system is completed, is in place.

One of the glorious stories that we can tell is that there has been some rather fantastic industry location along those highways. We have

a rather poor county just a short way from the county that I was born in in East Kentucky, Wolfe County, at the confluence of an Applachia corridor and another good highway where Control Data has established a plant employing better than 300 people. At the confluence of another, American Standard has established a plant employing better than 400 people to do some rather sophisticated plumbing work. Better than 400 plants have located at or near those highways since we started putting them down out there. And we are still probably four years away from completion of the system.

I don't know whether you have ever driven on a West Virginia highway or not.

Mr. BERGLAND. I have 12 years ago. And I vowed I would never go back.

Mr. ARNETT. It is much like that now. But what we are really doing is straightening out the hairpin turns so that you can get from Morgantown to Charleston and Charleston to Romney easier and faster. One of the things that really held us back was that large trailer trucks, large over the road trucks, could not negotiate those highways. One of the major east-west highways, for instance, from here to Cincinnati is route 60. And if you get on route 60 between White Sulphur Springs and Charleston, West Virginia, you are going to meet yourself coming the other way on an awful lot of those turns. And it is straightening out those roads—for instance, for an area of Ohio—and for those who are worried about Appalachia. Ohio; Appalachia, Mississippi; and Appalachia, New York, when we think about Appalachia we ordinarily think of east Kentucky and southwest Virginia, West Virginia and east Tennessee, just the nice hard concerns. But the region does extend over a thousand miles from Schoharie County to Kemper County. But at any rate, the program, those things that we do in health and education, pretty well hang on that transportation system.

One of the problems that we have in Appalachia is doctors. The average age of our doctors is about 57. Up until just recently there were no young doctors coming in to replace them. Our medical schools tend, like all medical schools, to turn out all sort of specialists. There is a bias in medical schools against turning out a black bag medical man. Once he gets out of medical school, if he doesn't have those gleaming buttons to push, he is not considered to be in medicine. And one of the things that we have done is put together groups. The biggest problem with getting a young doctor in Appalachia is profession-isolation. The University of Kentucky now has established a Department of Community Medicine. For that course, 6 weeks or 9 weeks. whatever the boys have to spend in that course, they go to Harlan and Hazard and Whitesbury, Ky. And there are field processors out there that the Appalachian Commission funds.

Some of the fellows have become smitten with that part of the world and the need out there. And what they really like is knowing that they can go to Dr. Steinman—they have a professor there to relate to, even though they are 100 miles into the hills from the university. But it is that, with extended care units, and hospitals and emergency care facilities, ambulances, and so forth, that we could not make work unless we had a decent highway system.

For critical cases they can get on one of our highways and have the patient into a comprehensive hospital in Lexington in an hour or an hour and 15 minutes. And before these highways went down it was

just unthinkable to even consider something like that. But now all of a sudden you can refer out and radiate out those things that were tightly held.

You know, the insulation and the isolation that was there has sort of been exploded by the highway system.

And one of the things that we sort of took on frontally back in 1965 is, we were asked, OK, are you trying to keep the Appalachians in Appalachia, keep them from going to the Toledo's and the Youngtown's and the Akron's or what have you. Or should it be ARC policy to train them so that they can compete with the kinds from Youngstown and Toledo, and so forth, if indeed they, do, choose to go there? We sort of answered it both ways. If they do want to stay in Appalachia, let's make that existence as good as possible for them by developing these vocational schools and hospitals, and the other amenities, the urban amenities.

And this is where we come to critical mass. You just can't plop down hospitals at every little Ipswitch. One of the problems that we have now is that you can't sewer every little hollow hamlet. Appalachia is a very densely populated place, but most of the towns are 1,100, 1,700, 2,300. You would in effect do strip mining to lay down sewer pipe if you tried to sewer them all.

But the decision was made earlier that we will not develop a policy to stand in the way of out-migration. It is just that if the decision is made to out-migrate then those kids will be just as well equipped as anybody so that they will not be a burden.

And this is how we have operated for the past 6 years.

Mr. BERGLAND. Would you describe the extent to which you use this mobile equipment in health care delivery?

Mr. ARNETT. Well, there will be even more of it coming. Particularly for black lung. The care of kids' teeth has been a very difficult problem in Appalachia. We have had mobile dental units operating particularly in central Appalachia. Even in east Tennessee each summer we use a TVA multiphasic screening unit that they lend to us. And the Appalachian Commission, in cooperation with Vanderbilt University Medical School, goes into the Jellico area of east Tennessee, Clearfield, and puts on health fairs. There is a great nutritional problem out there, and a fantastic educational problem, particularly with mothers. And we simply try to carry the message, there is a better way to feed your kids more nutritionally, there is a better way to care for their bodies and minds. It is a very subtle thing that we do. We don't hit them over the head with a bludgeon.

One of the things that we are doing in this regard is that we have put down an educational television network in Appalachia, because you cannot have centers for everything. For instance, it was hard to have a Headstart program in Appalachia just because of the dispersion. You had a lot of people, but not in those tight little centers. One of the ways we accommodated that was a Homestart program. That was born at ARC. The Homestart program has moved to HEW, and it is now a national program. It is one of the many things we have given birth to.

When Mr. Jackson was here, I was struck by—you were mentioning FHA and the dearth of FHA subsidized loans in the rural areas. You know, in West Virginia it amounted to less than one percent in 1966 I understand. There was no activity to speak of at all. And there

was a fellow who came to the Commission out of the University of North Carolina School of Regional Planning named Fran Noravitz. And he had a germ of a great idea. He said: "There is all sorts of construction money, all sorts of federal subsidies, but what you don't have in a rural area is a way to get to that money. You don't have land lawyers, you don't have real estate attorneys, you dont have architects, you don't have mortgage bankers, in other words, you have nobody to really package this. And there is no practical way to get to the money that you know is there."

Fran, in 1967, I guess was successful. And a new program welled up out of the bowels of the Commission. It is now Section 207 of the Appalachian Act.

A year later, I think, it became Section 206 in the National Housing Act.

One of the things we do is serve as a national laboratory. It is easy to try things in this concentrated area, and then spin them off. For instance, in our first year we had priority money for sewering and watering. That was back in the days of the FWPCA before it became FWQA. We were instrumental, with a little bit of proselyting and cajoling on the Hill—we said, we don't really need to attend to the sewering and watering of every little Appalachian hollow if this agency has enough money to do it. As a consequence, a nice sizable appropriation came. And there was no reason for us to have this program. So we spun that one off.

When the Marshal College crash—you recall that, in Huntington, West Virginia, when it took out the football team over there? Landing in most Appalachian airports is like landing on an aircraft carrier. You would think those guys would get hazardous duties pay or flight pay just for coming into Charleston, Beckley, Huntington, and so forth. Those airports in the main are without approach instruments including ground radar. And here you are 3,000 feet up in the air, and even on a clear day the aircraft just seems to lower its wheels without descending and lands. There aren't too terribly many clear days between October and May. For instance, yesterday was a cloudy day, and all air activities closed down in West Virginia. There were Governors who got trapped in White Sulphur Springs, they could not get out because of the foul weather.

A special program has been developed to enhance the safety of those airports through the Appalachian program. Companies will not come in because they can't get management personnel in there except by long, horrendous car-rides. They have no trains any more to speak of. And they won't take a bus. So, unless we upgrade those airports we have a terrific problem.

Mr. BERGLAND. Counsel, any questions?

Mr. ROE. Thank you, Mr. Chairman.

Let's get back to what Mr. Bergland was talking about earlier in regard to the various regional commissions or similar organizations in the country. I think the Appalachian Regional Commission is a very good example of what this type of organizational structure can do in rural America. I would like your comments on whether our approach to rural America and its problems can probably be met with a tremendous amount of success by using this Commission approach. In other words, you have outlined here in detail the great number of achievements of the Appalachian Regional Commission. Why couldn't, say, the Upper Great Lakes Council and others be expanded, perhaps, along this same line, and furnish the same kind of programs?

Mr. ARNETT. I am an awfully biased witness.

Mr. ROE. I would like your honest opinion.

Mr. ARNETT. That is what you will get. I guess Secretary Podesta used the word "coordinating" when you asked him about the GAO report. You don't coordinate without money. That is the crux to coordination. Whoever has the money coordinates, it is just as simple as that.

In the Upper Great Lakes you don't coordinate much with $4.5 million. It is money that is in such a miniscule denomination that you can't even concentrate it and get an impact.

One of the other problems with the title V approach in my biased opinion is that you have it seated in, couched in, a department. Secretary Jackson spoke about DCD. As you know the Appalachian Commission is not a party to that. There was a special request to pull ARC out of a community development bill. We thought that it would strap us. The 13 Governors thought that it would have an inhibiting effect. I wouldn't even deign to speak to the pulling together of other programs. But you almost have to look upon the Appalachian program sort of as the Federal grant-in-aid system in microcism. We are everywhere. It is a piece of preferential treatment, just as Mr. Podesta said, about those EDA investments. It is not in lieu of or in substitution of other agencies' money, it is over, on top of. And that is exactly what the Appalachian program is all about. It is a piece of preferential treatment, to bring that lagging area up to a place where it is not a drag on the national economy. Hopefully we will reach at some point where Appalachia does not pull down GNP.

Mr. ROE. This could be put throughout the country, could it not? Couldn't you divide the whole country into rural areas outside the SMSA's?

Mr. ARNETT. You have the beginning of a Blatnik bill on this side to do roughly that. You have the Montoya bill on the Senate side to do roughly that. I indicated that the staff was an institutional hermaphrodite. There are advantages in that. The most important developmental decision that any government unit can make is made at ARC, and that is the allocation of moneys. If you don't have that decision you really don't have much.

Mr. ROE. And your Commission is the only one that has it?

Mr. ARNETT. That is right.

Mr. ROE. Not even the Ozarks Commission?

Mr. ARNETT. No. The appropriation comes to the President for ARC, and he delegates to his man—Don Whitehead—that amount of money. And there are all sorts of programs. There is a slug of money set aside for vocational, educational, and another piece for airports, another piece for supplementals, another piece for health, and another for child development, and so forth. But once you get beyond those program areas, the Governors and the Federal cochairmen come together, and together they allocate their money. And the sense of regionalism and give and take is there. For instance, a particular State needs a thrust in vocational education, some of the other States will trade moneys with them so that they can have some other kind of money that they might have a greater need for.

For instance, if Pennsylvania now has its landscape pretty well filled with vocational schools. Maybe the greater need for them now is for supplemental funds, the sort of omnibus money, the 214 money, we

call it, that we can put on top of other funds. They have reached that level of need so that they have to be flexible, they have to be able to pop a hospital here or an airport there. That flexibility does not come with the arrangement that you now have under title V. For all intents and purposes it is a departmental program within the Department of Commerce. You just don't get that give and take and head banging and tradeoff unless you have the parties coming together as equals. And this is exactly what the States and Federal Government do at the Appalachian Commission.

Mr. ROE. Just one short question, if I may, Mr. Chairman, and then I will conclude.

Have any of your funds been placed in budgetary reserve and impounded by OMB?

Mr. ARNETT. Only a special piece of airport money—and it was not an appropriation, it was a contract authority.

Mr. ROE. But your appropriated funds have been untouched?

Mr. ARNETT. Untouched.

Mr. ROE. And you have been able to administer those?

Mr. ARNETT. That is right.

Mr. ROE. Thank you, Mr. Chairman.

Mr. BERGLAND. Mr. Finn?

Mr. FINN. Just a couple of questions, Mr. Chairman. And, of course, I want to make a little comment.

I support the shock that comes to someone from an urban area in driving to West Virginia. I was fortunate enough to work for a Federal judge in West Virginia for a couple of years. I lived in Elkins. Everything was so favorable with the job that I arranged nearly all of it by telephone, with an interview elsewhere. It was a shock to my wife and I when we headed east to Elkins.

Mr. ARNETT. You were in the beautiful part of the State.

Mr. FINN. This was the southern part of it. I have not been back since 1967. I am delighted to hear that road development is going on. It is such a beautiful area that it seems to me it would have fantastic potential for tourism. I wonder if you could give me any statistics or measurements on any growth that you have seen in tourism in respect to road development?

Mr. ARNETT. Yes, indeed. In fact, what we could do is give you the piece on that that we supplied for Chairman Evins at the Appropriations hearing, we would be very happy to. For instance, you were in the area of Davis, West Virginia, where there is a ski resort now. As soon as it is completed, highway corridor H, you can get out of here on Route 66 at the Beltway and go screaming into Parkersburg, West Virginia, no more to and froing on narrow West Virginia highways. And this highway is well underway also.

Mr. FINN. When you were talking about airports, too, you reminded me of the little airport outside of Elkins where on occasion they called for people throughout the community to bring out their cars to turn the headlights on the runways.

Mr. ARNETT. That is right, and light up the runway.

The President went over there for the Forest Festival, and landed at Elkins. And I understand the screams can still be heard from the tires on the plane trying to keep from going over. They had to take a small plane. I was amazed that they didn't take a helicopter. But the Elkins airport is difficult.

Mr. FINN. Can you help me a little bit with understanding the statistics on page 8, where you talk about the vocational training. Earlier you mentioned people being trained for occupations making up only 5 percent of the job market.

Would that be the local job market?

Mr. ARNETT. Local and national. What had happened up to that point in vocational education is that they were mostly agricultural students. And there just aren't that many agricultural jobs; less than 5 percent in those particular callings. The fellows were agricultural mechanics, fixing tractors; and they were in landscaping, and this, that, and the other thing. And you have to remember, vocational education, just until the last 5 years or so, has been pretty well controlled by the agricultural interests. The guys who went to vocational school in the main wore FFA jackets, and the girls were all in home economics.

Now, for instance, the closest county in the Appalachian Region to us here is in Washington County, Md., Hagerstown, just as you begin to hit the mountains out there. The Washington County area vocational school has courses as sophisticated as magnesium welding. And the guys are employed at Sparrows Point, they leave Hagerstown, and they are well equipped for good jobs at the shipyards, and what have you. And they have a food course out there. They have graduated three classes and most of those three classes has been hired by Stauffers, the fancy TV dinner concern, and all of them have very fine jobs now.

Mr. BERGLAND. I am confused. May I introduce a point here?

You are preparing these young men for out-migration?

Mr. ARNETT. No, I say either for out-migration or for staying at home.

Mr. BERGLAND. Earlier in your testimony you indicated that part of your thrust was to prepare people to go out and be fit to compete when they went.

Mr. ARNETT. That is right.

Mr. BERGLAND. Is this kind of a central theme of your undertaking, or is this a parallel part of your program designed to, to prepare for out-migration on the one hand and on the other to prepare them for as many jobs in the community as possible.

Mr. ARNETT. Parallel tracks—on the one hand we hope to so enhance the attractiveness of Appalachia that those industries will come in that indeed are coming in, and the folk that we do train there will stay. But if they choose not to say, then they can go to the Baltimores and what have you. Out-migration, by the way, between 1950 and 1960 was 2 million Appalachians out-migrated, the most massive stream of humanity to move in the United States in a given decade. And I was one of them. I came out of Appalachia in that decade. In the decade 1960 to 1970 that level was reduced to 1 million. And we have estimates that in the last couple or 3 years we are in equilibrium. And if we can improve that in the next couple of years, we have really done something.

Mr. ROE. But you may get to the point where there is nobody left to migrate out?

Mr. ARNETT. I am speaking in raw numbers, 2 million 1950 to 1960, 1 million 1960 to 1970. But as we get toward 1970—in other

words, 1968, 1969, and 1970, there has been little out-migration. By the way, there has been a great deal of in-migration—the in-migration was off setting the out-migration.

Mr. FINN. Is the population now increasing, or is it stable?

Mr. ARNETT. The population of the entire region, I suppose, was essentially stable.

Mr. INGRAHAM. That is somewhat misleading, because in the southern part, the southern crescent, you are having some real growth, in some of the most rapidly growing centers. So, the total figure doesn't tell you much because of the different population.

Mr. FINN. West Virginia has lost a great deal. Is that still the case?

Mr. ARNETT. It isn't losing as much. It has definitely slowed.

Mr. FINN. I think you mentioned that 400 plants have come in in some recent period and located at the confluence of these roads. You talked about the unfortunately less than maximum impact of the Kaiser Aluminum plant. Is that because of its location?

Mr. ARNETT. It was not located in the right place.

Mr. FINN. Can you tell us where it was located?

Mr. ARNETT. It was located near Ravenswood, W. Va.

This gets to the thing of what is a growth area. And you raise all sorts of questions that have not been answered—where is that takeoff point, where do you reach the point of critical mass. The Kaiser location is an extreme example of what happens when you bring in a plant with that number of jobs; 3,000 jobs in one plant in Appalachia is a sizable plant.

Mr. FINN. The big problem is maybe its size, perhaps, rather than the location?

Mr. ARNETT. Had it been at Parkersburg, up the river a little bit, for instance, it would have had a much greater impact, we think. I mentioned that Kaiser was a phenomenally community-minded company. I wish I could remember his name—his last name was Cunningham, a vice president of Kaiser. He found that the school bus routes in Jackson County had not been changed in 20 or 25 years. They were still going up hollows where there were no school kids any more. It was just habit. He changed the school bus system and a lot of other things. But had that kind of effort been in a location where you would have had a greater number of other activities of that sort, then the maximum effect would have taken hold, it would have taken off. It is just sort of like plopping a plant in a desert. I am sure the analogy would probably be something like White Sands and some of those NASA installations that are so far away from communities that they are self-contained, sort of like a military base. It means nothing to a miner, for instance, to drive 25 or 30 miles a day to a mine head. It meant nothing to the workers here to drive 40 and 50 miles to a nice job at Kaiser. The needed critical mass never occurred.

Mr. FINN. Thank you. That is all I have.

Mr. ROE. Mr. Chairman, just one thing.

On page 2 you talked about the findings of recent studies. Could you supply copies of those studies for the record?

Mr. ARNETT. Sure.

Mr. ROE. Would that be all right, Mr. Chairman?

Mr. BERGLAND. Fine we will receive those for the record at your convenience.

(The studies referred to are retained in the subcommittee file.)

Mr. BERGLAND. Thank you very much, Mr. Arnett. I extend my congratulations to Mr. Whitehead and your folks for doing what I think is a remarkable job in an area that had been given up on by some folks in the country a few years ago.

The meeting will stand adjourned, to be reconvened at the call of the chair.

(Whereupon, at 12:30 p.m., May 4, 1972, the meeting was adjourned, subject to call of the Chair.)

APPENDIX

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., June 1, 1972.

Hon. JOHN C. KLUCZYNSKI,
Chairman, Subcommittee on Small Business Problems in Smaller Towns and Urban Areas, House of Representatives, Washington, D.C.

DEAR MR. KLUCZYNSKI: In response to your recent letter, enclosed is a listing of budgetary reserves of funds, some part of which is intended for programs in small towns and rural areas.

With some exceptions, enacted appropriations, limitations, and other funds that we are required to apportion do not identify the programs, activities, or portions specifically applicable to small towns and rural areas. To provide an operational basis for constructing the requested list, we therefore found it necessary to apply some arbitrary rules. For example, the items listed cover entire reserves of appropriations or other budget accounts; it is not possible to subdivide within an account. Similarly, we have not listed programs that are national in scope, and that affect small towns or rural areas only incidentally, because it is not possible to identify the amounts applicable to various regions or areas under such national programs. The programs that are listed are limited to those which impact predominantly rural areas or small towns. As a result, some portions of the amounts listed may not be intended for small towns or rural areas. Conversely, some specific portions of other programs may be intended for small towns or rural areas but are not included here.

Governmentwide, budgetary reserves are largely temporary deferrals made in the course of routine financial management pursuant to the requirements of the Anti-Deficiency Act (31 U.S.C. 665). They could not be used immediately even if released. Similarly, most of the current reserves in programs intended for small towns and rural areas are in this category. These reserved funds either (1) are clearly in excess of immediate needs, (2) are being temporarily held awaiting the outcome of pending Congressional action that could affect their use, or (3) are being withheld consistent with Congressional action. They are listed in Enclosure 2 together with annotations to explain reasons for each of the current reserves.

In addition to these routine reserves, there are four programs (one involving several accounts) for which the currently reserved funds could be used if released now; your letter mentions two of these. These reserves are listed in Enclosure 1 and are all scheduled for release after June 30, 1972.

I hope this information will be useful to your committee.

Sincerely,

(Signed) GEORGE P. SHULTZ,
Director.

Enclosure.

78-617 O—72—vol. 1——10

ENCLOSURE 1

FUNDS IN RESERVE FOR REASONS OTHER THAN ROUTINE FINANCIAL ADMINISTRATION IN PROGRAMS INTENDED PREDOMINANTLY FOR SMALL TOWNS AND RURAL AREAS

[In thousands of dollars]

Account	Date of original reserve action	Initial amount reserved	Releases		Current reserves
			Date	Amount	
Department of Agriculture:					
Farmers Home Administration: Water and sewer grants	Sept. 9, 1971	58,000			58,000
Rural Electrification Administration: Electric and telephone loans	do	221,900	Jan. 17, 1972	114,900	107,000
Soil Conservation Service: Employment reduction savings pursuant to President's directive of Aug. 15, 1971 (6 accounts)	Mar. 6, 1972	8,000			8,000
Department of Housing and Urban Development: Community planning and management—New communities assistance grants	Sept. 10, 1971	5,000			5,000

ENCLOSURE 2

FUNDS IN RESERVE FOR REASONS OF ROUTINE FINANCIAL ADMINISTRATION IN PROGRAMS INTENDED PREDOMINANTLY FOR SMALL TOWNS AND RURAL AREAS

[In thousands of dollars]

Account	Date of original reserve action	Initial amount reserved	Releases		Current reserves
			Date	Amount	
Department of Agriculture:					
Farmers Home Administration:					
Farm labor housing grants	Aug. 13, 1971	2,963	Apr. 7, 1972	2,963	0
Mutual and self-help housing grants	do	729			[1] 729
Direct loan account: Farm operating loans (limitation)	Sept. 9, 1971	87,453	Apr. 5, 1972 May 25, 1972	38,000 37,000	[2] 12,453
Animal and Plant Health Service (Originally apportioned to ARS on Sept. 9, 1971, before the reorganization which created APHS. After reorganization this program was transferred to APHS.)	Dec. 30, 1971	3,500	Feb. 8, 1972 Mar. 28, 1972 Apr. 28, 1972	705 526 220	[1] 2,049
Agricultural Research Service:					
Construction	Sept. 9, 1971	1,570	Dec. 13, 1971	1,500	[3] 70
Special foreign currency program	Aug. 30, 1971	352			[1] 352
Cooperative State research service	Sept. 9, 1971	4,600	Feb. 24, 1972	4,600	0
Extension Service	Sept. 9, 1971	2,000	Mar. 28, 1972	2,000	0
Consumer and Marketing Service: Perishable Agricultural Commodities Act	June 24, 1971	14	Mar. 6, 1972	13	[1] 1
Consumer protective marketing, and regulatory programs	do	1,011	do	161	[1] 850
Foreign Agricultural Service: Salaries and expenses, special foreign currency program	Aug. 13, 1971	3,087	Apr. 27, 1972	3,087	0
Forest Service: Expenses, brush disposal	July 1, 1971 Dec. 6, 1971 Mar. 3, 1972	10,617 [4] 13,170 [3] 13,303			[1] 13,303
Restoration of forest lands and improvements	July 1, 1971	11	Dec. 3, 1971 Feb. 15, 1972	5 6	0
Forest fire protection	do Nov. 2, 1972	80 [4] 115			[1] 115
Forest roads and trails	Sept. 3, 1971 Mar. 2, 1972	401,869 [4] 402,040			[5] 402,040

See footnotes at end of table.

Account	Date of original reserve action	Initial amount reserve	Releases		Current reserves
			Date	Amount	
Forest protection and utilization:					
Cooperative range improvement...	Sept. 9, 1971	1,910	Mar. 10, 1972	1,286	[1] 624
Agriculture Stabilization and Conservation Service: Rural environmental assistance program	do	55,500	Jan. 11, 1972	55,500	0
Commodity Credit Corporation:					
Administrative expenses	Aug. 13, 1971	2,814	Mar. 6, 1972	2,814	0

[1] Amount shown here is in excess of current estimate of 1972 needs. If conditions change and the funds are needed, apportionments will be made.
[2] Amount reflects balance of limitation held pending demonstration of the need for funds (legislation authorizing insured loans is pending, having passed each House as part of other bills).
[3] Represents residual amount of appropriation for planning that is not required for that purpose. Apportionment awaits additional appropriation for construction.
[4] Revised total.
[5] Reserve reflects amount of available contract authority above the obligation program that was approved and financed by the appropriation Congress enacted to liquidate the obligations.

[From Franchise Journal, January 1972]

SMALL TOWNS HUNGER FOR FAST FOOD

It is Saturday night in Smalltown, USA. The day's work and trading are over and young field hands, mechanics, clerks, waitresses, students and other teenagers with no visible means of support but money in their jeans, hop into their own or their friends' wheels and begin their weekly quest for "the action."

More often than not, the search leads them past the city limits (Welcome to Smalltown, pop. 10,110) and down the blacktopped highway to a larger town or city where they spend the money they earned in Smalltown. Many remain in the larger communities to find jobs that pay more and promise more opportunities than those in Smalltown.

Meanwhile, as the sidewalks are being rolled up, the leading businessmen of Smalltown huddle over coffee at the drugstore and hash and rehash the town's most pressing economic question: "How do we encourage our youngsters to spend their money in Smalltown?" And, in less materialistic terms: "How do we encourage our youngsters to stay in Smalltown and contribute to the growth of the community?"

The answer is usually the same: Smalltown needs new businesses which cater to the youthful consumer's leisure dollars. The town badly needs a new movie theater to replace the one that was destroyed by fire four years ago. It needs a modern bowling alley to replace the four lanes in a dingy pool hall across the tracks. But most of all, Smalltown desperately needs a modern restaurant facility, a combination carryout and sitdown unit which would offer a more varied and exciting menu than the old and cramped cafe on Main Street.

Smalltown, of course, is a composite, a composite drawn from the results of a *Journal* survey of the fast food market, where the units are and, more important, where they aren't.

The survey showed that, with a couple of notable exceptions, most fast food franchisors have completely missed the boat by failing to penetrate a wide-open market in cities and towns of 5,000 to 40,000 population. They have, instead, concentrated their efforts in the larger metropolitan areas to such an extent that many of the major cities are over-saturated to the point that "franchise row" has become an eyesore to the city and a dollar drain on the franchisor.

That there is a market going begging in the smaller cities and towns can be surmised by the response the *Journal* received from questionnaires sent to 1,087 chambers of commerce in 41 states. Of that number, 769 chambers, or 71 per cent, replied—and replied promptly and positively.

Of the 769 returns, 628, or 82 per cent, stated there was a definite market potential for a fast food restaurant or restaurants. One chamber manager in a resort city whose winter influx swells its population to over 20,000 noted: "Please hurry; we have the potential, but must now go to neighboring cities." The city has *no* fast food takeout restaurants, franchised or otherwise.

A breakdown of market potential by population shows the greatest need (26 per cent) in the cities of 10,000 to 19,999 while the least potential (14 per cent) is in the cities with a 20,000 to 40,000 population. Towns of 5,000 to 6,999 and 7,000 to 9,999 showed a potential of 22 and 20 per cent respectively.

Eleven per cent of the cities and towns surveyed had no national or regional franchised fast food restaurants. Again, the smaller communities showed the most need (six per cent) while the larger ones showed the least (.5 per cent).

An interesting facet of the survey was a partial profile of how four major franchise chains, Kentucky Fried Checken, McDonald's, Dairy Queen and A & W have selected and concentrated upon certain population levels in which to market their products (see accompanying chart).

Equally interesting is the plight of towns of 5,000 to 6,999 population which are homes of universities, colleges, junior colleges or vocational/technical schools. Of 130 such communities surveyed, 13 had no franchised fast food outlets and another 13 had only one (see accompanying chart).

Again, taking KFC, McDonald's, Dairy Queen and A & W as representative operations, A & W and Dairy Queen predominate in the smaller towns with educational facilities and KFC is making inroads into the 7,000 to 9,999-population college towns. KFC and Dairy Queen have the lion's share of the market in the 10,000 to 19,999-population college towns while McDonald's concentrates its activities in the more populous cities with educational facilities.

The results of the *Journal* survey were not surprising to anyone who has traveled across America by car. He is confronted by a feast or famine situation. In the large cities he is all but overwhelmed by the proliferation of fast food restaurants offering almost everything under the sun. But woe to him who finds himself in the average small, isolated town at dinner time.

What is surprising to some is that the majority of the small towns surveyed could support fast food restaurants *tailored* by the franchisor to the population of the town. In this the age of the mini and the micro, it is incredible that more major franchisors have not come up with "mini units" to cash in on the all but untapped market outside the major metropolitan cities.

Judging from the notes and additional material enclosed in the survey returns, Smalltown, USA, has the real estate, the investors the management and labor pool and, most important, the urgent *need* for modern, efficient fast food restaurants. Filling this need could touch off a second and even more dynamic decade in franchising.

Penetration of fast food outlets in cities and towns with educational facilities
(University, College, Junior College, Vocational/Technical School)

Population / *number of restaurants*	*5,000 6,999* / *number of cities*	*7,000 9,999* / *number of cities*	*10,000 19,999* / *number of cities*	*20,000 40,000* / *number of cities*
0	13	3	1	0
1	13	1	2	1
2	5	7	14	1
3	—	9	14	3
4+	—	4	16	23

Market penetration of McDonald's, Kentucky Fried Chicken, Dairy Queen and A & W by population and regions

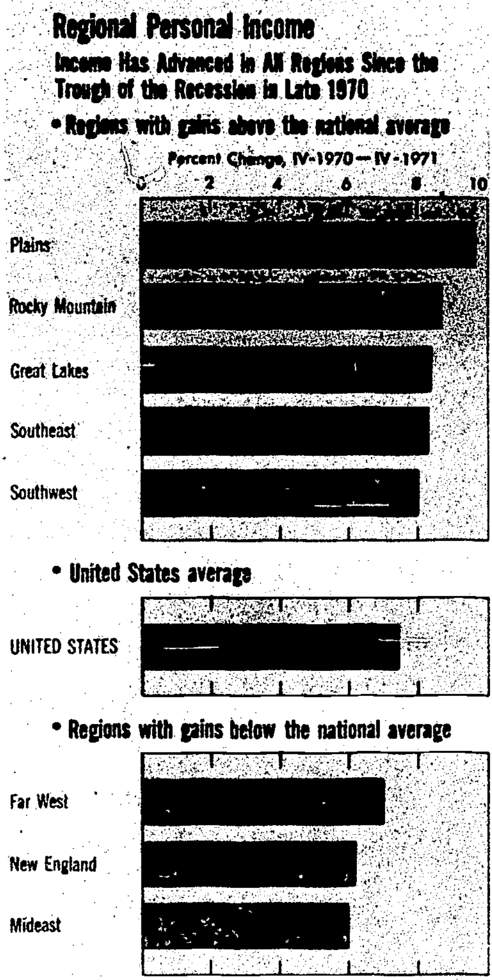
Total U.S.	*5,000–6,999*	*7,000–9,999*	*10,000–19,000*	*20,000–40,000*	*Total*
KFC	33	60	169	144	406
McD	5	5	32	66	108
DQ	101	110	187	134	532
A&W	39	51	92	70	252
N.E. U.S.					
KFC	1	1	6	2	10
McD	0	1	6	3	10
DQ	2	1	7	1	11
A&W	1	1	1	1	4
South U.S.					
KFC	22	30	83	60	195
McD	3	3	16	34	56
DQ	42	36	67	54	199
A&W	3	5	17	12	37
West U.S.					
KFC	8	21	51	60	140
McD	1	—	5	18	24
DQ	47	51	77	61	237
A&W	23	26	41	39	129
Midwest U.S.					
KFC	2	9	30	20	61
McD	1	1	5	13	20
DQ	10	20	37	17	85
A&W	12	19	33	16	80

[From Survey of Current Business, April 1972]

TOTAL AND PER CAPITA PERSONAL INCOME, 1971*

(By Robert B. Bretzfelder)

CHART 9



U.S. Department of Commerce, Bureau of Economic Analysis 72-4-9

*The estimates of State personal income were prepared in the Regional Economics Division by Q. Francis Dallavalle, Gordon Lester, Jr., and Steven Johnson.

(A6)

Total personal income in the Nation rose 6¾ percent last year, with gains of 5¾ percent or more in each of the eight regions and at least 4¾ percent, in all but one of the States. Nationally, consumer prices rose a little more than 4 percent. The personal income gain in all regions and in 49 States and the District of Columbia exceeded the increase in consumer prices so that the real purchasing power of consumers apparently increased at least moderately. The one exception was the State of Washington, where income rose 4¼ percent, about the same as the rise in consumer prices. (Of course, there were areas *within* States where income changes were so small that real incomes failed to rise.)

On a per capita basis, the largest gains in current dollar personal income—ranging from 8 to 13 percent—were in North Dakota, the District of Columbia, South Dakota, Arkansas, New Mexico, and Arizona. For the Nation as a whole, per capita personal income was up 5½ percent from 1970 to 1971. In 44 States and the District of Columbia, per capita income rose at least as much as national consumer prices. In Minnesota, New Hampshire, Connecticut, Alaska, Washington, and Montana, however, the gains in per capita income were at best about equal to the advance in consumer prices.

1970-71 CHANGE IN TOTAL PERSONAL INCOME

The regions with the largest gains last year in personal income were the Rocky Mountain (8½ percent), Southeast (8¼ percent), and Southwest (7¼ percent). All three regions had very large gains in construction and Federal civilian payrolls. The Rocky Mountain region also had gains in manufacturing payrolls that were above national average, and the strength in these basic industries led to large advances in a variety of local service industries, including wholesale and retail trade, the finance, insurance, and real estate group, and the transportation, communications, and public utilities group. In the Southeast, there were large gains in farming, mining, and manufacturing, and sizable advances in many service-type activities. In the Southwest, there were also large gains in mining and in local service-type industries.

Income increases were equal or close to the 6¾ percent national average in the Plains (6¾ percent), Great Lakes (6½ percent), Far West (6½ percent), and Mideast (6¼ percent). The gains in all four regions were fairly evenly spread among major income components, but there were particularly strong increases in farming in the Plains and in manufacturing in the Great Lakes.

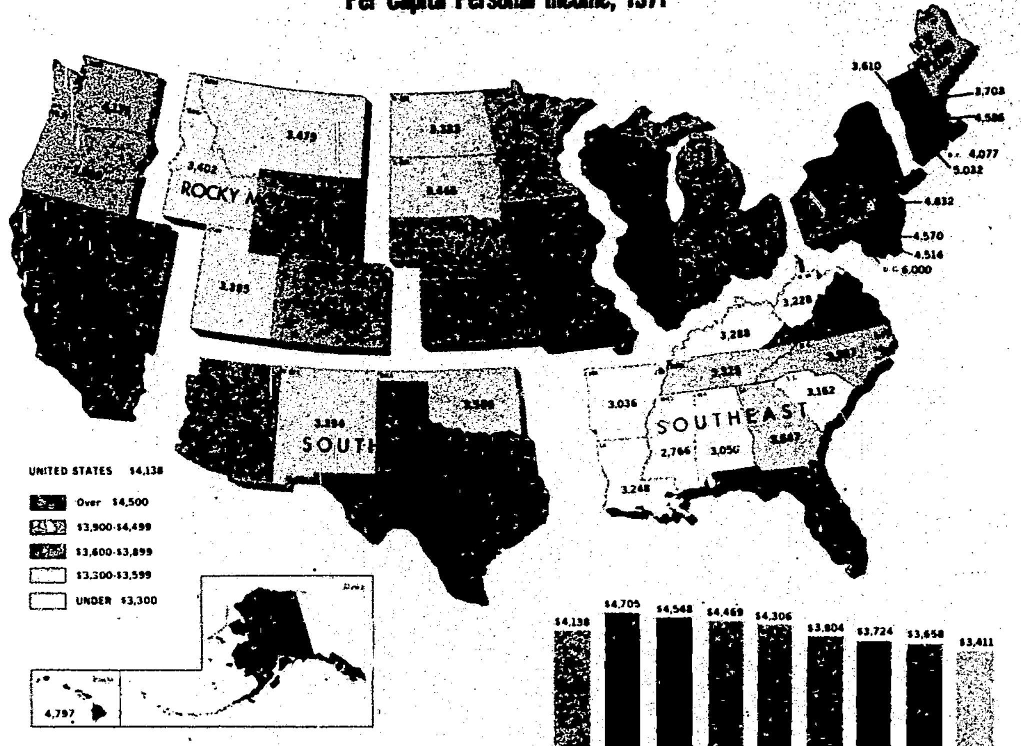
New England's income increased 5¾ percent in 1971—the only regional gain which was well below the national average. Manufacturing wage and salary payments and income from farming declined, and income from most service-type activities went up less than in the Nation as a whole.

Table 3 shows for each State and region the percent change from 1970 to 1971 in total personal income and in earnings from major industries.

State patterns

CHART 10

Per Capita Personal Income, 1971



U.S. Department of Commerce, Bureau of Economic Analysis

The States with the largest 1970–71 personal income gains, ranking from 9 to 14 percent, were North Dakota, Arizona, Arkansas, New Mexico, South Dakota, Nevada, Colorado, Tennessee, Utah, South Carolina, and Kentucky. In these 11 States, increases in earnings from most industries tended to be well above the national average. Manufacturing earnings increased at least 4¾ percent in each of these States, compared with a national advance of 2 percent. Among other basic industries, the gains in farm income were well above the national average in eight of the 11 States and the gains in Federal payrolls were well above average in seven of the States. Construction payrolls increased more than the national average of 5 percent in all 11 States, and there were gains of 15 percent or more in six States. Reflecting these advances, most of these 11 States had gains well above average in the finance, insurance, and real estate group, in the transportation, communications, and public utilities group, wholesale and retail trade, and services. Personal income in the District of Columbia was up by more than 9¼ percent last year, largely because of an advance of more than 10 percent in Federal civilian payrolls.

At the other end of the scale, last year's income advance was relatively weak—ranging from 4¼ to 6 percent—in Maine, New York, Pennsylvania, Minnesota, Ohio, Rhode Island, Montana, Connecticut, and Washington. Farm income was off in seven of the nine States, and manufacuring payrolls were weak—off moderately or up only a little—in eight. Declines in manufacturing payrolls played the key role in the weakness of overall income in Washington, Connecticut, and Minnesota, while the very small size of manufacturing gains limited the overall income gain in Pennsylvania and New York.

INCOME CHANGE, FOURTH QUARTER 1970 TO FOURTH QUARTER 1971

A clear picture of the 1971 economic recovery and advance can be seen in the regional and State inome changes from the fourth quarter of 1970 (the cyclical low point) to the fourth quarter of 1971; the latter is the most recent quarter for which State income estimates are available. In addition to the economy's recovery from the recession low, factors influencing regional income developments over this four-quarter span included: (1) recovery from the auto strike of late 1970; (2) a sharp rise in farm income reflecting an increase in farm prices and a much larger volume of marketings, particularly from the bumper crops of corn and grain sorghums; (3) a small decline in minning payrolls because of the strikes in the coal industry during the fourth quarter of 1971.

As chart 9 shows, from the fourth quarter of 1970 to the fourth quarter of 1971, income in the United States rose 7½ percent. Gains well above the national average were scored in the Plains (9¾ percent), Rocky Mountain (8¾ percent),

Table 1.—Personal Income and Selected Components, IV 1970–IV 1971

[Percent change]

	Total personal income	Wages and salaries in manufacturing, mining, farming, and farm proprietors' income	All other
United States	7.5	6.9	7.7
North Dakota	20.0	124.0	7.5
Nebraska	16.1	50.0	8.1
Arizona	13.9	14.1	13.9
Arkansas	13.1	25.8	8.5
Michigan	12.0	24.1	7.0
South Dakota	11.8	27.1	7.7
Iowa	11.6	23.8	7.4
New Mexico	10.7	10.8	10.8
South Carolina	10.4	10.4	10.4
Idaho	10.2	12.8	9.3
Utah	10.0	4.6	11.1
Hawaii	9.9	11.3	9.7
Oregon	9.7	10.4	9.6
Oklahoma	9.4	11.6	8.9
Indiana	9.4	14.8	6.8
Tennessee	9.3	9.5	9.2
Wyoming	9.3	5.7	9.8
Kansas	9.2	17.2	7.0
Georgia	9.2	13.3	8.1
Delaware	8.8	13.8	6.7
Florida	8.7	11.3	8.4
Minnesota	8.6	12.6	7.4
Virginia	8.6	3.1	9.6
Nevada	8.6	2.8	9.0
Alabama	8.2	5.8	9.0
Colorado	8.2	5.4	8.7
Mississippi	8.1	6.4	8.8
Maryland	8.0	−.3	9.3
District of Columbia	7.7	5.3	7.8
Kentucky	7.4	6.0	7.9
New Hampshire	7.3	4.9	8.0
North Carolina	7.3	5.1	8.3
Ohio	7.2	7.0	7.2
Maine	7.2	4.3	8.1
Illinois	7.0	7.4	6.9
Wisconsin	7.0	6.2	7.4
California	7.0	3.8	7.7
Louisiana	6.9	1.6	8.2
Massachusetts	6.6	1.6	7.8
Rhode Island	6.6	4.3	7.2
Pennsylvania	6.5	1.4	8.3
Texas	6.5	−4.4	9.3
Montana	6.4	−1.8	8.3
Missouri	6.3	8.4	5.7
Vermont	6.2	2.2	7.2
New Jersey	5.8	2.1	7.1
New York	5.5	1.9	6.0
Alaska	5.2	−11.1	6.5
Connecticut	5.1	−1.5	7.4
Washington	4.8	0.0	6.0
West Virginia	1.7	−12.8	7.3
Coefficient of variation	*34.6*	*183.1*	*17.6*
Plains	9.7	19.3	6.9
Rocky Mountain	8.7	5.7	9.3
Great Lakes	8.4	11.9	7.0
Southeast	8.3	7.4	8.6
Southwest	8.0	0.3	9.9
Far West	7.0	3.8	7.6
New England	6.2	1.1	7.7
Mideast	6.0	1.9	7.1
Coefficient of variation	*15.4*	*98.4*	*13.2*

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Great Lakes (8½ percent), and Southeast (8¼ percent). Farm income increased in all four regions—sharply in the Plains, Southeast, and Great Lakes, and more moderately in the Rocky Mountain region. Reflecting both the rebound from the auto strike and the general economic recovery, manufacturing payrolls rose more than 10 percent in the Great Lakes, a gain twice the national average. The Southeast had a large gain in total personal income even though mining payrolls were off sharply. There was a large advance in the region's farm income and above-average gains in Government payrolls—an important income source in the region—and in a wide variety of local service industries.

Gains in the Southwest (8 percent) and Far West (7 percent) were fairly close to the national average advance. Income gains in New England (6¼ percent) and the Mideast (6 percent) were well below average. In the latter two regions, manufacturing and construction payrolls showed only small increases and advances in many service-type industries were well below the national average.

In 10 of the 11 States with the largest income gains, raining from 10 to 20 percent, there were very big increases in farm income; in the 11th—Michigan—the key was the sharp recovery in manufacturing payrolls following the auto strike and their further advance during the year. (See table 1.) At the other end of the scale, income rose by 6 percent or less in six States. In all six, manufacturing payrolls either rose little or declined somewhat. The smallest advance was in West Virginia (1¾ percent), reflecting a sharp drop in mining payrolls because of the coal strikes.

Mining payrolls declined also in Virginia, Pennsylvania, and Kentucky, apparently because of the coal strikes, but other income components increased sufficiently to offset the loss from mining, and personal income in all three States advanced at a pace close to the national average.

Percent changes in personal income income in each region and State from the fourth quarter of 1970 to the fourth quarter of 1971 are shown in the last column of table 2.

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Table 2.—Total and Per Capita Personal Income, and Quarterly Total Personal Income, by States and Regions

State and region	Total personal income: Millions of dollars				Per capital personal income: Dollars				Quarterly personal income: Millions of dollars, seasonally adjusted at annual rates								Percent change IV 1970–IV 1971
	1968	1969	1970	1971 p	1968	1969	1970 r	1971 p	1970 I	1970 II	1970 III	1970 IV	1971 I	1971 II	1971 III	1971 IV	
United States	684,746	745,869	798,949	853,505	3,436	3,705	3,920	4,138	779,752	798,777	805,097	812,167	829,620	849,684	861,233	873,481	7.5
New England	43,519	47,240	50,788	53,730	3,740	4,026	4,278	4,469	49,366	50,594	51,221	51,977	52,212	53,181	54,315	55,191	6.2
Maine	2,778	2,997	3,235	3,429	2,794	3,021	3,251	3,419	3,155	3,246	3,254	3,284	3,351	3,382	3,442	3,519	7.2
New Hampshire	2,301	2,487	2,660	2,826	3,245	3,434	3,585	3,708	2,608	2,662	2,670	2,700	2,736	2,810	2,860	2,897	7.3
Vermont	1,309	1,425	1,545	1,654	3,045	3,261	3,457	3,610	1,505	1,541	1,558	1,580	1,606	1,644	1,687	1,678	6.2
Massachusetts	21,135	22,995	24,851	26,404	3,762	4,070	4,361	4,586	24,046	24,686	25,060	25,612	25,571	26,072	26,683	27,291	6.6
Rhode Island	3,280	3,462	3,711	3,914	3,558	3,714	3,902	4,077	3,602	3,694	3,757	3,790	3,798	3,848	3,971	4,040	6.6
Connecticut	12,716	13,874	14,786	15,503	4,290	4,625	4,865	5,032	14,450	14,765	14,922	15,005	15,150	15,425	15,672	15,766	5.1
Mideast	152,893	176,360	189,763	201,681	3,885	4,188	4,464	4,705	184,599	189,441	191,938	193,074	197,138	201,021	203,894	204,672	6.0
New York	75,310	81,205	87,111	92,335	4,172	4,485	4,771	5,021	84,948	86,963	88,048	88,486	90,557	92,173	93,446	93,162	5.3
New Jersey	28,052	30,408	33,085	35,271	4,005	4,298	4,598	4,832	31,850	32,849	33,625	34,017	34,307	34,916	35,856	36,004	5.8
Pennsylvania	39,914	43,268	46,329	49,025	3,400	3,685	3,921	4,127	45,292	46,266	46,820	46,937	47,914	48,878	49,332	49,976	6.5
Delaware	2,050	2,246	2,383	2,550	3,839	4,159	4,332	4,570	2,322	2,388	2,383	2,436	2,512	2,557	2,482	2,650	8.8
Maryland	14,032	15,405	16,789	18,055	3,678	3,983	4,264	4,514	16,242	16,834	16,966	17,113	17,507	17,992	18,241	18,480	8.0
District of Columbia	3,535	3,739	4,067	4,446	4,544	4,907	5,401	6,000	3,945	4,141	4,096	4,085	4,341	4,505	4,537	4,400	7.7
Great Lakes	144,530	156,918	164,667	175,357	3,646	3,932	4,079	4,306	161,823	164,221	166,120	166,501	170,168	174,823	175,936	180,499	8.4
Michigan	32,260	35,078	36,124	38,841	3,710	3,995	4,058	4,317	35,401	36,527	36,570	35,996	37,636	38,664	38,766	40,298	12.0
Ohio	37,001	40,301	42,382	44,775	3,519	3,815	3,965	4,154	41,672	42,229	42,778	42,850	43,412	44,722	45,048	45,920	7.2
Indiana	17,315	18,999	19,679	20,952	3,400	3,694	3,779	3,973	19,344	19,664	19,829	19,889	20,096	20,928	21,032	21,752	9.4
Illinois	43,742	47,248	50,131	53,422	3,978	4,280	4,501	4,772	49,414	49,492	50,484	51,134	52,408	53,156	53,402	54,722	7.0
Wisconsin	14,211	15,292	16,351	17,366	3,271	3,493	3,688	3,880	15,992	16,309	16,459	16,641	16,616	17,353	17,688	17,807	7.0
Plains	52,146	56,850	60,471	64,592	3,250	3,509	3,695	3,904	59,893	60,712	60,511	60,774	62,482	63,800	65,443	66,643	9.7
Minnesota	12,235	13,526	14,580	15,424	3,304	3,509	3,815	3,974	14,407	14,714	14,580	14,620	14,962	15,230	15,630	15,876	8.6
Iowa	9,149	9,912	10,418	11,053	3,264	3,534	3,681	3,876	10,480	10,552	10,388	10,253	10,705	10,923	11,145	11,439	11.6
Missouri	15,057	16,105	17,350	18,413	3,296	3,471	3,697	3,877	17,102	17,239	17,479	17,580	18,145	18,312	18,509	18,684	6.3
North Dakota	1,656	1,868	1,848	2,115	2,666	3,008	2,990	3,383	1,832	1,852	1,852	1,856	1,971	2,126	2,134	2,227	20.0
South Dakota	1,886	2,002	2,108	2,309	2,819	2,997	3,165	3,446	2,103	2,212	2,032	2,084	2,180	2,354	2,371	2,329	11.8
Nebraska	4,654	5,315	5,570	6,045	3,173	3,606	3,738	3,998	5,496	5,707	5,529	5,548	5,690	5,892	6,155	6,442	16.1
Kansas	7,509	8,123	8,598	9,234	3,389	3,633	3,825	4,090	8,473	8,436	8,651	8,833	8,829	8,963	9,499	9,646	9.2

Southeast	**117,609**	**129,392**	**140,391**	**151,932**	**2,732**	**2,978**	**3,196**	**3,411**	**136,184**	**140,083**	**141,654**	**143,639**	**147,067**	**151,186**	**153,868**	**155,608**	**8.3**
Virginia	14,129	15,446	16,827	18,225	3,100	3,348	3,616	3,866	16,228	16,826	17,080	17,175	17,662	18,015	18,574	18,650	8.6
West Virginia	4,446	4,738	5,259	5,655	2,522	2,713	3,012	3,228	5,077	5,198	5,290	5,474	5,573	5,742	5,740	5,566	1.7
Kentucky	8,493	9,191	9,901	10,792	2,658	2,874	3,071	3,288	9,525	9,814	10,052	10,216	10,393	10,706	11,103	10,967	7.4
Tennessee	10,223	11,233	12,128	13,266	2,636	2,882	3,084	3,325	11,798	12,070	12,214	12,428	12,811	13,221	13,454	13,579	9.3
North Carolina	13,632	15,113	16,331	17,427	2,724	3,004	3,208	3,387	15,976	16,295	16,558	16,495	17,074	17,288	17,642	17,704	7.3
South Carolina	6,391	7,025	7,616	8,306	2,498	2,733	2,934	3,162	7,457	7,605	7,643	7,757	8,037	8,228	8,394	8,565	10.4
Georgia	12,806	14,350	15,345	16,545	2,857	3,153	3,334	3,547	15,009	15,369	15,411	15,589	15,994	16,606	16,552	17,026	9.2
Florida	19,802	22,500	24,938	27,091	3,078	3,388	3,643	3,843	23,900	24,516	25,104	25,744	25,898	26,986	27,485	27,993	8.7
Alabama	8,364	9,142	9,832	10,610	2,427	2,657	2,849	3,050	9,636	9,804	9,902	9,988	10,356	10,582	10,696	10,806	8.2
Mississippi	4,856	5,244	5,706	6,157	2,189	2,362	2,575	2,766	5,558	5,679	5,702	5,884	6,053	6,038	6,174	6,362	8.1
Louisiana	9,867	10,345	11,130	11,957	2,738	2,859	3,054	3,248	10,773	11,073	11,239	11,435	11,620	11,938	12,048	12,222	6.9
Arkansas	4,599	5,068	5,376	5,902	2,418	2,649	2,791	3,036	5,247	5,434	5,369	5,454	5,596	5,836	6,006	6,168	13.1
Southwest	**48,141**	**52,970**	**57,761**	**61,996**	**3,009**	**3,244**	**3,472**	**3,658**	**56,034**	**58,206**	**57,853**	**58,952**	**60,200**	**61,836**	**62,278**	**63,668**	**8.0**
Oklahoma	7,209	7,816	8,488	9,151	2,880	3,083	3,300	3,506	8,136	8,548	8,543	8,724	8,734	9,098	9,228	9,543	9.4
Texas	33,208	36,484	39,671	42,193	3,069	3,303	3,525	3,682	38,596	40,079	39,618	40,390	41,282	42,213	42,256	43,020	6.5
New Mexico	2,656	2,913	3,185	3,495	2,672	2,882	3,128	3,394	3,096	3,213	3,216	3,214	3,352	3,474	3,596	3,559	10.7
Arizona	5,067	5,756	6,418	7,157	3,013	3,314	3,581	3,871	6,206	6,366	6,476	6,624	6,832	7,051	7,198	7,546	13.9
Rocky Mountain	**14,662**	**16,136**	**17,723**	**19,223**	**3,012**	**3,261**	**3,515**	**3,724**	**17,358**	**17,613**	**17,801**	**18,120**	**18,758**	**19,125**	**19,318**	**19,689**	**8.7**
Montana	2,028	2,186	2,349	2,463	2,897	3,150	3,370	3,479	2,291	2,370	2,370	2,363	2,413	2,444	2,479	2,515	6.4
Idaho	1,889	2,131	2,310	2,490	2,718	3,015	3,222	3,402	2,285	2,284	2,310	2,362	2,368	2,447	2,540	2,604	10.2
Wyoming	994	1,092	1,181	1,276	3,068	3,320	3,535	3,753	1,184	1,170	1,175	1,195	1,282	1,256	1,260	1,306	9.3
Colorado	6,863	7,617	8,468	9,263	3,237	3,516	3,806	4,057	8,272	8,408	8,515	8,675	9,090	9,279	9,297	9,386	8.2
Utah	2,888	3,109	3,416	3,731	2,807	2,970	3,195	3,395	3,326	3,381	3,431	3,525	3,605	3,699	3,742	3,878	10.0
Far West	**97,429**	**105,694**	**112,540**	**119,775**	**3,877**	**4,129**	**4,328**	**4,548**	**109,814**	**113,003**	**113,146**	**114,194**	**116,470**	**119,518**	**120,991**	**122,146**	**7.0**
Washington	12,100	13,159	13,671	14,260	3,700	3,936	4,004	4,135	13,392	13,721	13,788	13,784	13,902	14,348	14,339	14,452	4.8
Oregon	6,668	7,295	7,777	8,460	3,328	3,538	3,700	3,920	7,614	7,745	7,875	7,873	8,145	8,386	8,671	8,639	9.7
Nevada	1,794	2,048	2,267	2,482	3,866	4,267	4,599	4,895	2,216	2,269	2,252	2,331	2,410	2,482	2,503	2,531	8.6
California	76,867	83,192	88,825	94,573	3,963	4,221	4,443	4,677	86,592	89,268	89,231	90,106	92,013	94,302	95,478	96,524	7.0
Alaska	1,116	1,261	1,400	1,456	3,917	4,261	4,592	4,749	1,386	1,434	1,381	1,400	1,479	1,525	1,468	1,473	5.2
Hawaii	2,702	3,048	3,445	3,732	3,757	4,102	4,521	4,797	3,295	3,470	3,472	3,542	3,646	3,669	3,722	3,892	9.9
Addenda:									**Personal Income, by Census Regions**								
New England	43,519	47,240	50,788	53,730	3,740	4,026	4,278	4,469	49,366	50,594	51,221	51,971	52,212	53,181	54,315	55,191	6.2
Middle Atlantic	143,275	154,970	166,525	176,631	3,894	4,195	4,468	4,701	169,090	166,078	168,493	169,440	172,778	175,967	178,634	179,142	5.7
East North Central	144,530	156,918	164,667	175,357	3,646	3,932	4,079	4,306	161,823	164,221	166,120	166,501	170,168	174,823	175,936	180,499	8.4
West North Central	52,146	56,850	60,471	64,592	3,250	3,509	3,695	3,904	59,893	60,712	60,511	60,774	62,482	63,800	65,443	66,643	9.7
South Atlantic	90,824	100,560	109,555	118,299	3,035	3,316	3,560	3,786	106,156	109,572	110,621	111,868	114,598	117,919	119,647	121,034	8.2
East South Central	31,937	34,809	37,567	40,825	2,507	2,729	2,930	3,146	36,517	37,367	37,870	38,516	39,613	40,547	41,427	41,714	8.3
West South Central	54,883	59,714	64,665	69,202	2,915	3,124	3,334	3,514	62,752	65,134	64,769	66,003	67,232	69,085	69,538	70,953	7.5
Mountain	24,179	26,853	29,592	32,356	3,019	3,286	3,546	3,785	28,876	29,461	29,745	30,289	31,352	32,132	32,615	33,325	10.0
Pacific	99,453	107,955	115,118	122,512	3,874	4,127	4,332	4,551	112,279	115,638	115,747	116,805	119,185	122,230	123,678	124,980	7.0

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NOTE.—Details may not add to totals because of rounding.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 3.—Percent Change in Selected Shares of Personal Income, 1970–71

State and region	Total personal income	Earnings [1] of persons engaged in production: Total earnings	Farm	Mining	Contract construction	Manufacturing	Wholesale and retail trade	Finance insurance and real estate	Transportation communication and public utilities	Services	Other	Government: Federal civilian	Federal military	State and local
United States	6.83	6.14	7.02	3.54	4.94	2.12	6.71	9.42	7.56	7.91	3.59	7.40	4.24	11.39
New England	5.79	4.41	−8.94	7.69	4.13	−1.66	6.19	8.64	7.13	8.33	3.29	6.80	5.76	11.40
Maine	6.02	4.61	−7.98	1.88	4.37	−1.57	6.86	9.39	8.33	7.80	1.92	2.99	9.63	15.57
New Hampshire	6.23	5.42	−19.96	10.55	−4.26	.81	8.06	9.88	8.83	9.69	2.53	8.86	13.94	12.31
Vermont	7.00	5.97	1.50	2.38	−1.87	.26	10.23	9.32	8.28	11.06	.28	8.46	7.78	12.43
Massachusetts	6.25	4.93	−12.65	9.87	7.56	−.85	5.53	6.85	7.51	7.53	3.94	4.83	4.50	12.68
Rhode Island	5.48	4.11	−21.48	8.82	−.96	1.01	7.56	7.23	6.84	6.78	1.71	5.95	1.19	6.48
Connecticut	4.85	3.25	−11.85	9.25	2.31	−3.82	6.11	11.43	5.68	9.91	3.41	14.61	9.19	8.96
Mideast	6.28	5.30	−10.88	.45	6.41	.96	5.99	9.01	4.50	7.33	4.39	7.57	7.11	10.39
New York	6.00	4.80	−11.98	−.69	7.38	.78	4.26	8.78	1.76	6.64	4.48	6.70	3.85	9.51
New Jersey	6.61	5.90	−18.45	.77	5.55	2.13	8.95	10.03	7.03	7.36	3.37	4.07	5.74	11.13
Pennsylvania	5.82	4.69	−3.40	.48	3.26	.29	5.85	8.71	7.80	7.46	3.55	11.06	8.25	11.30
Delaware	7.03	7.44	−13.98	−4.03	9.66	8.42	3.55	10.31	11.78	7.50	−.08	7.40	7.00	10.06
Maryland	7.14	7.13	−21.39	4.24	11.76	−.87	10.31	9.88	5.52	10.12	4.14	6.00	9.78	12.05
District of Columbia	9.11	8.38	....	(2)	4.19	7.30	−1.87	6.74	1.61	9.69	9.29	10.65	7.99	12.69
Great Lakes	6.49	5.95	18.59	1.91	.73	3.50	5.94	9.42	8.67	8.12	3.26	4.01	2.73	10.93
Michigan	7.52	7.01	−18.27	.97	2.84	7.85	6.75	9.16	6.33	5.12	3.33	4.62	8.29	10.44
Ohio	5.65	4.74	14.78	2.91	−4.10	1.45	5.62	9.90	9.54	9.14	3.15	5.82	8.24	10.23
Indiana	6.47	6.14	26.32	2.19	−2.56	4.30	5.27	6.80	8.55	7.15	2.77	1.56	5.88	12.64
Illinois	6.57	6.27	44.54	1.48	5.30	1.81	5.69	10.06	9.11	8.42	3.46	1.87	−4.12	11.63
Wisconsin	6.21	5.53	4.71	.76	−1.05	2.04	6.66	9.34	9.44	9.93	3.26	8.39	3.26	10.03
Plains	6.81	6.34	11.36	2.65	3.91	1.35	5.91	8.19	9.30	6.92	2.76	7.63	7.95	10.92
Minnesota	5.79	5.00	−1.86	4.35	3.09	−.46	6.53	8.67	10.26	6.78	4.50	8.44	3.30	11.86
Iowa	6.09	5.52	−.48	8.61	2.77	4.25	6.76	7.59	11.12	7.84	1.99	6.67	9.46	9.19
Missouri	6.13	5.39	15.11	2.83	4.25	.66	4.19	8.47	7.83	6.38	2.20	6.40	6.23	11.09
North Dakota	14.43	16.18	60.56	2.50	22.07	8.15	6.44	7.12	10.42	6.93	6.27	10.32	12.37	10.37
South Dakota	9.54	9.77	14.56	9.96	10.31	5.18	5.81	4.86	9.14	7.84	4.31	8.27	17.21	11.80
Nebraska	8.53	8.72	18.91	7.98	−1.57	1.97	7.55	9.11	9.25	7.67	1.03	10.16	10.79	13.09
Kansas	7.40	7.24	23.97	−3.18	1.00	1.90	6.24	7.52	9.16	6.66	2.83	7.95	6.30	9.32

Southeast	**8.22**	**8.00**	**8.26**	**5.47**	**6.75**	**5.58**	**8.07**	**10.45**	**10.20**	**8.26**	**3.99**	**9.18**	**3.58**	**12.32**
Virginia	8.31	8.37	−13.10	7.58	9.98	6.66	8.97	11.60	9.77	9.47	4.70	8.16	3.43	15.23
West Virginia	7.52	5.83	−12.90	−1.71	14.45	2.75	8.85	7.77	6.28	6.94	3.26	10.09	5.70	10.51
Kentucky	9.00	8.63	12.13	10.85	13.22	5.66	7.01	10.11	11.03	7.79	3.20	10.08	1.77	15.07
Tennessee	9.39	9.52	13.84	7.82	23.29	6.00	8.24	11.01	11.74	8.17	3.43	14.38	2.93	13.17
North Carolina	6.71	6.70	−9.20	7.74	6.44	6.51	7.26	10.01	11.99	8.40	4.64	9.68	2.87	10.51
South Carolina	9.06	9.18	17.35	10.52	10.43	6.03	9.38	12.10	11.28	9.06	5.83	8.79	11.69	13.15
Georgia	7.82	7.75	11.08	9.92	11.26	4.96	7.91	10.21	10.21	8.70	5.18	9.03	−3.19	12.69
Florida	8.63	8.56	26.51	19.45	3.18	2.99	8.83	10.95	10.72	8.62	3.19	7.43	4.23	12.72
Alabama	7.91	7.33	16.51	−4.87	11.33	4.30	7.09	10.35	9.14	6.92	4.71	9.82	2.77	9.99
Mississippi	7.89	7.25	.16	5.84	−2.18	9.74	7.90	9.29	9.55	7.83	4.06	10.25	6.51	10.03
Louisiana	7.43	6.78	8.12	7.88	5.32	3.52	7.05	8.15	6.82	6.49	3.36	10.18	4.29	10.94
Arkansas	9.78	9.44	15.44	3.07	7.15	7.51	7.68	10.60	14.88	8.37	3.62	7.83	13.47	9.36
Southwest	**7.33**	**6.90**	**−5.02**	**5.15**	**9.03**	**1.61**	**9.48**	**10.95**	**8.64**	**8.42**	**2.98**	**8.23**	**5.99**	**11.98**
Oklahoma	7.81	7.17	18.73	1.64	11.49	1.33	8.48	8.88	8.26	8.47	3.67	7.27	−1.23	10.54
Texas	6.36	5.86	−14.66	6.99	5.10	1.17	9.59	10.53	8.55	8.13	2.70	8.36	5.34	11.13
New Mexico	9.76	9.40	13.33	1.93	18.13	4.74	9.06	13.45	6.96	8.95	4.32	7.57	6.78	12.40
Arizona	11.51	11.74	16.56	4.59	23.16	4.77	10.15	14.63	10.86	9.62	2.89	9.93	18.03	17.23
Rocky Mountain	**8.46**	**8.33**	**−8.89**	**−.38**	**16.04**	**7.96**	**10.29**	**10.96**	**10.06**	**9.62**	**2.65**	**8.93**	**1.58**	**13.09**
Montana	4.86	3.42	−20.16	−13.66	4.33	4.18	7.05	9.03	12.11	6.91	2.04	12.12	8.54	11.78
Idaho	7.77	7.18	−5.99	3.67	6.41	9.96	8.59	10.61	7.38	12.53	1.82	7.51	4.39	13.18
Wyoming	8.06	8.01	−7.08	3.32	22.01	4.73	8.28	4.10	6.49	9.72	−.03	13.42	12.49	11.05
Colorado	9.40	9.61	−5.89	3.22	18.56	9.31	12.09	11.99	10.57	9.30	3.57	8.98	−2.78	14.30
Utah	9.24	9.26	4.17	−2.64	22.64	5.35	9.49	10.87	10.35	10.20	3.79	7.64	18.96	11.93
Far West	**6.43**	**5.34**	**12.88**	**2.13**	**1.34**	**−1.20**	**5.88**	**8.97**	**6.53**	**7.90**	**3.54**	**6.32**	**3.11**	**11.56**
Washington	4.31	2.42	10.69	6.05	1.43	−6.72	2.70	5.00	6.51	5.66	2.84	4.50	−4.68	12.61
Oregon	8.79	8.30	2.24	17.14	6.82	7.15	7.62	8.31	9.13	10.44	1.82	9.62	.05	11.04
Nevada	9.46	9.27	1.50	−4.64	9.41	6.41	9.13	12.52	9.46	9.60	3.96	7.69	11.46	11.86
California	6.47	5.43	14.57	2.13	.50	−1.19	6.13	9.52	6.20	7.89	3.83	6.35	4.50	11.43
Alaska	6.13	5.45	(2)	−12.42	−2.76	.97	8.10	14.49	6.06	12.92	1.45	7.03	−5.81	21.55
Hawaii	8.35	7.94	14.83	33.04	−7.67	3.76	8.38	12.54	7.32	12.16	4.02	7.51	−1.35	23.94

1. Consists of wage and salary disbursements, other labor income, and proprietors' income except for government, which consists of wages and salary disbursements and other labor income.

2. Base data less than $500,000.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

[From Survey of Current Business, April 1972]

STATE PROJECTIONS OF INCOME, EMPLOYMENT, AND POPULATION

(By Robert E. Graham, Jr., Henry L. DeGraff, and Edward A. Trott, Jr.)

The State projections presented here are one product of a joint program undertaken in 1964 by the Bureau of Economic Analysis of the Department of Commerce and the Economic Research Service of the Department of Agriculture to provide economic data for use in water resources development planning. The program was initiated at the request of the Water Resources Council and in large part funded by the U.S. Army Corps of Engineers, the Bureau of Reclamation, and the (then) Federal Water Quality Control Administration. Later this year, the Water Resources Council will publish a five-volume set of economic projections covering 173 economic areas, 206 water resources planning areas, and the 50 States.

The projections were prepared in the Service Branch. Regional Economics Division of BEA by Lyle Spatz, Steven Tzaneff, Eleanor Curry, and Tasie Anton under the general supervision of Henry DeGraff, Chief of the Service Branch, and under the direct supervision of Edward A. Trott, Jr. Lowell Asby, Assistant Chief of the Division, was responsible for the projections of the national aggregates which formed control totals for the geographic disaggregations. Computer programing was done by David Cartwright and Evelyn Richardson. Many others in the Division played an integral role by furnishing the economic measures requisite to the projections and by developing certain of the analytical techniques used.

BEA wishes to acknowledge the assistance of the Economic Research Service, which prepared the agricultural income and employment components of the State projections.

The State estimates of total and per capita personal income in this report differ from the State series regularly published in the August issue of the Survey on two counts.

First, these estimates are expressed in dollars of constant (1967) purchasing power, whereas the regular State income series is expressed in current dollars.

Second, as with the regular State income series, the data in this report reflect the State of residence of the population and of income recipients and employees, but there is one major exception: the earning data in table 6 reflect the State in which earnings recipients work. The earnings data are presented on a where-worked basis because in water resources planning this is the preferred concept. Also, data with which to adjust earnings in each industry from a place-of-residence basis are not available. Such an adjustment has been made for total income, however.

The Bureau of the Census published "Preliminary Projections of the Population of States: 1975 to 1990" in March 1972 as Current Population Reports, Series P–26, No. 477. Those projections are based on various assumptions about future patterns in the components of population change (fertility, mortality, interstate migration, and net immigration from abroad). The assumptions are entirely demographic; no specific assumptions were made about economic factors which could influence future trends in the demographic components of population change. In the projections presented here, the emphasis is on economic projections, mainly personal income, and the population projections are essentially a by-product of the income and employment projections. In general, the State population projections presented here are reasonably close to those of the Census Bureau.

This article presents projections of personal income, employment, and population, by States, for 1980 and 1990. These projections, as with all efforts to look into the economic future, are based upon an extension of past relationships. The methodology used for these projections has four characteristics which distinguish the results from those of a simple linear extension of trends at a summary level.

First, the basic projections were made for 173 economic areas into which BEA has divided the country, using criteria that make the areas especially suitable for economic projection and analysis. The projections for areas that cross State lines were disaggregated into the State segments required for reaggregation to State totals.

Second, the economic area projections were made within the framework of projections of the overall U.S. economy. Projections of population, employment, and income were made first for the Nation, then disaggregated-geographically.

Third, the projections are based on the assumption that people migrate to areas of economic opportunity and away from declining areas. Accordingly, projections of area income and employment were prepared first, and projections of area income and employment were prepared first, and projections of area population derived from them.

Fourth, projections of income and employment were prepared for each of as many as 39 industries in each of the 173 areas. Various methods were used to make the projections, depending upon the individual industry's role in the area's economy. However, the methods used insure that in each of the 173 areas the industrial composition of projected income and employment constitutes an economy with an internally balanced structure. The fact that the projections were prepared in industrial detail makes it possible for the projected economic path of an area to depart substantially from past trends.

Nature of the projections

These projections are intended to be a best estimate of what can be expected if there are no policy or program changes of unusual nature or magnitude, such as the establishment of a large number of "new towns". The projections are neither a goal for nor a limit upon any given region's future economic activity. They carry no connotation of desirability or undesirability.

Projections of this type can be useful in the assessment of future public and private demands for goods and services. These include, for instance, demands for physical capital related to energy and water resources development and pollution abatement, as well as needs for teachers, policemen, doctors, and workers in other public and private service capabilities.

The projections also permit developing problems such as excessively slow growth or low per capita incomes to be foreseen, so that corrective policies can be adopted.

Furthermore, the projections can provide a framework for program evaluation purposes. If a remedial or developmental program is considered for an area, the projected economic activity in the area can be modified to reflect the expected effects of that program. Comparison of the modified projections with the baseline projections provides a quantitative measure of the effects of the program, positive or negative, in each region affected.

The first part of this article summarizes past and projected changes in State income, employment, and population. Following that, there is a description of the concepts and methods used in making the projections.

CHANGES IN TOTAL PERSONAL INCOME

Personal income in the Nation (expressed in 1967 dollars) is projected to increase from $690 billion in 1969 to $1,663 billion in 1990, a rise of 141 percent. State percentage increases range from a low of 93 percent in South Dakota to a high of 213 percent in Nevada, with the increase in 25 States falling within 10 percentage points of the national average.

The largest absolute increases are projected in California and New York. In New York, the large size of the increase—$94 billion—is mainly a function of the present size of that State's economy, for the projected percentage increase is only 125 percent, compared to 141 percent nationally. California's projected increase of $123 billion reflects not only the large present size of the California economy but also a projected growth of 159 percent—fifth largest in the Nation.

Other large gains, ranging from $46 billion to $56 billion, are projected in Michigan, Pennsylvania, Ohio, Illinois, and Texas. The size of these gains is

mainly a reflection of the size of the economies of these States. At the other end of the scale are increases ranging from $1 billion to $2 billion in Vermont, North Dakota, South Dakota, and Wyoming. The smallness of these advances mainly reflects the smallness of the States' economies, although there is also the factor that projected growth rates are below average except in Vermont.

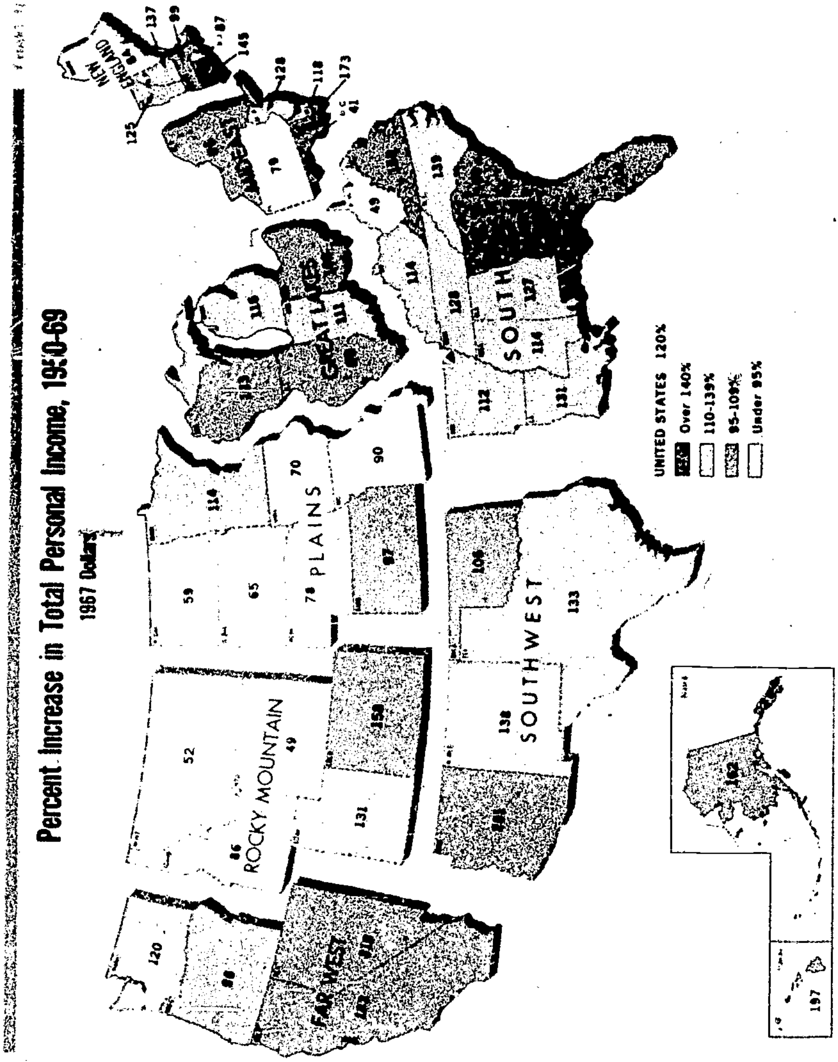
From 1929 to 1969, there was a pronounced shift in the distribution of personal income from the northern and central areas of the country to the south and west. In 1929, the residents of the New England, Mideast, Great Lakes, and Plains regions together received 73 percent of the Nation's total income; in 1969, their share was 59 percent. The Southeast, Southwest, Rocky Mountain, and Far West regions received 27 percent in 1929 and 41 percent in 1969.

The summary data in table 1 show that the shift was milder in the 1950–69 span than in 1929–50, and that a further moderatiton is projected for 1969–90.

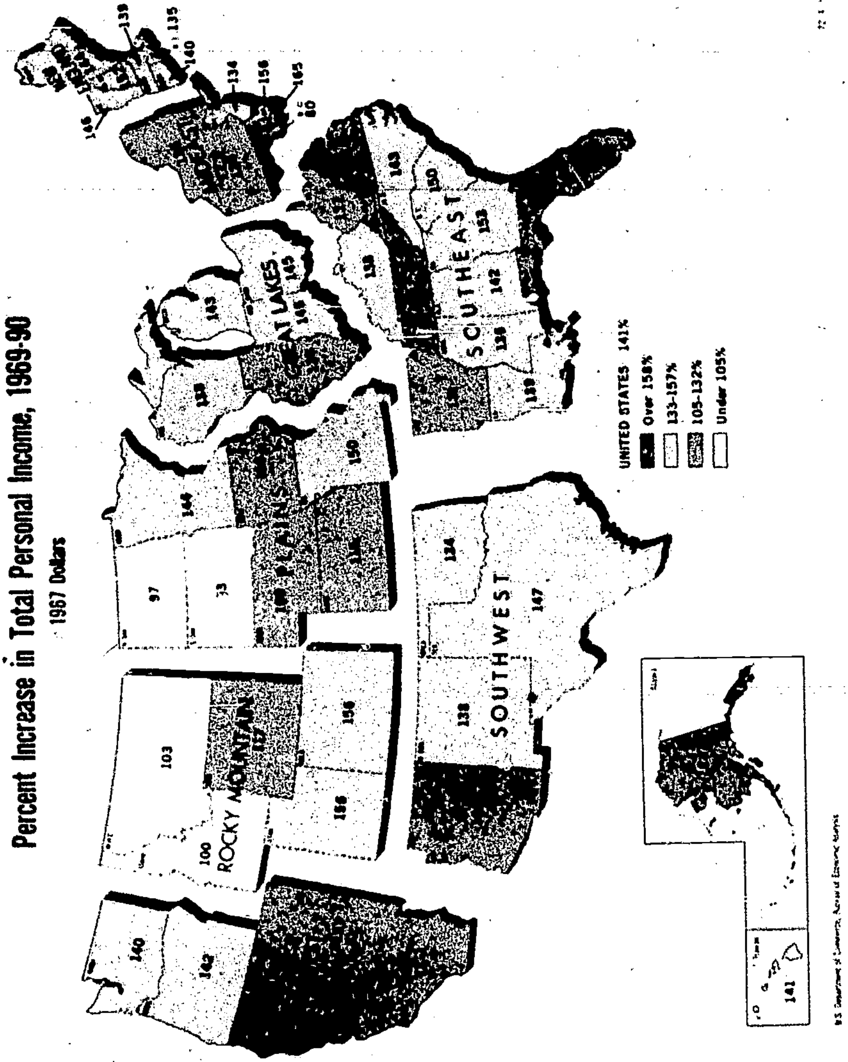
Table 1.—Regional Shares of Personal Income and of Population

	1929	1950 [1]	1969 [1]	1990 [1]	Percent change in share [2]		
					1929–50 [3]	1950–69	1969–90
	Personal income						
Northern and central regions	**72.88**	**63.86**	**58.63**	**56.98**	−12	−8	−3
New England	8.22	6.56	6.33	6.27	−20	−4	−1
Mideast	32.11	26.06	23.64	22.64	−19	−9	−4
Great Lakes	23.62	22.38	21.04	20.85	−5	−6	−1
Plains	8.93	8.86	7.62	7.22	−1	−14	−5
Southern and western regions	**27.12**	**36.14**	**41.37**	**43.02**	33	14	4
Southeast	11.63	15.22	17.35	17.91	31	14	3
Southwest	4.96	6.54	7.10	7.24	32	9	2
Rocky Mountain	1.89	2.24	2.16	2.14	19	−4	−1
Far West	8.63	11.30	14.17	15.12	31	21	7
	Population						
Northern and central regions	61.42	57.73	54.58	53.88	−6	−5	−1
New England	6.68	6.13	5.82	5.98	−8	−5	3
Mideast	23.17	22.21	20.90	20.50	−4	−6	−2
Great Lakes	20.68	20.10	19.82	19.89	−3	−1	0
Plains	10.89	9.29	8.04	7.51	−15	−14	−7
Southern and western regions	38.58	42.27	45.42	46.12	10	7	2
Southeast	22.30	22.30	21.59	21.16	0	−3	−2
Southwest	7.38	7.53	8.12	8.13	2	8	0
Rocky Mountain	2.23	2.30	2.45	2.36	3	7	−4
Far West	6.67	9.33	12.74	13.93	40	31	9

1. Alaska and Hawaii included in southern and western total.
2. Percent changes calculated from data carried to one more decimal than shown.
3. Alaska and Hawaii are excluded from 1929 data. To achieve comparability, they were excluded from 1950 data in calculating percent change for 1929–50 period.



Percent Increase in Total Personal Income, 1950-69
1967 Dollars


Percent Increase in Total Personal Income, 1969-90
1967 Dollars
ROCKY MOUNTAIN
PLAINS
GREAT LAKES
SOUTHEAST
SOUTHWEST
UNITED STATES 141%
Over 158%
133-157%
105-132%
Under 105%

The table shows each region's share in the Nation's personal income in 1929, 1950, 1969, and 1990, and the percentage changes in these shares. The size of the percentage change in a region's share reflects the size of the gap between the growth rate of income in the region and the growth rate in the Nation as a whole.

Historical income changes

The 1929–50 shifts in the geographic income distribution which are shown by States and regions in table 3, reflect several principal factors: the growth of the western areas of the country in their role as economic frontiers; the absorption into the main-stream economy of much of the historically underused labor force of the Southeast, especially under the impetus of the demand caused by World War II; the establishment of many military installations and their associated civilian activities in the south and west during the 1940's; the many State efforts at industrial development which resulted in increased industrialization through much of the south; and the large increase in agricultural income during the 1940's.

The slowing of the shift in the 1950–69 period also reflects a variety of factors. Federal Government payrolls—military and civilian—which had played so prominent a role in the economic growth of the south and west during World War II grew at a rate only slightly above average over the next two decades. In contrast, State and local government and service payrolls surged ahead in a "catchup" phase. Because the geographic distribution of the latter is much more in proportion to overall economic activity than is the distribution of Federal payrolls, their effect on income growth in 1950–60 was comparatively uniform across the Nation.

Agricultural income, which had risen sharply during the 1940's under the pressure of increase domestic and foreign demand, declined during the 1950's and rose only a little during the 1960's. This sluggish performance significantly slowed income growth in the south and west.

Income from textile manufacturing, which is of major importance in the income structure of the Southeast, declined during the 1950's and registered a rate of increase during the 1960's less than that of other industries. This limited income growth in the Southeast.

The slowing of the income shift to the south and west, as a result of the factors cited above, was mirrored in a slowing of the shift away from the north and east. Another relevant factor is that New England's share of the Nation's income dropped sharply during the 1940's but only slightly during the 1950's and 1960's as its economy shifted away from textiles and leather and into faster-growing nonautomotive transportation equipment, research and development, and educational activities. Also, as the national economy experienced the inflationary pressures of the latter part of the 1960's, the economic resources of all regions were used at near-capacity rates and this tended to diminish differences in regional growth rates.

Two exceptions may be noted to the historical pattern of deceleration in rates of change of regional income shares. The Plains' share showed a slight percentage decline in the 1930's and 1940's but the largest decline of any region in 1950–69. In the Rocky Mountains, a sizable increase in the 1930's and 1940's was followed by a moderate decline in 1950–69. In both regions, overall income growth was relatively slow in the 1950–69 period, reflecting the decline of agricultural income from its highs of the late 1940's and early 1950's.

Projections: regions with rising shares

The projections, shown in summary in table 1 and in detail in table 6, indicate that the Far West, Southeast, and Southwest will continue to increase their shares of the Nation's personal income. However, as shown in table 1, their shares will grow at rates only about one-third as fast as in the 1950–69 period. An important factor in this slowdown is that Federal payrolls are about twice as important in these three regions as in other areas and contributed greatly to the above-average income growth of these regions in the past, but are projected to be a slow-growth income source in the 1969–90 period. Military strength is held constant for the projections and military payrolls increase only as average military pay increases. Also, Federal civilian employment and payrolls rise at about the same rate as other types of employment and income.

Farm income, though greatly diminished as an income source throughout the Nation, is still nearly twice as important in the Southeast and Southwest as in the rest of the country. Because of this, the relatively slow growth projected

for farm income over the next 20 years—only two-thirds as fast as income from nonfarm industries—is another factor tending to dampen projected income growth in these two regions.

Nevertheless, income in the Southeast, Southwest, and Far West is projected to grow faster than the national average in 1969–90. This is largely because of continued rapid growth in manufacturing in most States of these regions (table 6). In the two southern regions a "catchup" expansion in service industries, representing a maturing or upgrading of the economic structure, is an additional factor. Also, in States such as Florida, Arizona, and California, immigration of retired persons is expected to boost personal income. However, because the income of a retired person is generally less than that of a wage earner or self-employed individual, growth of per capita income in "retirement areas" will be dampened.

Six of the 10 States with the largest projected percentage gains in income are in the Southeast, Southwest, or Far West. These are Tennessee, Florida, Virginia, Arizona, California, and Nevada. The other four are Utah and Colorado, in the Rocky Mountain region; Maryland, in the Mideast; and Alaska, not classified in any region because of its geographic separation from other States.

Projections: regions with declining shares

Over the long run, income growth in the Rocky Mountain region has been above the national average. However, this pattern was reversed during the 1960's as a result of agricultural developments, which dominate the growth rate of income in Montana, Idaho, and Wyoming. The 1969–90 projection puts income growth in the region slightly below the national average, so that the region's share of the Nation's income drops slightly. Income from agriculture in Montana, Idaho, and Wyoming is projected to grow at a much slower pace than income from nonfarm industries.

In Colorado and Utah, however, a number of manufacturing industries are projected to expand at above-average rates, and metropolitan areas are attracting a variety of economic activities that serve areas outside of the two States. As a result, these two States rank ninth and tenth in the Nation in terms of the projected rate of income growth.

The projections show continued downtrends in the share of the Nation's income going to the Mideast, Great Lakes, Plains, and New England regions.

The large, economically mature, Mideast region sustained the largest percentage decline in share in 1929–69 and is projected to experience the second largest decline over the next 20 years. The situation is a reflection of both the age and the economic maturity of the region, and it is not possible to single out one or two industries as responsible. Income from most industries is projected to grow at slightly below-average rates. This is due partly to the shift of certain market-oriented industries—those that tend to locate where the population is concentrated—to faster-growing areas in the south and west. Another factor in the lag of the economy of the Mideast is the development in the newer urban centers of the Nation of many of the financial, wholesale, and communications services previously performed in the large cities of the Mideast.

Projections for two States of this region, Delaware and Maryland, are counter to the regional trend. Income in these States is projected to rise at above-average rates. This continues the long-term income trend in these two States, whose economic growth patterns tend to be more like those of the States to the south than of those to the north. In both States, manufacturing provides the major stimulus to projected growth.

The Great Lakes region has a large industrial capacity with emphasis on durable goods production. Over time, there has been a gradual shift in the share of durable goods industries away from the Great Lakes. This tends to leave some excess labor and plant capacity in the region which can be drawn rapidly into production. This excess was drawn on during World War II, in the postwar durable goods boom, and again during the Korean and Vietnamese wars, resulting in surges of income in the region that interrupted the secular downtrend. Should such developments occur in the future, they would again interrupt the projected downtrend.

The projected decline in the Plains' share of the Nation's income is solely a reflection of the dominant role of agriculture in that region. The share of agriculture in "export" industry earnings in the Plains is 26 percent, approximately three times its share nationally. "Export" industries, those that sell a large share of their output to other regions, are especially important in the economic growth

of a region. With farm income nationally projected to rise only 10 percent between 1969 and 1990, in contrast to a doubling of income from nonfarm "export" industries, income growth in the Plains is obviously limited. The projected 1969–90 decline in the Plains' share of income is much milder than the 1950–69 decline. This reflects the reduced importance of agriculture in the economy of the region. In 1950, agricultural income accounted for more than half of the income from "export" industries in the Plains, in contrast to 26 percent in 1969.

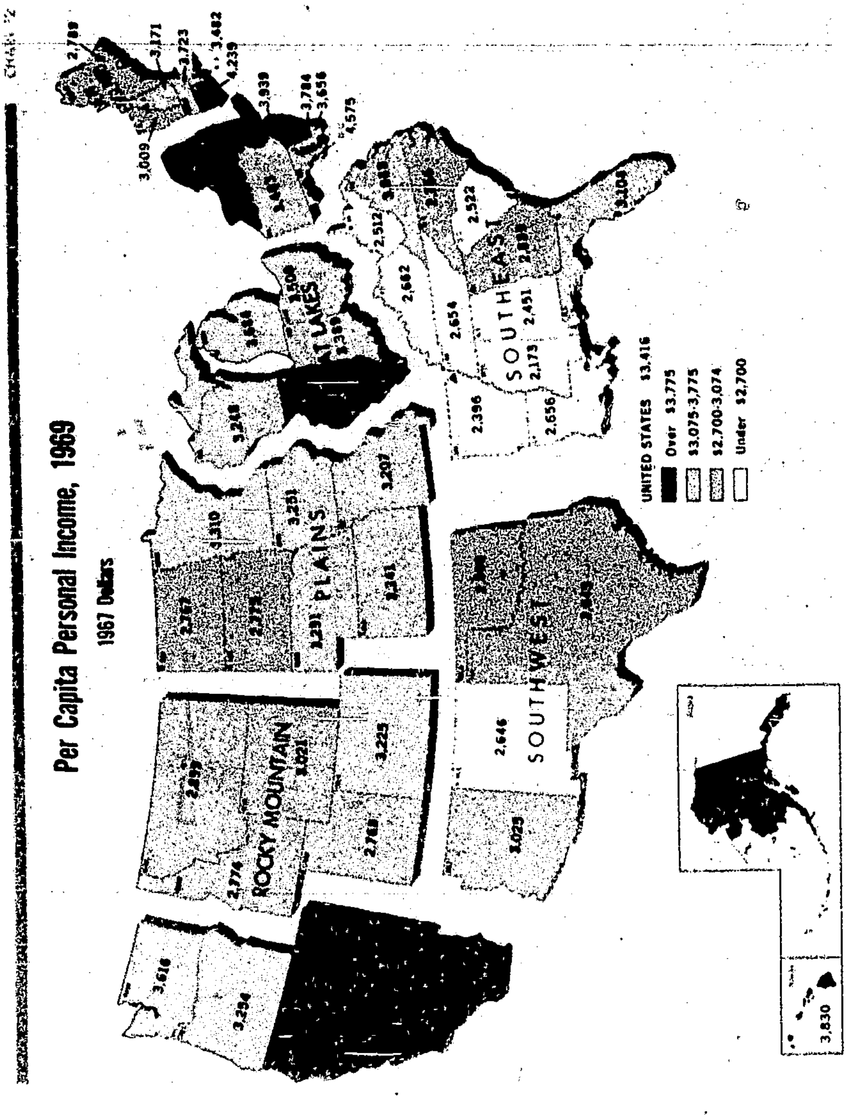
The income growth lag in the Plains is concentrated in Iowa, North and South Dakota, and Nebraska, States where farm income makes up from 38 to 60 percent of "export" industry income.

New England's share of the Nation's income has been declining over the long run, but the shrinkage began to slow as early as 1950, as the region lost much of its textile and leather manufacturing industries. By the 1960's the region's income growth lagged only slightly behind the national rate, and its projected growth from 1969 to 1990 is not significantly different from that of the Nation. Projected growth for the three northern New England States is above average. In Maine and Vermont, the margin is slight; in New Hampshire, it is substantial. New Hampshire's projected gains are concentrated in trade and the services and are due in large measure to the direct and indirect effects of the State's growing recreation-oriented industries.

EMPLOYMENT PROJECTIONS

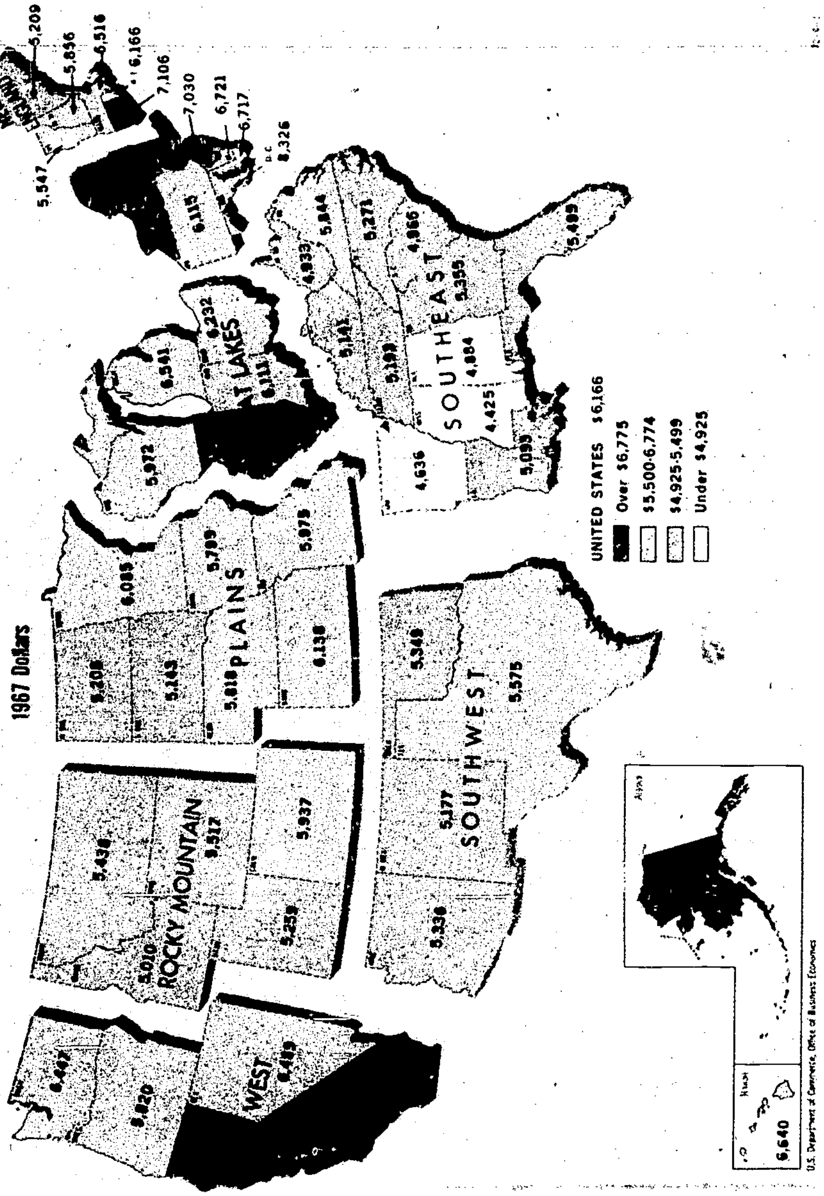
Employment projections are shown in table 6. Employment estimates covering the entire Nation at the local area level are not available at this time for years later than 1960. Because of this lack of data, state employment has been projected only on an all-industry basis. Projections of local area employment in industry detail will be made upon completion of a local-area employment series now being prepared by BEA on a place-of-work basis. Meanwhile, the industry earnings components of personal income can serve, at least in limited degree, most uses for which industry employment figures are desired.

In general, projected changes in total employment by State are closely correlated with those in total income. Minor differences between the behavior of projected employment and of projected income are caused by the concentration of retired persons, together with their income, in certain areas and because transfer payments and property income expand in some areas at rates that differ from the rate of employment increase.


Per Capita Personal Income, 1969
1967 Dollars
ROCKY MOUNTAIN
PLAINS
LAKES
SOUTHEAST
SOUTHWEST
UNITED STATES $3,416
Over $3,775
$3,075-3,775
$2,700-3,074
Under $2,700

Per Capita Personal Income, 1990

1967 Dollars



POPULATION PROJECTIONS

As described in the section on methodology, changes in area population are projected as a function of changes in area employment, with special adjustments made for "retirement" areas. Because projected employment changes are reconciled with projected changes in earnings of employees, and because earnings form the bulk of personal income, there is a strong correlation between the projected changes in population and those in income.

As with the income projections, the projected population movements are generally in line with past trends. The only significant exceptions are in New England and the Rocky Mountains (table 4).

New England's population is projected to rise at an above-average rate. The region's population growth was below average during the 1940's and 1950's, when the region was falling behind national growth rates in most economic measures. During the 1960's, when economic growth in the region nearly equaled that in the Nation, population growth was only slightly below average. During the 1970's and 1980's the region's population growth is projected to exceed the national rate by a small margin as people are attracted to the above-average economic opportunities of the region.

In the Rocky Mountain States, where population growth was above average from 1929 to 1969, the projections call for growth slightly below average over the next two decades. This stems from the relatively slow growth projected for agricultural income in Montana, Idaho, and Wyoming. Slow income growth means fewer economic opportunities, which mean less immigration and sometimes even net outmigration of population. Population projections for individual States are shown in tables 4 and 6.

PER CAPITA INCOME

In general, regional population and income growth rates both tend to deviate from the national average in the same direction, although the magnitudes of the deviations may differ a good deal (table 1). However, the observed tendency for regional per capita incomes to converge toward the national average means that some divergence does occur between trends in an area's population and in its personal income. The degree of this divergence appears to be correlated with the level of per capita income. Thus, in regions with above-average per capita income, the population growth rate tends to exceed the national average by a wider margin than does the personal income growth rate. In areas with below-average per capita income, population growth relative to the national average is slower than personal income growth relative to the national average. Under both conditions, the per capita income of the region moves toward the national average. The most striking examples of this occur in the Southeast and Far West (table 2).

Table 2.—Regional Per Capita Personal Income

	Percent of national average				Percent change in relation to national average [2]		
	1929	1950 [1]	1969 [1]	1990 [1]	1929–50 [3]	1950–69	1969–90
Northern and central regions	118.65	110.60	107.40	105.69	−7	−3	−2
New England	123.11	106.97	108.20	104.87	−13	1	−3
Mideast	138.55	117.34	113.23	110.23	−15	−4	−3
Great Lakes	114.20	111.28	106.24	104.87	−3	−5	−1
Plains	81.96	95.40	94.56	96.14	16	−1	2
Southern and western regions	70.30	85.47	91.10	93.37	22	7	2
Southeast	52.19	68.28	80.24	84.85	31	18	6
Southwest	67.21	86.68	87.50	89.07	29	1	2
Rocky Mountain	85.05	97.38	87.97	90.62	14	−10	3
Far West	129.29	120.97	111.53	106.58	−6	−7	−3

1. Alaska and Hawaii included in southern and western total.
2. Percent changes calculated from data carried to one more decimal than shown.
3. Alaska and Hawaii are excluded from 1929 data. To achieve comparability, they were excluded from 1950 data in calculating percent change for 1929–50 period.

In the Southeast, personal income growth far outpaced the national average from 1929 to 1969, but population growth was below average (table 1). As a result, per capita income in the region rose from 52 percent of the national average in 1929 to 80 percent of it in 1969 (table 2). In the Far West, by contrast, income growth was well above average from 1929 to 1969 but population growth exceeded the national rate by an even greater margin, and per capita income in the region fell from 129 percent of the national average to 112 percent.

Continued convergence of per capita incomes is projected for 1969–90. This can be seen in summary in table 5 and in detail in table 6.

CONCEPTS AND METHODOLOGY

The projections presented here are based on an extension of past relationships believed to have relevance for the future. The choice of relationships to be extended and the methodology for extending them are based on assumptions, some of which are stated explicitly and some of which are implicit in the projection methodology. The assumed conditions are those believed to have the greatest probability of realization. Thus, the projections represent an attempt, imperfect though it may be, to forecast the economic future.

In general, long range projections are more likely to prove wrong than are those made for short periods, and projections in detail are more likely to prove wrong than those of broad aggregates. Accordingly, projections for 1990 are probably less reliable than those for 1980; projections for a specific industry in a specific region are probably less reliable than those for the same industry nationally; and earnings projections for a specific industry are probably less reliable than those for total earnings or total income. By the same token, a projection of the labor force at the national level for 1990 is probably quite reliable because that labor force will be drawn almost entirely from a population the size and age distribution of which are known, though projected participation rates may be wrong. However, a projection of the 1990 labor force in a given State is related not only to the current State population but also to future interstate migration, and is therefore much less reliable than the national projection.

Assumptions

The projections are based on longrun or secular trends and ignore the cyclical fluctuations which characterize the shortrun path of the economy. The general assumptions that underlie the projections are as follows:

(1) Growth of population will be conditioned by a decline of fertility rates from those of the 1962–1965 period.

(2) Nationally, reasonable full employment, represented by a 4 percent unemployment rate, will prevail at both of the points for which projections are made: as in the past, unemployment will be disproportionately distributed regionally, but the disproportion will be diminishing.

(3) At projection dates, there will be no direct effects on the projections due to foreign conflicts.

(4) Continued technological progress and capital accumulation will support a growth in private output per manhour of 3 percent annually.

(5) The new products that will appear will be accommodated within the existing industrial classification system, and, therefore, no new industrial classifications are provided.

(6) Growth in output can be achieved without ecological disaster or serious deterioration, although diversion of resources for pollution control will cause changes in the industrial mix of output.

(7) The composition of personal consumption will continue to change.

The regional projections are based on the following additional assumptions:

(1) The factors that have influenced historical shifts in "export" industry location will continue into the future but the sharpness of the shifts will diminish.

(2) Trends toward area self-sufficiency in local-service industries will continue.

(3) Workers will migrate to areas of economic opportunities and away from slow growth or declining areas.

(4) Regional earnings per worker and income per capita will continue to converge toward the national average.

(5) Regional employment/population ratios will tend to move toward the national ratio.

Projection procedure

The State income and employment projections were made in six major steps.

First, total national population, employment, GNP, personal income, and earnings were projected. Second, the projected national output, employment, and earnings were broken down into industry detail on the basis of projected trends in industry shares of the national totals.

The third step was to allocate the projected industry totals of employment and earnings to the 173 economic areas into which BEA has divided the country. The methodology of this step for each area's "export" industries—those that mainly produce goods and services for export from the area to other areas—was different from the methodology for the area's other industries, i.e., its "residentiary" industries. Basically, however, earnings and employment in both types of industry were projected by extrapolating past trends. The nonearnings components of personal income were projected for each area by a method similar to that used for residentiary industry earnings.

The fourth step was to derive area population totals from projected area employment.

The fifth step was necessitated by the fact that many of the 173 BEA economic areas cross State boundaries. In those cases, it was necessary to divide the projected area figures into State segments. Sixth, the area projections were aggregated to State totals.

The projections procedure is by no means entirely mechanical: At various points in the process, it is essential that judgment be brought to bear, both in estimating the future rate of change in the industrial composition and location of output, and in checking the consistency of the projections. In particular, with employment and earnings projected separately, it is necessary to review for reasonableness the implied industrial and regional patterns of earnings per worker.

The decision to derive regional projections through the disaggregation of national totals instead of through the independent projection of each component in each region is based on the assumption that the larger the economic area, the more adequate and reliable are the available statistical measures and the more reliable are the projections that can be made. This assumption applies also in the decision to derive projections of industrial detail at the national level by first projecting national employment, output, and earnings and then disaggregating into national totals for individual industries. Of course, it should be obvious that the disaggregation approach is also subject to substantial error—as is any procedure for forecasting the economic future.

Gross national product

The initial step in preparing the national projections was the projection of the gross national product. This was done by multiplying projected man-hours worked by projected output per man-hour. The variables which entered the determination of man-hours worked include the working age population, labor force participation rates, general government employment (civilian and military), and hours worked per year per man.

The Bureau of the Census has made several different population projections, with the birthrate assumption the varying element. In light of all the factors that could be ascertained in mid-1969, when the decision was made regarding

the projected population to be used, the "C" series was selected. Of the five Census Bureau projected population series, this one has the second fastest growth rate. It assumes a total fertility rate of 2,787 births per 1,000 women in 1990, which is below the rate of 3,300 in 1962–65, but above the rate of 2,111 per 1,000 which would maintain a constant population, and above the preliminary 1970 rate of 2,472. The "C" series shows national population increasing from 203 million in 1970 to 270 million in 1990, or about 33 percent. The "E" series, which projects lower fertility than the "C" series and for that reason would be the choice of many persons today, is only 4.4 percent lower than the "C" series in 1990.

The working age population, labor force participation, unemployment rate, and hours worked per man per year were each projected separately and the best available expertise was utilized in each case. The population of working age is, of course, a subset of the total population; the labor force was derived by applying age- and sex-specific participation rates developed by the Bureau of Labor Stastistics to the working age population. A 4-percent unemployment rate was adopted as representing full employment nationally. House worked per man per year in the private economy were projected to decrease by 0.25 percent per year, compared to the post-World War II average decrease of 0.4 percent per year. The slower rate assumes that the "easy" reductions in hours of work have already been made.

Output (real gross product) per man-hour in the private economy increased at a compound annual rate of 3.2 percent from 1950 to 1968. The projection puts productivity growth at a compound annual rate of 3 percent from 1968 to 1990. The projected rate is somewhat lower than the 1950–68 rate to allow for the fact that some part of the productivity growth in 1950–68 was attributable to a massive movement from farm to nonfarm work which cannot be repeated on a similar scale in the future. There is a variety of opinion on the merits of using the 3-percent rate; some forecasters would lower the projected rate still further because of the projected shift in work force distribution away from higher productivity manufacturing to the lower productivity service industries.

Private gross product was projected by multiplying private man-hours by output per man-hour in the private economy. Constant dollar government gross product was projected in accordance with conventional national income and product accounting proctice as the number of general government employees times average compensation in the base year.

The sum of projected private and projected government gross product is projected constant dollar GNP, which grows at a compound annual rate of 4 percent between 1968 and 1990.

Since measures of gross regional product have not been constructed, it was necessary to translate GNP into measures which could be prepared regionally.

Personal income and earnings

The measures chosen for this purpose are personal income and its earnings-of-persons component (the sum of wages and salaries, other labor income, and proprietors' income). The choice rested on three considerations. First, personal income has a comparatively constant relationship to gross national product; second, its regional location is clear and can be measured with current data sources; and, third, the methodology for preparing regional estimates of personal income had already been developed.

Projected personal income was derived from the relationship between constant dollar personal income and constant dollar GNP. A function was fitted mathematically to past values of the income/GNP ratio and extended to 1990. The projected 1990 ratio was applied to projected GNP to derive projected personal income.

In a similar manner, the ratio of earnings of persons to total personal income was projected and applied to projected personal income in constant dollars to projected earnings in constant dollars.

Industry detail

The projected values of three national aggregate measures were disaggregated industrially. The three measures are gross product (which at the industry level is gross product originating, or GPO), earnings of persons, and employment. The disaggregation was into the 37 industry groups for which local area data on earnings and employment are available. (When the final projections were assembled at the State level, the 37 industries were combined into 28.) The disaggregation was done by extrapolating 1948–68 trends in the industrial compo-

sition of gross product, earnings of persons, and employment; that is, each industry's share in total GNP, total earnings, and total employment was extrapolated and applied to the projected all-industry totals of GNP, earnings and employment.

The resulting projections of GNP, earnings, and employment for each industry were then reconciled. The reconciliation focused on two major considerations. First, projected industry GPO, earnings, and employment were examined in the light of historical trends in the relationships among earnings per worker, GPO per worker, and earnings as a percent of gross product. Second, those ratio relationships for each industry were reviewed in the light of the corresponding all-industry ratios, to judge how well the projected data adhered to the empirical observation that interindustry differences in earning per worker and GPO per worker diminish over time.

The national projections of industry employment used the data on "persons engaged in production" that are calculated by BEA as an adjunct to the national income and product accounts (table 6.6 in July issues of the SURVEY). These data are conceptually consistent with the series on gross product originating and earnings. However, the "persons engaged in production" series is not available on a regional basis. The only employment data with adequate industrial detail now available for local areas are from the decennial censuses of population. It was necessary, therefore, to convert the projected national industry employment to the Census employment concepts. This was done by first eliminating government workers from the various industries. The resulting 1960 Census employment figures for each industry were then extrapolated forward by the projected change in the "persons engaged" series (1970 Census employment data are not yet available for all States). Independently projected estimates of government employment were then added to projected private employment in the appropriate industries to yield national totals of employment for distribution to economic areas.

Economic areas

Once projections had been made at the national level for output, earnings, and employment by industry, the next step was to allocate the national industry totals to subnational areas. This was done using the 173 economic areas into which BEA has divided the country as part of its program of regional measurement, analysis, and projection. Each area has an urban center and surrounding counties where economic activity is focused, directly or indirectly, on the activity of the center. Each area combines place of residence and place of work as nearly as possible so that there is a minimum of commuting acros area boundaries.

Each economic area has two types of industries. The "expert" industries produce goods and services that are for the most part exported to other areas, providing the earnings with which the area purchases the specialized goods and services of other areas. "Residentiary" industries produce most of the services and some of the goods required by local business as intermediate products and by the household sector. Each economic area approaches self-sufficiency with respect to its residentiary industries.

There is general similarity among economic areas in the interindustry relationships—among "export" and residentiary industries—within each area. Moreover, these interindustry relationships within areas exhibit substantial stability over time, although they do change as a result of secular trends and developmental thresholds (points at which local markets for intermediate or consumer products become large enough for local production to supplant all or a portion of imports). These characteristics of similarity and stability make the BEA economic areas superior for projection purposes to other geographic areas delineated in accordance with noneconomic criteria. For example, the relationships among industries located within a single county may appear to be meaningless and random. Such relationships would acquire meaning, of course, if data were available on the county's imports and exports so that total input requirements of each local industry could be calculated. Use of the BEA economic areas for projections and analyses makes it unnecessary to have such data for residentiary industries, though export-import information is still needed for the "export" industries.

Local area economic measures

The local area economic measures used in the projections are population, total personal income, earnings by industry of origin, and employment by industry.

Estimates of total personal income, earnings by industry, and the non-earnings component of personal income in each SMSA and non-SMSA county have been

prepared by BEA for 1929, 1940, 1950, 1959, 1962, and annually from 1965 forward. These were aggregated to the 173 economic areas. Estimates of employment by industry for the 173 areas were based on the censuses of population for 1930, 1940, 1950, and 1960. Estimates for 1962, 1965, and 1966 were made by moving the census data forward from 1960 with employment data from *County Business Patterns*, supplemented by data from the American Railroad Association, the American Hospital Association, the Social Security Administration, State employment security agencies and several economic censuses. Because there is very little commuting across economic area lines, the census-based employment data for economic areas, which reflect residence of the employees, are compatible with the area earnings data, which reflect place of work.

Economic area projections: "Export" industries

Projections of employment and earnings in "export" industries were made, industry by industry, for each economic area, on the basis of projections of the trend in the area's shares of total national employment and earnings in each industry. The trend in the share was projected into the future by fitting a least squares regression line to the logarithms of the historical values of the share and the logarithms of time and extending this curve to 1990. The projected shares derived in this manner were modified judgmentally in some cases, mainly where natural resources were expected to be depleted or where the historical data appeared weak or in error. The projected area shares, after being forced to total 100 percent, were applied to the appropriate national totals to get projected absolute values.

Earnings and employment in each of the "export" industries were projected independently for each economic area. Then, projected earnings per worker were calculated for each industry in each area and expressed as a percent of national earnings per worker in the industry. These ratios were a means of discovering inconsistencies between projected employment and projected earnings. When inconsistencies occurred, the data were reviewed in the light of information from other sources and the two projections were reconciled. In some instances, this review pointed clearly to the need for a change in either projected earnings or projected employment, but occasionally compromise was necessary and both were adjusted.

Economic area projections: Residentiary industries

Projected area earnings in each residentiary industry were derived from the following relationships: (1) The projected regional location quotient (LQ) for the industry, i.e., the ratio of the industry's share of total area earnings to the industry's share of total national earnings; (2) the projected national ratio of earnings in the industry to total national earnings; and (3) projected earnings in total "export" industries in the area.

The area LQ's for each residentiary industry—item (1) above—were projected as follows. Analysis of changes in the area LQ's of individual residentiary industries from 1950 to 1969 showed that economic areas trend toward self-sufficiency in residentiary industries, i.e., LQ's trend toward 1.0. Analysis also showed that the slope of the trend depends upon the magnitude of the LQ. From this analysis, trend values for change in LQ's were set for several different ranges of LQ value. These trend values were then applied to the LQ of each residentiary industry in 1969 and projected LQ's were determined for 1980 and 1990.

The projected national ratio of earnings in each residentiary industry to total national earnings (item 2 above) was calculated from the national industry earnings projections that were mentioned as the second step of the overall projections methodology.

Item 3 was derived by summing earnings of "export" industries already projected for each economic area.

Projected earnings for each residentiary industry in each area were derived as follows: First, the projected LQ for each residentiary industry (item 1) was multiplied by the projected national ratio of earnings in that residentiary industry to total national earnings (item 2). This computation gave the projected share of the residentiary industry in the area's total all-industry earnings. These shares were summed for all residentiary industries in the area. Subtracting the sum of residentiary shares from unity gave the "export" industry share. The division of this share into the projected absolute value of "export" industry earnings—already calculated—yielded projected total all-industry earnings for the area. To this total was applied the projected share of each residentiary industry in the area's total all-industry earnings (the product of items 1 and 2) to obtain the projected absolute value of earnings in each residentiary

industry in each area. The sum of the area values for each residentiary industry was forced to equal the previously projected national total for the industry, thereby keeping the projected series within the framework of the national projections.

A comparable procedure was used to project residentiary employment by area. As in the case of the "export" industry projections, projected residentiary employment and earnings were reconciled.

Certain industries are classed as residentiary in some areas and "export" in others. For example, in one area hotels may serve principally the business community and local residents while in another, such as Las Vegas, they may provide recreation for visitors and so form an "export" industry. Similarly, in one area printing and publishing may involve only local newspaper publishing and local business printing whereas in another area it may serve a national market through book and magazine publishing. In each area, employment and earnings in such industries were projected in accordance with each industry's character in that area. This procedure necessitated a break of the projected national totals for these industries into that portion to be treated as "export" and that as residentiary.

Total earnings, the sum of "export" and residentiary industry earnings, make up about 80 percent of total personal income. To complete the projections, property income, transfer payments, and contributions to social insurance (which are netted out of personal income) were projected by a modification of the procedure used for residentiary industries.

Population projections

The natural increase in population in an area—births minus deaths—can be projected quite accurately when the national fertility rate is assumed. The critical element in a local area population projection made within a given national population total is interarea migration. As previously noted it was assumed in these projections that the major motivating factor in migration is economic opportunity except in a few areas which attract an especially large number of retired persons. Accordingly, changes in area population were projected as a function of changes in area employment.

Historically, there has been some variation among areas in the ratio of population to employment because of differences in unemployment and in labor force participation. The projection technique recognizes these differences but assumes that they will gradually disappear. (As stated in the summary of assumptions, 4 percent unemployment was assumed nationally but not in each area separately.)

The projected increases in employment were translated into population changes by applying the projected national population/employment ratio to area changes in employment. In areas where retired persons comprise an especially large proportion of the population—and measured labor force participation is unusually low—the retirement population is projected separately from the remainder.

Historically, area per capita incomes have converged slowly toward the national average, and the projected area per capita income derived from projected personal income and projected population were analyzed with this in mind. In a few cases, the behavior of projected per capita income suggested need for reexamination and sometimes modification of the projected components.

State projections

The final step in deriving State projections was to separate into State segments the projections of income, employment, and population for those of the 173 BEA economic areas that cross State boundaries. State totals could then be calculated. The separation of area data into State segments was done by projecting each State's share of the area's population and of the area's income and employment, industry by industry, on the basis of historical trends in shares. Projected State shares were applied to area totals of income, employment, and population to obtain absolute values for each State segment. This procedure was applied to both "export" and residentiary industries, as the disaggregation of area totals into State segments invalidated the functional relationships between "export" and residentiary industries that hold for economic areas and that can be used at that level to project residentiary industry activity from "export" industry activity.

Table 3.—Total Personal Income, by State and Region, for Selected Years, 1929–1990

State and region	Millions of 1967 dollars							Percent change			Percent of United States		
	1929	1940	1950	1959	1969	1980	1990	1929–69	1950–69	1969–90	1929	1969	1990
United States	**177,503**	**196,422**	**313,569**	**432,349**	**689,626**	**1,115,898**	**1,663,439**	**289**	**120**	**141**	**100.00**	**100.00**	**100.00**
New England	**14,596**	**15,867**	**20,578**	**27,561**	**43,466**	**70,057**	**104,352**	**198**	**111**	**140**	**8.22**	**6.30**	**6.27**
Maine	984	1,100	1,500	1,923	2,767	4,470	6,755	181	84	144	.55	.40	.41
New Hampshire	662	707	971	1,403	2,306	3,789	5,810	248	137	152	.37	.33	.35
Vermont	464	461	586	760	1,321	2,157	3,249	185	125	146	.26	.19	.20
Massachusetts	7,976	8,465	10,563	13,711	21,048	33,986	50,243	164	99	139	4.49	3.05	3.02
Rhode Island	1,232	1,336	1,741	2,085	3,256	5,177	7,645	164	87	135	.69	.47	.46
Connecticut	3,279	3,799	5,216	7,679	12,768	20,478	30,650	289	145	140	1.85	1.85	1.84
Mideast	**57,005**	**60,203**	**81,710**	**107,613**	**163,218**	**257,797**	**375,820**	**186**	**100**	**130**	**32.11**	**23.67**	**22.59**
New York	29,315	29,476	38,421	50,132	75,388	117,409	169,438	157	96	125	16.52	10.93	10.19
New Jersey	7,665	8,565	12,329	17,894	28,079	44,474	65,813	266	128	134	4.32	4.07	3.96
Pennsylvania	15,610	16,113	22,341	27,863	40,001	63,263	91,344	156	79	128	8.79	5.80	5.49
Delaware	506	692	944	1,351	2,055	3,454	5,267	306	118	156	.29	.30	.32
Maryland	2,617	3,277	5,205	7,857	14,206	24,330	37,658	443	173	165	1.47	2.06	2.26
District of Columbia	1,291	2,078	2,470	2,516	3,490	4,867	6,298	170	41	80	.73	.51	.38
Great Lakes	**41,933**	**44,630**	**70,171**	**94,207**	**145,191**	**234,653**	**346,879**	**246**	**107**	**139**	**23.62**	**21.05**	**20.85**
Michigan	7,881	9,039	15,036	19,743	32,431	53,086	78,788	312	116	143	4.44	4.70	4.74
Ohio	10,714	11,502	17,843	24,858	37,187	61,240	91,029	247	108	145	6.04	5.39	5.47
Indiana	4,103	4,749	8,277	11,040	17,478	28,573	43,005	326	111	146	2.31	2.53	2.59
Illinois	15,083	14,980	22,008	29,110	43,852	68,882	100,167	191	99	128	8.50	6.36	6.02
Wisconsin	4,153	4,361	7,008	9,466	14,243	22,871	33,889	243	103	138	2.34	2.07	2.04
Plains	**15,844**	**16,346**	**27,784**	**34,144**	**52,408**	**82,309**	**120,153**	**231**	**89**	**129**	**8.93**	**7.60**	**7.22**
Minnesota	3,203	3,709	5,833	7,677	12,457	20,207	30,390	289	114	144	1.80	1.81	1.83
Iowa	2,998	3,203	5,378	6,006	9,143	13,396	19,235	205	70	110	1.69	1.33	1.16
Missouri	4,731	4,964	7,827	10,102	14,900	25,356	37,313	215	90	150	2.66	2.16	2.24
North Dakota	509	547	1,079	1,073	1,716	2,456	3,372	237	59	97	.29	.25	.20
South Dakota	596	580	1,123	1,107	1,848	2,599	3,559	210	65	93	.34	.27	.21
Nebraska	1,711	1,442	2,729	2,117	4,845	7,096	10,108	183	78	109	.96	.70	.61
Kansas	2,096	1,901	3,815	5,062	7,500	11,199	16,176	258	97	116	1.18	1.09	.97

Southeast	**70,652**	**25,787**	**47,732**	**68,212**	**119,486**	**196,369**	**298,733**	**479**	**150**	**150**	**11.63**	**17.33**	**17.96**
Virginia	2,179	3,130	5,616	7,899	14,303	24,498	37,534	556	155	162	1.23	2.07	2.26
West Virginia	1,635	1,928	2,947	3,318	4,386	7,079	9,953	168	49	127	.92	.64	.60
Kentucky	2,122	2,282	3,975	5,257	8,524	13,484	20,310	302	114	138	1.20	1.24	1.22
Tennessee	2,019	2,468	4,548	6,092	10,365	17,829	27,460	413	128	165	1.14	1.50	1.65
North Carolina	2,159	2,903	5,822	7,602	13,923	22,520	33,895	545	139	143	1.22	2.02	2.04
South Carolina	967	1,439	2,603	3,537	6,501	10,722	16,278	572	150	150	.54	.94	.98
Georgia	2,097	2,632	4,932	7,027	13,203	21,612	33,366	530	168	153	1.18	1.91	2.01
Florida	1,568	2,440	4,966	10,511	20,746	34,462	54,518	1,223	318	163	.88	3.01	3.28
Alabama	1,762	1,992	3,713	5,300	8,444	13,639	20,394	379	127	142	.99	1.22	1.23
Mississippi	1,185	1,182	2,268	2,904	4,848	7,749	11,419	309	114	136	.67	.70	.69
Louisiana	1,786	2,143	4,169	6,035	9,646	15,578	23,008	440	131	139	1.01	1.40	1.38
Arkansas	1,172	1,248	2,173	2,731	4,597	7,197	10,596	292	112	131	.66	.67	.64
Southwest	**8,808**	**10,214**	**20,492**	**29,751**	**48,976**	**79,460**	**120,441**	**456**	**139**	**146**	**4.96**	**7.10**	**7.24**
Oklahoma	2,226	2,141	3,515	4,665	7,249	11,483	16,976	226	106	134	1.25	1.05	1.02
Texas	5,718	6,944	14,471	20,322	33,772	54,850	83,400	491	133	147	3.22	4.90	5.01
New Mexico	331	498	1,119	1,989	2,667	4,301	6,342	706	138	138	.19	.39	.38
Arizona	527	630	1,388	2,775	5,288	8,823	13,723	903	281	160	.30	.77	.82
Rocky Mountain	**3,360**	**3,982**	**7,026**	**9,849**	**14,882**	**24,014**	**35,583**	**343**	**112**	**139**	**1.89**	**2.16**	**2.14**
Montana	651	795	1,328	1,519	2,012	2,955	4,081	209	52	103	.37	.29	.25
Idaho	465	591	1,054	1,389	1,964	2,785	3,927	322	86	100	.26	.28	.24
Wyoming	315	381	668	808	994	1,527	2,155	216	49	117	.18	.14	.13
Colorado	1,343	1,547	2,719	4,241	7,011	11,832	17,981	422	158	156	.76	1.02	1.08
Utah	586	660	1,258	1,893	2,901	4,914	7,438	395	131	156	.33	.42	.45
Far West	**15,314**	**19,394**	**36,877**	**58,893**	**98,004**	**164,668**	**251,562**	**540**	**167**	**157**	**8.63**	**14.21**	**15.12**
Washington	2,410	2,868	5,514	7,386	12,128	19,616	29,134	403	120	140	1.36	1.78	1.75
Oregon	1,349	1,687	3,425	4,321	6,726	10,905	16,261	399	96	142	.76	.98	.98
Nevada	167	253	451	872	1,887	3,479	5,899	1,030	318	213	.09	.27	.35
California	11,388	14,587	27,287	46,314	77,263	130,668	200,268	578	183	150	6.42	11.20	12.04
Alaska	n.a.	n.a.	444	634	1,165	2,015	3,066	n.a.	162	163	n.a.	.17	.18
Hawaii	n.a.	n.a.	954	1,485	2,835	4,548	6,843	n.a.	197	141	n.a.	.41	.41

n.a. Not available.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.—Population by State and Region, for Selected Years, 1929–1990

State and region	Thousands of persons							Percent change			Percent of United States		
	1929	1940	1950	1959	1969	1980	1990	1929–69	1950–69	1969–90	1929	1969	1990
United States	**121,769**	**132,456**	**151,871**	**177,124**	**201,877**	**234,208**	**269,759**	**66**	**33**	**34**	**100.00**	**100.00**	**100.00**
New England	**8,130**	**8,449**	**9,316**	**10,437**	**11,759**	**13,896**	**16,138**	**45**	**26**	**37**	**6.68**	**5.82**	**5.98**
Maine	797	849	917	957	992	1,136	1,297	24	8	31	.65	.49	.48
New Hampshire	467	492	532	596	727	857	992	56	37	36	.38	.36	.37
Vermont	359	363	379	387	439	513	586	22	16	33	.29	.22	.22
Massachusetts	4,229	4,318	4,686	5,117	5,654	6,649	7,710	34	21	36	3.47	2.80	2.86
Rhode Island	684	719	786	857	935	1,086	1,240	37	19	33	.56	.46	.46
Connecticut	1,594	1,708	2,016	2,523	3,012	3,654	4,313	89	49	43	1.31	1.49	1.60
Mideast	**28,223**	**30,325**	**33,726**	**38,202**	**42,195**	**48,573**	**55,294**	**50**	**25**	**31**	**23.17**	**20.90**	**20.50**
New York	12,171	13,456	14,865	16,685	18,120	20,918	23,848	49	22	32	9.98	8.97	8.84
New Jersey	3,989	4,175	4,872	6,015	7,129	8,116	9,362	79	46	31	3.28	3.53	3.47
Pennsylvania	9,723	9,896	10,507	11,234	11,754	13,455	14,937	21	12	27	7.97	5.82	5.54
Delaware	236	269	321	441	543	665	784	130	69	44	.19	.27	.29
Maryland	1,621	1,839	2,355	3,066	3,886	4,683	5,607	140	65	44	1.33	1.92	2.08
District of Columbia	483	690	806	761	763	757	757	58	−5	−1	.40	.38	.28
Great Lakes	**25,187**	**26,725**	**30,530**	**35,928**	**40,006**	**46,578**	**53,644**	**59**	**31**	**34**	**20.68**	**19.82**	**19.89**
Michigan	4,795	5,315	6,407	7,767	8,803	10,366	12,046	84	37	37	3.93	4.36	4.47
Ohio	6,626	6,929	7,980	9,671	10,598	12,589	14,607	60	33	38	5.43	5.25	5.41
Indiana	3,226	3,433	3,967	4,613	5,157	6,039	7,038	60	30	36	2.65	2.55	2.61
Illinois	7,606	7,905	8,738	9,986	11,063	12,588	14,279	45	27	29	6.24	5.48	5.29
Wisconsin	2,934	3,143	3,438	3,891	4,385	4,996	5,675	49	28	29	2.41	2.17	2.10
Plains	**13,260**	**13,498**	**14,103**	**15,195**	**16,225**	**18,174**	**20,269**	**22**	**15**	**25**	**10.89**	**8.04**	**7.51**
Minnesota	2,572	2,790	2,997	3,366	3,764	4,351	4,995	46	26	33	2.11	1.86	1.85
Iowa	2,460	2,537	2,625	2,729	2,812	3,016	3,317	14	7	18	2.02	1.39	1.23
Missouri	3,622	3,786	3,964	4,258	4,646	5,523	6,245	28	17	34	2.97	2.30	2.32
North Dakota	674	640	619	618	620	633	648	−8	0	5	.55	.31	.24
South Dakota	690	641	655	667	666	673	692	−3	2	4	.57	.33	.26
Nebraska	1,375	1,316	1,327	1,397	1,472	1,608	1,737	7	11	18	1.13	.73	.64
Kansas	1,867	1,788	1,916	2,160	2,245	2,370	2,635	20	17	17	1.53	1.11	.98

Southeast	27,152	30,277	33,860	38,115	43,594	49,587	57,093	61	29	31	22.30	21.59	21.16
Virginia	2,425	2,720	3,315	3,951	4,632	5,503	6,422	91	40	39	2.00	2.29	2.38
West Virginia	1,717	1,907	2,006	1,855	1,746	1,903	2,018	2	-13	16	1.41	.86	.75
Kentucky	2,606	2,859	2,936	2,999	3,202	3,491	3,951	23	9	23	2.14	1.59	1.46
Tennessee	2,604	2,935	3,315	3,522	3,905	4,553	5,288	50	18	35	2.14	1.93	1.96
North Carolina	3,133	3,574	4,068	4,458	5,051	5,713	6,431	61	24	27	2.57	2.50	2.38
South Carolina	1,739	1,902	2,113	2,348	2,578	2,914	3,278	45	22	27	1.43	1.28	1.22
Georgia	2,903	3,119	3,458	3,868	4,570	5,335	6,231	57	32	36	2.38	2.26	2.31
Florida	1,445	1,915	2,810	4,808	6,683	8,198	9,914	362	138	48	1.19	3.31	3.68
Alabama	2,644	2,845	3,058	3,204	3,445	3,758	4,176	30	13	21	2.17	1.71	1.55
Mississippi	1,998	2,176	2,176	2,138	2,231	2,379	2,580	12	3	16	1.64	1.11	.96
Louisiana	2,066	2,370	2,697	3,208	3,632	4,053	4,518	74	35	24	1.71	1.80	1.67
Arkansas	1,852	1,955	1,908	1,756	1,919	2,085	2,286	4	1	19	1.52	.95	.85
Southwest	8,984	9,780	11,450	13,874	16,385	18,952	21,931	82	43	34	7.38	8.12	8.13
Oklahoma	2,372	2,325	2,229	2,289	2,539	2,810	3,173	7	14	25	1.95	1.26	1.18
Texas	5,762	6,425	7,776	9,405	11,090	12,886	14,961	92	43	35	4.72	5.49	5.55
New Mexico	420	531	689	919	1,008	1,120	1,225	140	46	22	.34	.50	.45
Arizona	430	499	756	1,261	1,748	2,136	2,571	307	131	47	.35	.87	.95
Rocky Mountain	2,710	3,012	3,494	4,226	4,953	5,630	6,638	83	42	29	2.23	2.45	2.36
Montana	524	558	593	669	694	720	751	32	17	8	.43	.34	.28
Idaho	447	522	590	657	706	736	784	58	20	11	.37	.35	.29
Wyoming	223	250	290	320	329	360	391	48	13	19	.18	.16	.14
Colorado	1,008	1,130	1,325	1,710	2,174	2,583	3,029	116	64	39	.83	1.08	1.12
Utah	508	552	696	870	1,048	1,231	1,414	106	51	35	.42	.52	.52
Far West	8,123	9,889	14,758	20,313	25,723	31,273	37,573	217	74	46	6.67	12.74	13.93
Washington	1,555	1,740	2,387	2,821	3,354	3,909	4,519	116	41	35	1.28	1.66	1.68
Oregon	947	1,066	1,532	1,746	2,067	2,442	2,794	118	35	35	.78	1.02	1.04
Nevada	90	113	162	279	488	671	909	442	201	86	.07	.24	.34
California	5,531	6,950	10,677	15,467	19,814	24,251	29,351	258	86	48	4.54	9.81	10.88
Alaska	n.a.	75	135	224	297	359	418	n.a.	120	41	n.a.	.15	.16
Hawaii	n.a.	426	499	610	740	886	1,031	n.a.	48	39	n.a.	.37	.38

n.a. Not available.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 5.—Per Capita Income by State and Region, for Selected Years, 1929–1990

State and region	1967 dollars							Percent change			Percent of United States		
	1929	1940	1950	1959	1969	1980	1990	1929–69	1950–69	1969–90	1929	1969	1990
United States	**1,458**	**1,483**	**2,065**	**2,441**	**3,416**	**4,765**	**6,166**	**134**	**65**	**81**	**100**	**100**	**100**
New England	**1,795**	**1,878**	**2,209**	**2,641**	**3,696**	**5,042**	**6,466**	**106**	**67**	**75**	**123**	**108**	**105**
Maine	1,234	1,295	1,636	2,010	2,789	3,937	5,209	126	70	87	85	82	84
New Hampshire	1,417	1,436	1,826	2,353	3,171	4,421	5,856	124	74	85	97	93	95
Vermont	1,293	1,269	1,547	1,963	3,009	4,207	5,547	133	94	84	89	88	90
Massachusetts	1,886	1,960	2,254	2,680	3,723	5,111	6,516	97	65	75	129	109	106
Rhode Island	1,801	1,858	2,215	2,433	3,482	4,765	6,166	93	57	77	124	102	100
Connecticut	2,057	2,224	2,587	3,044	4,239	5,603	7,106	106	64	68	141	124	115
Mideast	**2,020**	**1,985**	**2,423**	**2,817**	**3,868**	**5,307**	**6,797**	**91**	**60**	**76**	**139**	**113**	**110**
New York	2,409	2,191	2,585	3,005	4,160	5,613	7,105	73	61	71	165	122	115
New Jersey	1,922	2,051	2,531	2,975	3,939	5,480	7,030	105	56	78	132	115	114
Pennsylvania	1,605	1,628	2,126	2,480	3,403	4,709	6,115	112	60	80	110	100	99
Delaware	2,144	2,571	2,942	3,063	3,784	5,193	6,721	76	29	78	147	111	109
Maryland	1,614	1,782	2,210	2,563	3,656	5,196	6,717	127	65	84	111	107	109
District of Columbia	2,673	3,012	3,065	3,306	4,575	6,433	8,326	71	49	82	183	134	135
Great Lakes	**1,665**	**1,670**	**2,298**	**2,622**	**3,629**	**5,038**	**6,466**	**118**	**58**	**78**	**114**	**106**	**105**
Michigan	1,644	1,701	2,347	2,542	3,684	5,121	6,541	124	57	78	113	108	106
Ohio	1,617	1,660	2,236	2,570	3,509	4,865	6,232	117	57	78	111	103	101
Indiana	1,272	1,383	2,086	2,393	3,389	4,732	6,111	166	62	80	87	99	99
Illinois	1,983	1,895	2,519	2,915	3,964	5,472	7,015	100	57	77	136	116	114
Wisconsin	1,415	1,388	2,038	2,430	3,248	4,578	5,972	130	59	84	97	95	97
Plains	**1,195**	**1,211**	**1,970**	**2,247**	**3,230**	**4,529**	**5,928**	**170**	**64**	**84**	**82**	**95**	**96**
Minnesota	1,245	1,329	1,946	2,281	3,310	4,644	6,085	166	70	84	85	97	99
Iowa	1,219	1,263	2,049	2,201	3,251	4,442	5,799	167	59	78	84	95	94
Missouri	1,306	1,311	1,974	2,372	3,207	4,591	5,975	146	62	86	90	94	97
North Dakota	755	855	1,743	1,735	2,767	3,882	5,208	266	59	88	52	81	84
South Dakota	863	905	1,715	1,660	2,775	3,863	5,143	222	62	85	59	81	83
Nebraska	1,245	1,096	2,057	2,231	3,291	4,412	5,818	164	60	77	85	96	94
Kansas	1,123	1,063	1,991	2,344	3,341	4,725	6,138	198	68	84	77	98	100

Southeast	761	852	1,410	1,790	2,741	3,936	5,232	260	94	91	52	80	85
Virginia	899	1,151	1,694	1,999	3,088	4,452	5,844	243	82	89	62	90	95
West Virginia	952	1,011	1,469	1,789	2,512	3,720	4,933	164	71	96	65	74	80
Kentucky	814	798	1,354	1,753	2,662	3,862	5,141	227	97	93	56	78	83
Tennessee	775	841	1,372	1,730	2,654	3,916	5,193	242	93	96	53	78	84
North Carolina	689	812	1,431	1,705	2,756	3,942	5,271	300	93	91	47	81	85
South Carolina	556	756	1,232	1,506	2,522	3,679	4,966	354	105	97	38	74	81
Georgia	722	844	1,426	1,817	2,889	4,051	5,355	300	103	85	50	85	87
Flordia	1,085	1,274	1,767	2,186	3,104	4,204	5,499	186	76	77	74	91	89
Alabama	666	700	1,214	1,654	2,451	3,629	4,884	268	102	99	46	72	79
Mississippi	593	543	1,042	1,358	2,173	3,257	4,425	266	109	104	41	64	72
Louisiana	856	904	1,546	1,881	2,656	3,843	5,093	210	72	92	59	78	83
Arkansas	633	638	1,139	1,555	2,396	3,451	4,636	279	110	93	43	70	75
Southwest	980	1,044	1,790	2,144	2,989	4,193	5,492	205	67	84	67	88	89
Oklahoma	939	921	1,577	2,038	2,855	4,087	5,349	204	81	87	64	84	87
Texas	992	1,081	1,861	2,161	3,045	4,257	5,575	207	64	83	68	89	90
New Mexico	787	938	1,624	2,165	2,646	3,841	5,177	236	63	96	54	77	84
Arizona	1,226	1,263	1,836	2,201	3,025	4,131	5,336	147	65	76	84	89	87
Rocky Mountain	1,240	1,322	2,011	2,331	3,005	4,265	5,588	142	49	86	85	88	91
Montana	1,243	1,424	2,239	2,270	2,899	4,102	5,438	133	29	88	85	85	88
Idaho	1,039	1,133	1,787	2,114	2,774	3,785	5,010	167	55	81	71	81	81
Wyoming	1,413	1,524	2,302	2,525	3,021	4,243	5,517	114	31	83	97	[illegible]	89
Colorado	1,332	1,369	2,052	2,480	3,225	4,581	5,937	142	57	84	91	94	96
Utah	1,154	1,212	1,807	2,176	2,768	3,992	5,259	140	53	90	79	91	85
Far West	1,885	1,961	2,485	2,899	3,810	5,265	6,695	102	53	76	129	112	109
Washington	1,550	1,646	2,310	2,618	3,616	5,018	6,447	133	57	78	106	106	105
Oregon	1,424	1,553	2,235	2,475	3,254	4,466	5,820	129	46	79	98	95	94
Nevada	1,353	2,239	2,785	3,125	3,867	5,188	6,489	109	39	68	127	113	105
California	2,059	2,099	2,556	2,994	3,809	5,388	6,823	89	53	75	141	114	111
Alaska	n.a.	n.a.	3,290	2,831	3,924	5,61[illegible]	7,329	n.a.	19	87	n.a.	115	119
Hawaii	n.a.	n.a.	1,912	2,435	3,830	5,13[illegible]	6,640	n.a.	100	73	n.a.	112	108

n.a. Not available.

NOTE.--Ratios were calculated from unrounded data.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

The historical income estimates for SMSA's were done for each SMSA as a whole and not for the component counties of the SMSA's. Accordingly, for the 27 SMSA's that cross State boundaries and therefore had to be disaggregated, special State breakdowns of the income components were prepared for 1969. The percentage distributions derived from these breakdowns were used to disaggregate the projected income of each such SMSA into State segments.

The BEA figures on total and per capita income by State are expressed on a residence basis. In most States, however, the income figures would be different on a where-earned basis because there is commuting across State boundaries. The data that are used for adjusting the State income series to a residence basis (for the basic data are on a where earned basis) are statistically weak and no attempt was made to project such adjustments directly. Instead, per capita income in each State was projected as a function of national per capita income, and multiplied by projected State population to give projected total personal income by State.

This procedure resulted in total and per capita State income being measured by place of residence. State earnings, however, were measured by place of work with one major exception: earnings of government workers reflect place of residence in both the historical and projected series. Thus, the difference between a State's total income and total earnings in table 6 is the sum of property income and transfer payments, less personal contributions for social insurance, plus an implicit commuting adjustment. It should be noted that because of the nature of BEA economic areas, total income in them is the same whether measured by place of work or place of residence. Accordingly projected per capita income in economic areas is calculated directly as the quotient of total income and total population.

The earnings data in table 6 are shown on a place-of-work basis for two reasons. First, there is no information currently available that could be used to adjust satisfactorily the earnings data to a place-of-residence basis. Second, in most uses to which the income projections will be put, earnings serve better on a place-of-work basis and total and per capita income are preferred on a residence basis.

Because the geographic area of the District of Columbia is quite small in comparison with that of the States, and because its future population probably depends upon the resolution of various problems more social than economic, no attempt has been made to project its population. Instead, the 1970 Census count has been held constant throughout the projection period. Earnings of persons working in the District and total personnel income of the constant resident population are projected for the District of Columbia in the same manner as for the States.

Table 6.—Population, Employment, Personal Income, and Earnings by Industry, by State and Region, Selected Years 1950–1990

Line		United States 1950	United States 1959	United States 1969	United States 1980	United States 1990
1	Population, midyear	151,871,000	177,124,000	201,877,000	234,208,000	269,75[illegible],000
2	Per capita income (1967 $)	2,065	2,441	3,416	4,765	[illegible],166
3	Per capita income relative (U.S.=1.00)	1.00	1.00	1.00	1.00	1.00
4	Total employment	57,474,912	66,372,649		93,820,000	10[illegible],[illegible]17,000
5	Employment/population ratio	.38	.37		.40	.40
		In thousands of 1967 dollars				
6	**Total personal income**	313,569,016	432,349,206	689,625,787	1,115,898,000	1,663,439,000
7	**Total earnings**	258,747,759	355,766,604	554,911,996	881,560,000	1,300,809,200
8	Agriculture, forestry and fisheries	23,597,264	17,042,358	19,571,289	19,855,300	21,588,600
9	Agriculture	23,131,448	16,691,335	19,311,920	19,449,200	21,055,500
10	Forestry and fisheries	465,815	351,023	259,369	406,100	533,100
11	Mining	5,145,232	5,149,264	5,700,573	7,284,300	8,713,200
12	Metal	547,307	645,480	813,309	970,100	1,223,000
13	Coal	2,284,452	1,260,981	1,278,321	1,755,000	1,996,400
14	Crude petroleum and natural gas	1,734,785	2,357,008	2,678,918	3,210,200	3,712,500
15	Nonmetallic, except fuels	562,841	885,796	930,026	1,348,800	1,781,300
16	Contract construction	15,483,087	21,852,640	34,063,565	52,486,600	77,410,200
17	Manufacturing	74,817,598	107,255,074	161,427,007	240,993,300	339,000,700
18	Food and kindred products	8,050,358	10,570,806	12,748,943	17,134,700	21,625,200
19	Textile mill products	5,090,329	4,243,747	5,466,214	7,536,000	9,688,000
20	Apparel and other fabric products	4,533,807	4,995,059	6,813,053	9,704,000	12,795,300
21	Lumber products and furniture	4,749,634	5,227,319	6,887,190	9,458,000	12,327,300
22	Paper and allied products	2,507,684	3,896,797	5,677,415	8,699,500	12,509,200
23	Printing and publishing	4,237,267	6,040,717	8,666,650	13,080,100	18,631,600
24	Chemicals and allied products	3,653,572	6,198,112	10,118,193	16,011,000	23,575,900
25	Petroleum refining	1,433,283	1,835,808	2,523,295	3,231,200	4,083,100
26	Primary metals	6,695,935	9,143,450	12,902,711	16,173,700	19,882,800
27	Fabricated metals and ordnance	5,481,271	9,099,387	14,374,634	23,374,500	34,512,100
28	Machinery, excluding electrical		10,653,431	18,433,763	27,852,400	39,973,900
29	Electrical machinery and supplies		9,394,820	15,978,094	27,040,100	41,784,900
30	Total machinery (1950 only)	11,872,590				
31	Motor vehicles and equipment	4,618,238	5,367,607	10,737,902	15,187,500	21,079,500
32	Trans. equip., excl. mtr. vehs	2,629,937	7,572,338	11,215,882	17,301,800	24,472,800
33	Other manufacturing	9,151,692	13,014,675	18,883,033	29,175,000	42,145,300
34	Trans., comm. and public utilities	21,131,028	27,392,040	38,558,070	56,816,900	80,039,300
35	Wholesale and retail trade	48,939,614	63,499,623	91,115,615	148,563,600	220,080,800
36	Finance insurance and real estate	10,911,234	18,100,611	28,932,679	45,110,800	65,565,700
37	Services	28,904,344	45,244,955	81,704,203	145,219,500	229,988,500
38	Government	29,818,358	50,221,039	93,838,995	165,229,300	258,331,700
39	Civilian government	23,930,883	40,409,800	78,494,501	146,378,400	233,873,700
40	Armed forces	5,887,475	9,811,240	15,344,490	18,850,800	24,458,000

Line		New England 1950	New England 1959	New England 1969	New England 1980	New England 1990
1	Population, midyear	9,316,000	10,437,000	11,759,000	13,896,000	16,136,000
2	Per capita income (1967 $)	2,209	2,641	3,696	5,042	6,466
3	Per capita income relative (U.S.=1.00)	1.07	1.08	1.08	1.06	1.05
4	Total employment	3,661,175	4,137,938		5,845,000	6,687,600
5	Employment/population ratio	.39	.40		.42	.41
		In thousands of 1967 dollars				
6	**Total personal income**	20,577,519	27,560,480	43,465,713	70,057,000	104,352,000
7	**Total earnings**	16,468,804	22,102,640	33,360,019	53,643,700	79,380,800
8	Agriculture, forestry and fisheries	573,843	402,790	410,103	408,600	454,900
9	Agriculture	510,452	357,908	378,370	360,400	393,400
10	Forestry and fisheries	63,400	44,883	31,734	48,100	61,400
11	Mining	17,097	26,287	(D)	45,200	61,100
12	Metal	491	816	(D)	(S)	(S)
13	Coal	52	(S)	0	(S)	(S)
14	Crude petroleum and natural gas	797	105	202	(S)	(S)
15	Nonmetallic, except fuels	15,755	25,342	29,141	44,300	60,100
16	Contract construction	915,880	1,269,669	2,100,263	3,249,900	4,794,600
17	Manufacturing	6,629,086	8,486,252	11,453,939	16,968,100	23,573,100
18	Food and kindred products	350,539	450,108	491,813	701,100	909,800
19	Textile mill products	1,128,643	611,397	(D)	610,300	679,100
20	Apparel and other fabric products	286,185	357,271	366,004	495,800	616,100
21	Lumber products and furniture	239,493	258,320	(D)	427,900	551,300
22	Paper and allied products	335,205	459,966	581,558	859,000	1,195,400
23	Printing and publishing	287,007	402,580	582,328	910,900	1,317,600
24	Chemicals and allied products	142,494	241,706	353,234	564,200	829,100
25	Petroleum refining	14,075	15,992	18,155	23,000	28,700
26	Primary metals	427,839	451,015	529,574	626,700	733,900
27	Fabricated metals and ordnance	575,647	768,370	1,241,555	1,942,800	2,776,200
28	Machinery, excluding electrical		1,018,405	1,521,837	2,203,900	3,050,400
29	Electrical machinery and supplies		914,752	1,441,741	2,392,000	3,603,300
30	Total machinery (1950 only)	1,292,858				
31	Motor vehicles and equipment	40,133	54,286	(D)	159,600	244,300
32	Trans. equip., excl. mtr. vehs	248,582	744,526	(D)	1,846,000	2,569,400
33	Other manufacturing	1,260,368	1,707,559	2,164,986	3,204,200	4,467,600
34	Trans., comm. and public utilities	1,007,301	1,299,635	1,847,833	2,797,100	4,017,400
35	Wholesale and retail trade	2,958,909	3,601,548	5,269,796	8,715,800	12,980,700
36	Finance insurance and real estate	766,974	1,251,287	(D)	3,017,300	4,335,500
37	Services	1,872,524	2,920,717	5,589,557	9,866,100	15,539,300
38	Government	1,727,184	2,841,454	4,714,282	8,575,200	13,623,900
39	Civilian government	1,433,371	2,242,204	4,052,820	7,760,700	12,565,900
40	Armed forces	293,811	599,247	661,458	814,400	1,057,900

Table 6.—Population, Employment, Personal Income, and Earnings by Industry, by State and Region, Selected Years 1950-1990

Maine 1950	Maine 1959	Maine 1969	Maine 1980	Maine 1990	New Hampshire 1950	New Hampshire 1959	New Hampshire 1969	New Hampshire 1980	New Hampshire 1990	Vermont 1950	Vermont 1959	Vermont 1969	Vermont 1980	Vermont 1990	Line
917,000	957,000	992,000	1,136,000	1,297,000	532,000	596,000	727,000	857,000	992,000	379,000	387,000	439,000	513,000	586,000	1
1,636	2,010	2,789	3,937	5,209	1,826	2,353	3,171	4,421	5,856	1,547	1,963	3,009	4,207	5,547	2
.79	.89	.82	.83	.84	.88	.96	.93	.93	.95	.75	.80	.88	.88	.90	3
315,226	347,651	...	455,500	515,200	203,229	240,896	...	345,400	399,600	137,641	142,665	...	207,200	235,000	4
.34	.36	...	.40	.40	.38	.40	...	.40	.40	.36	.37	...	.40	.40	5
In thousands of 1967 dollars															
1,500,390	1,923,314	2,766,918	4,470,000	6,755,000	971,234	1,402,536	2,305,610	3,789,000	5,810,000	586,271	759,521	1,320,932	2,157,000	3,249,000	6
1,207,599	1,544,886	2,130,879	3,439,000	5,164,500	754,340	1,095,833	1,734,308	2,908,600	4,424,000	494,083	623,584	1,033,718	1,661,700	2,485,400	7
140,643	87,252	101,323	96,500	103,100	36,833	24,655	19,133	21,900	24,300	69,867	62,103	50,376	54,500	62,200	8
125,316	78,067	93,630	84,600	93,600	35,584	23,645	18,584	21,100	23,300	68,440	61,270	49,944	53,900	61,500	9
15,331	9,188	7,634	11,800	15,400	1,252	1,007	554	(S)	(S)	1,428	833	435	(S)	(S)	10
2,015	1,256	1,613	1,700	1,900	1,651	1,955	2,870	3,600	5,100	3,878	6,572	7,214	11,000	15,100	11
(D)	(D)	(D)	(D)	(D)	...	...	...	...	...	221	289	0	(S)	(S)	12
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	13
(D)	(D)	(D)	(D)	(D)	...	...	...	...	...	...	...	...	...	...	14
2,015	1,253	613	900	1,100	1,651	1,955	2,870	3,600	5,100	3,657	6,284	7,214	11,000	15,100	15
57,932	105,395	134,830	211,800	320,000	35,803	62,302	130,450	207,400	322,600	23,945	38,465	90,877	127,800	187,600	16
432,120	495,585	674,410	1,029,700	1,467,100	315,316	424,240	611,820	974,600	1,413,600	154,171	184,357	307,007	457,300	644,400	17
38,050	47,746	62,053	92,600	123,300	10,311	14,877	19,339	30,300	41,700	11,077	17,310	16,568	22,600	28,800	18
101,500	60,326	60,479	80,200	100,400	77,451	58,088	46,995	56,700	63,700	18,742	5,317	(D)	(D)	(D)	19
11,918	10,180	12,535	18,100	24,000	5,129	8,772	11,914	18,900	25,000	5,426	7,145	5,970	7,800	9,600	20
70,526	66,772	87,222	120,300	156,800	32,129	36,510	49,581	56,300	73,800	26,579	26,138	28,868	38,700	49,300	21
80,356	115,712	150,113	221,200	307,600	31,217	41,922	50,314	72,900	102,900	9,788	13,473	16,339	20,800	27,300	22
10,117	12,262	17,198	27,900	42,200	11,146	17,841	29,164	46,100	68,500	6,244	10,297	22,781	37,700	57,600	23
(D)	(D)	9,236	16,100	25,000	991	1,864	3,410	6,900	11,200	1,435	1,645	4,223	6,800	10,200	24
(D)	(D)	131	(S)	(S)	(D)	(D)	337	(S)	(S)	513	235	0	(S)	(S)	25
754	1,273	5,193	7,400	9,700	5,688	11,583	14,327	24,700	30,800	3,134	3,597	7,600	11,000	14,800	26
11,114	13,118	25,309	43,000	66,400	5,816	8,820	22,544	36,500	54,700	3,961	2,210	4,364	7,100	10,500	27
...	18,638	17,719	26,300	36,000	...	48,753	76,063	105,800	147,400	...	38,865	54,347	77,300	105,900	28
...	3,412	27,706	50,600	85,600	...	49,820	133,004	261,300	423,500	...	18,985	84,605	137,100	205,500	29
22,882	...	...	...	...	38,522	...	...	...	...	32,082	...	...	...	...	30
114	3,164	4,064	5,300	7,000	0	(S)	134	(S)	(S)	617	(S)	(D)	(D)	(D)	31
6,923	25,903	35,857	59,500	89,000	(D)	(D)	3,381	3,800	5,400	154	1,829	12,412	20,800	31,100	32
71,404	112,437	159,625	260,300	392,600	93,565	121,689	155,275	250,200	363,500	34,419	37,266	45,747	65,800	89,800	33
85,212	105,302	124,302	189,200	274,300	48,384	59,481	90,161	143,400	214,500	38,627	44,179	59,778	93,800	139,300	34
218,810	260,546	348,813	583,500	883,400	126,171	160,333	267,459	453,100	706,400	82,652	94,545	154,465	255,800	383,300	35
35,483	55,611	84,934	140,100	213,200	26,281	49,196	80,456	137,900	212,000	15,509	24,964	44,297	72,500	109,100	36
112,405	172,101	278,831	511,600	833,000	84,653	131,315	251,248	455,000	715,200	55,196	81,710	177,610	322,200	516,300	37
122,976	261,835	381,763	674,600	1,062,100	79,248	179,326	280,703	511,400	809,900	49,238	86,687	142,097	266,300	430,500	38
109,696	180,769	312,528	589,800	952,200	68,518	128,852	233,386	453,300	734,800	45,270	72,041	131,759	253,800	414,300	39
13,277	81,065	69,234	84,700	109,900	10,701	50,474	47,316	58,000	75,100	3,969	14,646	10,336	12,500	16,200	40

Table 6.—Population, Employment, Personal Income, and Earnings by Industry, by State and Region, Selected Years 1950–1990

Line		Massachusetts 1950	Massachusetts 1959	Massachusetts 1969	Massachusetts 1980	Massachusetts 1990	Rhode Island 1950	Rhode Island 1959	Rhode Island 1969	Rhode Island 1980	Rhode Island 1990
1	Population, midyear	4,686,000	5,117,000	5,654,000	6,649,000	7,710,000	786,000	857,000	935,000	1,066,000	1,240,000
2	Per capita income (1967 $)	2,254	2,680	3,723	5,111	6,516	2,215	2,433	3,482	4,765	6,166
3	Per capita income relative (U.S.=1.00)	1.09	1.10	1.09	1.07	1.06	1.07	1.00	1.02	1.00	1.00
4	Total employment	1,849,613	2,041,723		2,827,900	3,216,000	321,066	342,114		457,200	514,100
5	Employment/population ratio	.39	.40		.43	.42	.41	.40		.42	.41
		In thousands of 1967 dollars									
6	**Total personal income**	10,562,931	13,711,225	21,047,843	33,986,000	50,243,000	1,741,144	2,085,039	3,256,015	5,177,000	7,645,000
7	**Total earnings**	8,525,603	11,174,798	16,365,353	26,201,200	38,504,000	1,419,221	1,658,302	2,489,466	3,924,700	5,722,600
8	Agriculture, forestry and fisheries	177,765	121,236	123,438	128,500	144,600	20,994	15,457	16,992	19,800	23,300
9	Agriculture	138,456	92,406	103,815	99,600	108,100	18,239	12,734	14,509	15,300	17,300
10	Forestry and fisheries	39,308	28,830	19,623	28,900	36,500	2,755	2,723	2,482	4,400	5,900
11	Mining	5,883	9,185	9,707	14,700	19,800	(D)	(D)	(D)	(D)	(D)
12	Metal	(D)	(D)	0	(S)	(S)					
13	Coal	52	(S)	0	(S)	(S)					
14	Crude petroleum and natural gas	(D)	(D)	(D)	(S)	(S)	0	58	0	(S)	(S)
15	Nonmetallic, except fuels	4,762	8,626	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
16	Contract construction	487,905	609,411	989,958	1,514,100	2,201,800	67,906	82,788	146,005	234,800	340,400
17	Manufacturing	3,223,708	4,088,066	5,060,590	7,359,400	10,062,200	633,317	621,141	827,764	1,190,700	1,634,500
18	Food and kindred products	218,165	261,137	259,366	350,700	443,100	24,410	31,706	34,227	50,600	66,900
19	Textile mill products	493,805	262,783	214,881	237,900	257,700	260,494	143,562	117,621	134,400	144,900
20	Apparel and other fabric products	186,974	283,002	246,493	327,700	404,630	9,233	15,028	15,716	22,900	30,100
21	Lumber products and furniture	86,623	94,383	100,849	130,900	162,600	(D)	(D)	(D)	(D)	(D)
22	Paper and allied products	164,545	222,943	272,949	412,000	570,500	8,964	10,636	16,945	25,300	36,500
23	Printing and publishing	180,847	237,462	319,776	485,000	677,700	18,589	24,277	39,248	60,400	86,100
24	Chemicals and allied products	83,794	135,299	179,965	278,100	402,000	(D)	(D)	20,239	36,400	55,400
25	Petroleum refining	10,396	11,176	9,199	10,300	12,100	(D)	(D)	1,062	1,700	2,300
26	Primary metals	129,335	156,384	192,012	225,400	264,000	(D)	(D)	63,095	75,300	88,400
27	Fabricated metals and ordnance	218,003	332,324	536,172	830,700	1,171,800	40,573	50,418	69,506	98,600	127,500
28	Machinery, excluding electrical		452,600	686,514	1,021,900	1,432,700		59,361	90,416	126,700	174,700
29	Electrical machinery and supplies		587,747	767,978	1,177,500	1,705,000		23,146	67,076	132,200	213,400
30	Total machinery (1950 only)	637,484					77,415				
31	Motor vehicles and equipment	26,452	32,699	70,447	110,000	166,300	4,905	5,498	7,980	15,300	23,800
32	Trans. equip., excl. mtr. vehs	102,788	178,047	184,877	254,000	322,900	890	1,947	(D)	(D)	(D)
33	Other manufacturing	684,498	885,079	1,012,112	1,506,500	2,068,300	108,137	185,393	271,251	392,100	560,300
34	Trans., comm. and public utilities	555,576	693,900	997,301	1,494,300	2,125,300	75,749	93,068	124,196	185,300	263,000
35	Wholesale and retail trade	1,648,276	1,938,326	2,749,725	4,523,000	6,657,400	238,967	272,014	386,080	611,600	919,600
36	Finance, insurance and real estate	419,955	669,369	1,025,915	1,562,500	2,212,000	(D)	(D)	(D)	(D)	(D)
37	Services	1,012,522	1,593,038	3,092,667	5,373,400	8,392,400	140,008	184,374	353,336	604,600	931,100
38	Government	994,016	1,452,268	2,326,057	4,231,000	6,688,100	186,495	308,597	513,018	857,700	1,307,600
39	Civilian government	837,171	1,197,700	2,059,452	3,897,800	6,257,000	115,734	190,467	347,921	658,200	1,018,600
40	Armed Forces	156,846	254,567	266,603	333,200	431,100	70,757	118,129	165,100	199,500	259,000

NOTE.—Data may not add to higher level totals because of rounding.
(D) Deleted to avoid disclosure of CONFIDENTIAL data.
(S) Deleted because of smallness.

Table 6.—Population, Employment, Personal Income, and Earnings by Industry, by State and Region, Selected Years 1950–1990

Connecticut 1950	Connecticut 1959	Connecticut 1969	Connecticut 1980	Connecticut 1990	Mideast 1950	Mideast 1959	Mideast 1969	Mideast 1980	Mideast 1990	New York 1950	New York 1959	New York 1969	New York 1980	New York 1990	Line
2,016,000	2,523,000	3,012,000	3,654,000	4,313,000	33,726,000	38,202,000	42,195,000	48,573,000	55,294,000	14,865,000	16,685,000	18,120,000	20,918,000	23,848,000	1
2,587	3,044	4,239	5,603	7,106	2,423	2,817	3,868	5,307	6,797	2,585	3,005	4,160	5,613	7,105	2
1.25	1.25	1.24	1.18	1.17	1.17	1.15	1.13	1.11	1.10	1.25	1.23	1.22	1.18	1.15	3
834,400	1,022,889	...	1,551,500	1,807,500	13,363,190	14,892,051	...	19,760,000	22,255,600	5,971,928	6,640,577	...	8,678,500	9,762,400	4
.41	.41	...	.42	.42	.40	.39	...	.41	.40	.40	.40	...	.41	.41	5
In thousands of 1967 dollars															
5,215,549	7,675,845	12,768,395	20,478,000	30,650,000	81,709,699	107,613,237	163,217,585	257,797,000	375,820,000	38,420,459	50,132,648	75,387,627	117,409,000	169,438,000	6
4,067,958	6,005,237	9,606,295	15,508,300	23,077,100	66,968,337	88,360,070	130,027,749	204,183,700	295,643,600	32,205,577	42,091,172	60,286,298	93,401,100	134,023,400	7
127,741	92,087	98,835	87,200	91,100	1,687,575	1,247,765	1,391,473	1,351,000	1,452,700	669,622	478,982	548,074	556,000	600,100	8
124,412	89,786	97,828	85,800	89,400	1,619,114	1,193,834	1,334,377	1,256,700	1,323,900	641,115	455,891	523,271	514,700	543,000	9
3,326	2,302	1,006	1,400	1,700	68,466	53,924	57,092	94,200	128,700	28,508	23,091	24,797	41,200	57,100	10
2,996	6,354	7,619	11,800	16,000	(D)	(D)	(D)	(D)	(D)	65,946	82,188	91,338	127,600	163,100	11
...	...	...	...	...	35,007	45,754	40,285	47,300	58,900	22,720	28,259	22,566	25,800	31,000	12
...	...	...	...	...	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	13
0	(S)	120	(S)	(S)	42,293	28,924	41,020	50,600	58,800	(D)	(D)	(D)	(D)	(D)	14
2,996	6,315	7,498	11,700	15,900	(D)	(D)	(D)	(D)	(D)	32,657	41,639	45,293	71,200	95,300	15
242,389	371,308	608,143	953,700	1,421,800	(D)	(D)	(D)	(D)	(D)	1,670,961	2,233,211	2,902,681	4,398,800	6,354,000	16
1,870,454	2,672,863	3,972,318	5,956,300	8,351,000	22,492,902	29,287,048	38,759,171	55,501,900	75,305,500	10,126,316	12,789,486	16,005,701	22,529,900	30,131,300	17
48,526	77,332	103,260	154,000	205,800	1,944,585	2,402,837	2,699,632	3,574,200	4,418,000	923,122	1,102,317	1,081,212	1,387,500	1,679,100	18
176,651	81,321	85,959	98,000	109,000	(D)	(D)	(D)	(D)	(D)	446,453	400,577	403,698	546,500	661,500	19
67,505	78,144	73,376	100,200	122,600	(D)	(D)	3,108,679	4,032,000	4,909,100	1,933,419	1,669,891	1,775,923	2,161,700	2,501,700	20
18,986	29,759	49,268	69,300	92,400	(D)	(D)	(D)	(D)	(D)	326,582	321,198	361,772	470,000	583,800	21
37,335	52,280	74,898	106,600	150,400	(D)	(D)	(D)	(D)	(D)	357,175	451,679	517,809	743,900	1,024,500	22
60,064	100,441	154,161	253,600	385,200	1,577,507	2,119,005	2,863,670	4,176,600	5,732,900	1,026,068	1,305,278	1,705,658	2,390,500	3,205,900	23
43,446	89,906	136,131	219,500	325,100	1,342,067	2,146,448	3,294,987	5,006,800	7,077,800	435,685	735,956	951,498	1,389,700	1,891,900	24
2,527	3,461	7,426	10,100	13,000	458,820	478,576	608,908	737,700	889,100	111,893	157,798	191,769	221,100	259,000	25
220,729	222,015	242,347	282,600	326,000	2,416,079	3,087,453	3,973,414	4,831,200	5,767,500	515,085	583,981	792,433	934,700	1,000,700	26
206,150	361,480	583,660	926,700	1,345,100	(D)	(D)	(D)	(D)	(D)	538,960	858,607	818,640	1,282,200	1,781,400	27
...	430,188	596,778	845,600	1,153,400	...	2,507,255	3,937,016	5,680,800	7,841,300	...	1,179,299	1,838,941	2,580,800	3,492,100	28
...	231,612	361,372	630,100	970,100	...	2,972,152	(D)	(D)	(D)	...	1,119,790	1,567,954	2,493,800	3,671,500	29
484,473	...	...	...	...	3,440,539	...	...	...	...	1,372,159	...	...	...	...	30
8,045	12,865	14,815	28,500	46,400	(D)	(D)	1,152,636	1,780,200	2,663,000	217,265	274,818	494,700	764,100	1,141,000	31
137,670	536,335	974,892	1,501,700	2,113,200	684,697	1,250,951	(D)	(D)	(D)	250,465	506,321	676,793	971,000	1,285,500	32
268,345	365,695	513,976	729,100	992,700	(D)	(D)	5,794,994	8,593,300	11,988,600	1,671,983	2,118,951	2,797,080	4,191,600	5,861,000	33
203,756	303,705	452,095	691,000	1,000,800	5,852,463	7,242,717	9,868,246	14,170,200	19,463,200	2,890,193	3,570,669	4,953,353	6,987,800	9,476,300	34
644,033	878,784	1,363,224	2,258,600	3,400,300	12,795,136	15,747,985	21,241,114	33,779,700	48,709,900	6,774,678	8,045,497	10,446,232	16,061,500	22,676,100	35
214,633	372,246	587,553	916,400	1,322,000	3,546,807	5,522,095	8,576,748	12,689,500	17,622,200	2,228,639	3,409,523	5,435,857	7,727,200	10,471,600	36
466,740	755,149	1,445,865	2,599,100	4,148,200	8,585,829	12,409,864	21,659,654	37,756,700	58,446,100	4,694,138	6,622,639	11,134,140	18,817,800	28,554,500	37
295,211	552,741	1,070,644	2,033,900	3,325,400	7,219,564	11,385,316	20,869,229	37,260,300	57,817,800	3,085,090	4,858,974	8,768,921	16,194,200	25,566,000	38
256,952	472,375	967,774	1,907,600	3,158,900	6,373,111	10,019,313	19,052,359	35,023,100	54,916,100	2,858,744	4,462,251	8,365,980	15,702,600	21,928,200	39
38,261	80,366	102,869	126,300	166,500	846,452	1,336,028	1,816,865	2,237,100	2,901,700	226,353	396,716	402,937	491,500	637,800	40

Table 6.—Population, Employment, Personal Income, and Earnings by Industry, by State and Region, Selected Years 1950–1990

Line		New Jersey 1950	New Jersey 1959	New Jersey 1969	New Jersey 1980	New Jersey 1990	Pennsylvania 1950	Pennsylvania 1959	Pennsylvania 1969	Pennsylvania 1980	Pennsylvania 1990
1	Population, midyear	4,872,000	6,015,000	7,129,000	8,116,000	9,362,000	10,507,000	11,234,000	11,754,000	13,435,000	14,937,000
2	Per capita income (1967 $)	2,531	2,975	3,939	5,480	7,030	2,126	2,480	3,403	4,709	6,115
3	Per capita income relative (U.S.=1.00)	1.23	1.22	1.15	1.15	1.14	1.03	1.02	1.00	.99	.99
4	Total employment	1,997,008	2,397,107		3,327,700	3,814,900	3,948,788	4,145,118		5,213,800	5,768,700
5	Employment/population ratio	.41	.40		.41	.41	.38	.37		.39	.39
		In thousands of 1967 dollars									
6	**Total personal income**	12,328,806	17,893,934	28,078,612	44,474,000	65,813,000	22,340,651	27,862,965	40,000,350	63,263,000	91,344,000
7	**Total earnings**	9,479,200	13,738,637	20,886,706	33,763,900	49,497,800	18,220,059	22,731,762	32,271,109	49,770,000	71,188,100
8	Agriculture, forestry and fisheries	237,959	177,740	155,889	146,800	145,100	526,566	401,976	417,761	394,900	423,600
9	Agriculture	225,349	170,998	152,344	141,200	138,000	521,546	398,151	416,599	393,200	421,500
10	Forestry and fisheries	12,608	6,742	3,545	5,500	7,100	5,021	3,822	1,168	1,700	2,000
11	Mining	22,694	20,390	32,777	41,900	55,700	881,697	419,172	351,412	462,100	515,600
12	Metal	(D)	(D)	1,982	1,900	2,400	3,564	10,957	14,695	18,200	23,700
13	Coal	167	0	0	(S)	(S)	809,332	342,088	273,300	360,900	389,800
14	Crude petroleum and natural gas	(D)	(D)	224	(S)	(S)	32,077	16,322	19,931	24,100	27,200
15	Nonmetallic, except fuels	13,805	22,874	30,571	39,700	52,900	36,721	49,807	43,482	58,700	74,800
16	Contract construction	602,730	832,601	1,278,371	2,084,800	3,104,100	1,006,444	1,253,367	2,005,618	2,961,700	4,212,500
17	Manufacturing	3,877,590	5,393,256	7,446,961	10,982,000	15,197,300	7,017,361	8,888,810	12,191,603	17,335,300	23,479,700
18	Food and kindred products	202,093	402,524	530,459	739,300	927,200	519,539	647,794	774,132	1,011,500	1,245,500
19	Textile mill products	306,357	198,389	225,754	250,700	288,000	588,008	351,207	369,595	433,100	490,500
20	Apparel and other fabric products	311,891	323,320	400,224	550,400	690,200	480,179	585,794	794,124	1,127,100	1,469,200
21	Lumber products and furniture	72,648	87,874	115,921	152,700	193,800	160,474	201,005	275,213	384,100	505,900
22	Paper and allied products	130,000	196,280	279,855	443,100	641,500	190,827	260,792	373,190	560,600	800,500
23	Printing and publishing	127,111	214,461	333,875	532,100	772,800	297,988	425,848	535,706	807,500	1,109,100
24	Chemicals and allied products	460,151	682,825	1,198,183	1,842,100	2,638,400	251,167	394,661	587,927	909,900	1,302,400
25	Petroleum refining	110,133	96,827	133,030	161,600	191,200	222,427	207,726	263,459	325,700	400,600
26	Primary metals	219,681	203,998	357,346	412,100	539,400	1,512,552	1,914,914	2,399,870	2,907,600	3,449,900
27	Fabricated metals and ordnance	222,343	372,492	562,706	921,200	1,344,900	543,533	747,313	1,049,516	1,711,900	2,538,600
28	Machinery, excluding electrical		431,885	704,762	1,018,600	1,397,100		804,051	1,246,510	1,851,200	2,611,200
29	Electrical machinery and supplies		902,978	1,052,261	1,628,100	2,314,500		847,409	1,309,714	2,087,200	3,075,300
30	Total machinery (1950 only)	802,350					1,156,466				
31	Motor vehicles and equipment	80,536	121,031	171,334	311,900	527,000	95,635	135,791	256,631	338,800	470,800
32	Trans. equip., excl. mtr. vehs.	148,518	235,471	156,085	195,300	238,900	163,201	250,046	476,296	719,500	1,008,500
33	Other manufacturing	593,780	832,899	1,225,156	1,792,100	2,491,900	835,369	1,114,457	1,479,732	2,158,600	3,000,900
34	Trans., comm. and public utilities	736,019	1,080,871	1,632,859	2,426,200	3,423,000	1,637,679	1,856,005	2,242,604	3,188,400	4,324,900
35	Wholesale and retail trade	1,604,105	2,241,211	3,337,032	5,549,700	8,147,500	3,192,974	3,917,228	4,983,255	7,942,100	11,440,800
36	Finance, insurance and real estate	408,172	671,164	949,536	1,477,900	2,063,500	620,681	983,609	1,430,479	2,219,300	3,182,200
37	Services	1,121,626	1,778,531	3,191,330	5,894,300	9,349,600	1,861,906	2,709,331	4,554,853	7,955,500	12,250,900
38	Government	868,274	1,533,878	2,861,951	5,159,900	8,011,600	1,474,750	2,302,267	4,093,525	7,310,100	11,357,500
39	Civilian government	699,798	1,275,988	2,451,196	4,639,900	7,338,100	1,328,225	2,090,629	3,838,402	7,005,100	10,961,700
40	Armed Forces	168,476	257,889	410,759	519,900	673,500	146,518	211,636	255,116	305,000	395,700

Table 6.—Population, Employment, Personal Income, and Earnings by Industry, by State and Region, Selected Years 1950–1990

Delaware					Maryland					District of Columbia					Line
1950	1950	1969	1980	1990	1950	1959	1969	1980	1990	1950	1959	1969	1980	1990	
321,000	441,000	543,000	665,000	784,000	2,355,000	3,066,000	3,886,000	4,683,000	5,607,000	806,000	761,000	763,000	757,000	757,000	1
2,942	3,063	3,784	5,193	6,721	2,210	2,563	3,656	5,196	6,717	3,065	3,306	4,575	6,433	8,326	2
1.42	1.25	1.11	1.09	1.09	1.07	1.05	1.07	1.09	1.09	1.48	1.35	1.34	1.35	1.35	3
127,070	169,899		256,700	299,900	929,522	1,185,394		1,938,300	2,264,700	388,874	353,956		344,800	344,800	4
.40	.39		.39	.38	.39	.39		.41	.40	.48	.47		.46	.46	5
In thousands of 1967 dollars															
944,334	1,350,886	2,054,578	3,454,000	5,267,000	5,205,285	7,856,679	14,206,044	24,330,000	37,658,000	2,470,164	2,516,125	3,490,374	4,867,000	6,298,000	6
694,018	1,073,025	1,743,152	2,831,200	4,232,600	4,138,541	6,253,920	11,264,441	18,230,900	27,265,000	2,230,942	2,471,554	3,576,043	6,186,400	9,436,500	7
60,479	43,422	64,123	49,400	51,900	179,124	132,066	180,773	163,200	175,500	13,825	13,582	24,853	40,400	56,200	8
59,717	42,957	63,833	49,000	51,500	168,980	125,498	176,683	157,000	167,800	2,407	339	1,647	1,300	1,900	9
761	464	291	(S)	(S)	10,150	6,562	4,085	6,200	7,700	11,418	13,243	23,206	39,000	54,200	10
332	719	482	(S)	(S)	12,570	15,837	15,449	22,800	30,700	(D)	(D)	(D)	(D)	(D)	11
0	(S)	(D)	(S)	(S)	(D)	(D)	(D)	(D)	(D)						12
					3,001	1,783	2,001	4,000	5,200						13
(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	14
(D)	(D)	(D)	(D)	(D)	9,412	13,907	11,917	17,000	23,000	0	0	0	(S)	(S)	15
55,525	78,800	108,626	186,500	279,300	336,170	427,187	720,835	1,094,700	1,634,300	(D)	(D)	(D)	(D)	(D)	16
283,782	459,182	735,060	1,139,700	1,623,600	1,076,151	1,614,887	2,194,943	3,210,800	4,429,600	111,702	141,463	184,903	304,000	443,800	17
23,984	29,509	48,033	68,700	91,500	155,250	185,423	235,230	316,600	405,600	30,597	35,270	30,566	50,300	68,800	18
13,701	12,210	10,124	12,700	14,400	47,520	31,655	13,929	15,700	16,900	(D)	(D)	(D)	(S)	(S)	19
15,066	18,321	18,343	25,600	33,000	87,004	90,449	119,382	165,600	212,900	(D)	(D)	683	1,300	2,000	20
(D)	(D)	(D)	(D)	(D)	38,273	48,458	56,272	77,700	100,900	3,860	1,998	1,882	2,500	3,400	21
(D)	(D)	(D)	(D)	(D)	26,434	49,158	72,183	117,800	176,200	4,024	4,412	1,872	3,500	4,700	22
5,300	9,074	12,873	19,700	28,400	55,353	82,926	151,585	225,200	321,200	65,687	81,418	123,970	201,400	295,200	23
136,166	246,043	409,765	639,500	927,700	57,729	85,885	144,428	220,300	309,800	1,169	1,078	3,186	5,000	7,200	24
(D)	(D)	(D)	(D)	(D)	13,801	9,239	9,432	11,600	14,200	(D)	(D)	(D)	(D)	(D)	25
(D)	(D)	(D)	(D)	(D)	153,421	273,937	401,758	525,400	661,200	(D)	(D)	(D)	(D)	(D)	26
(D)	(D)	(D)	(D)	(D)	71,235	135,293	201,667	315,900	450,900	2,600	3,073	2,962	4,500	7,200	27
	13,030	10,060	11,900	16,700		77,819	134,872	215,700	320,300		1,171	1,871	2,400	3,600	28
	468	(D)	(D)	(D)		99,261	136,937	239,900	382,100		2,216	5,669	10,300	18,300	29
11,717					96,981					866					30
(D)	(D)	104,201	180,300	260,300	31,291	28,845	125,652	184,800	263,500	0	98	118	(S)	(S)	31
2,131	806	717	1,400	2,200	120,382	255,356	160,157	226,900	298,300	0	2,951	(D)	(D)	(D)	32
(D)	(D)	57,415	85,300	117,700	121,476	161,182	228,459	351,000	494,900	2,547	6,637	7,152	14,400	22,000	33
45,910	66,497	84,130	126,700	180,300	370,391	484,314	671,566	978,400	1,371,100	172,241	184,361	283,734	462,400	687,400	34
106,587	142,653	235,993	412,400	651,300	683,830	964,454	1,689,803	2,796,900	4,210,500	432,962	436,942	548,799	1,016,800	1,583,400	35
25,916	40,271	66,392	110,400	167,400	160,938	275,902	469,388	770,000	1,150,300	102,461	141,626	225,096	384,500	587,000	36
65,964	118,735	208,279	382,900	621,500	488,375	731,890	1,686,760	3,065,300	4,959,900	353,820	445,738	884,292	1,640,700	2,709,500	37
49,522	122,746	240,066	422,200	656,100	830,991	1,604,381	3,634,918	6,128,300	9,302,900	910,937	963,100	1,269,818	2,045,300	2,923,500	38
43,356	84,833	183,507	345,800	554,900	638,160	1,288,146	3,120,431	5,502,900	8,493,300	801,828	847,463	1,092,843	1,826,500	2,639,700	39
6,166	37,912	56,559	76,400	101,100	192,829	316,238	514,489	625,300	809,500	106,110	115,637	177,005	218,700	283,800	40

Table 6.—Population, Employment, Personal Income, and Earnings by Industry, by State and Region, Selected Years 1950–1990

		Great Lakes					Michigan				
		1950	1959	1969	1980	1990	1950	1959	1969	1980	1990
1	Population, midyear	30,530,000	35,928,000	40,006,000	46,578,000	53,644,000	6,407,000	7,767,000	8,803,000	10,366,000	12,046,000
2	Per capita income (1967 $)	2,298	2,622	3,629	5,038	6,466	2,347	2,542	3,684	5,121	6,541
3	Per capita income relative (U.S.=1.00)	1.11	1.07	1.06	1.06	1.05	1.14	1.04	1.08	1.07	1.06
4	Total Employment	11,931,323	13,403,412	...	18,778,000	21,435,500	2,404,022	2,740,425	...	4,139,100	4,771,400
5	Employment/population ratio	.39	.37	...	.40	.40	.38	.35	...	.40	.40
		In thousands of 1967 dollars									
6	**Total personal income**	70,171,285	94,206,586	145,190,470	234,653,000	346,879,000	15,035,500	19,743,313	32,430,463	53,086,000	78,788,000
7	**Total earnings**	59,265,582	78,831,610	120,186,045	188,360,300	274,753,200	12,770,958	16,502,647	27,640,651	43,080,900	62,974,000
8	Agriculture, forestry and fisheries	3,817,513	2,541,077	2,888,213	2,987,800	3,255,500	517,310	351,551	356,233	374,800	401,600
9	Agriculture	3,777,002	2,513,194	2,878,124	2,972,900	3,237,000	507,116	343,856	353,256	370,600	396,600
10	Forestry and fisheries	40,508	27,881	10,110	14,900	18,500	10,186	7,693	2,984	4,100	5,000
11	Mining	628,391	567,462	622,046	829,500	1,012,400	89,913	103,654	111,095	136,800	171,400
12	Metal	(D)	(D)	74,699	81,900	100,200	54,261	65,148	63,354	67,700	81,600
13	Coal	310,091	191,593	221,639	313,000	367,400	629	333	0	(S)	(S)
14	Crude petroleum and natural gas	(D)	(D)	116,025	132,200	150,400	12,904	5,708	9,601	11,600	13,600
15	Nonmetallic, except fuels	126,152	199,753	209,685	302,200	394,300	22,118	32,467	38,144	57,400	76,000
16	Contract construction	3,144,301	4,582,234	7,701,855	11,651,900	16,878,800	653,227	845,487	1,565,768	2,396,900	3,522,600
17	Manufacturing	23,914,857	32,017,059	47,834,202	69,615,700	96,439,400	6,148,074	7,444,696	12,540,181	17,858,800	24,483,600
18	Food and kindred products	2,082,932	2,524,800	2,897,820	3,820,400	4,758,800	308,979	380,503	429,452	577,800	728,000
19	Textile mill products	222,745	186,907	169,979	224,700	279,500	26,783	14,785	21,181	31,800	43,500
20	Apparel and other fabric products	468,433	428,582	586,455	833,400	1,095,000	26,900	55,883	170,976	275,100	395,700
21	Lumber products and furniture	915,042	919,941	1,177,775	1,609,700	2,093,900	219,902	191,035	264,330	355,300	457,700
22	Paper and allied products	723,172	1,036,883	1,429,610	2,153,200	3,051,800	176,466	206,169	241,954	353,100	486,000
23	Printing and publishing	1,158,380	1,619,395	2,287,044	3,401,100	4,786,900	152,599	200,136	292,154	444,300	642,200
24	Chemicals and allied products	788,860	1,300,146	2,153,138	3,422,400	5,028,900	199,598	327,016	499,130	777,600	1,127,000
25	Petroleum refining	242,435	324,221	455,736	579,200	726,100	15,784	26,363	37,703	51,906	69,200
26	Primary metals	2,630,049	3,680,161	5,379,878	6,790,000	8,399,500	439,736	651,960	1,056,773	1,386,100	1,769,400
27	Fabricated metals and ordnance	2,444,851	3,398,489	5,050,286	7,853,000	11,210,200	654,392	891,207	1,273,687	2,067,800	3,040,900
28	Machinery, excluding electrical	...	4,869,701	7,721,289	11,347,000	15,890,300	...	1,114,410	1,866,543	2,770,200	3,923,000
29	Electrical machinery and supplies		3,183,542	4,587,035	7,590,600	11,516,800	...	327,184	394,337	611,600	884,300
30	Total machinery (1950 only)	5,520,890	...				891,395	...	...		
31	Motor vehicles and equipment	3,711,211	4,046,021	7,858,523	10,776,700	14,563,100	2,673,574	2,521,237	5,250,885	6,994,600	9,224,000
32	Trans. equip., excl. mtr. vehs	459,253	1,052,819	1,336,682	2,041,700	2,865,800	39,607	106,002	119,172	173,500	240,000
33	Other manufacturing	2,546,598	3,445,454	4,742,954	7,171,900	10,172,000	322,355	430,811	621,915	987,500	1,452,000
34	Trans., comm. and public utilities	4,563,118	5,702,745	7,543,405	10,937,800	15,166,600	753,848	986,769	1,404,363	2,051,300	2,893,900
35	Wholesale and retail trade	10,694,832	13,543,340	19,012,849	30,784,900	45,200,100	2,122,980	2,663,719	4,012,747	6,531,500	9,689,100
36	Finance, insurance and real estate	2,056,862	3,371,204	5,081,500	7,999,200	11,635,100	357,836	582,479	960,755	1,540,400	2,294,000
37	Services	5,728,111	8,744,303	15,219,115	27,061,300	42,703,300	1,137,719	1,830,550	3,368,669	5,994,000	9,525,300
38	Government	4,717,617	7,762,190	14,282,840	26,491,800	42,461,500	990,047	1,693,743	3,320,829	6,196,000	9,992,200
39	Civilian government	4,218,303	7,007,497	13,247,154	25,220,000	40,822,300	903,300	1,562,600	3,139,949	5,974,600	9,705,000
40	Armed Forces	499,294	754,675	1,035,693	1,271,800	1,639,200	86,749	131,140	180,875	221,400	287,100

NOTE.—Data may not add to higher level totals because of rounding.
(D) Deleted to avoid disclosure of CONFIDENTIAL data.
(S) Deleted because of smallness.

Table 6.—Population, Employment, Personal Income, and Earnings by Industry, by State and Region, Selected Years 1950–1990

Ohio					Indiana					Illinois					
1950	1959	1969	1980	1990	1950	1959	1969	1980	1990	1950	1959	1969	1980	1990	
7,980,000	9,671,000	10,598,000	12,589,000	14,607,000	3,967,000	4,613,000	5,157,000	6,039,000	7,038,000	8,738,000	9,986,000	11,063,000	12,588,000	14,279,000	1
2,236	2,570	3,509	4,865	6,232	2,086	2,393	3,389	4,732	6,111	2,519	2,915	3,964	5,472	7,015	2
1.08	1.05	1.03	1.02	1.01	1.01	.98	.99	.99	.99	1.22	1.19	1.16	1.15	1.14	3
3,067,700	3,521,791	...	4,945,900	5,692,500	1,520,750	1,726,455		2,463,600	2,835,900	3,581,199	3,940,871	...	5,237,300	5,891,600	4
.38	.36	...	.39	.39	.38	.37		.41	.40	.41	.39	...	.42	.41	5
In thousands of 1967 dollars															
17,843,157	24,857,941	37,187,116	61,240,000	91,029,000	8,276,873	11,040,057	17,477,806	28,573,000	43,005,000	22,008,252	29,109,605	43,851,989	68,882,000	100,167,000	6
14,985,367	20,929,470	31,170,781	49,203,500	72,217,300	7,132,152	9,329,215	14,645,651	23,327,600	34,535,200	18,479,844	24,299,938	35,286,539	54,655,300	78,494,800	7
716,356	432,723	455,111	492,500	539,900	688,328	405,719	591,651	558,200	601,100	1,179,679	776,868	904,059	909,500	977,800	8
709,427	427,012	453,218	489,800	536,600	682,707	403,518	591,354	557,800	600,600	1,170,039	771,280	901,758	905,700	972,900	9
6,928	5,711	1,888	2,700	3,300	5,631	2,203	302	(S)	(S)	9,644	5,583	2,312	3,700	4,900	10
143,285	141,650	189,906	258,600	319,100	87,628	70,167	67,504	92,800	111,800	287,483	227,402	230,218	309,500	368,600	11
(D)	(D)	7,951	10,000	13,200	0	2,441	0	(S)	(S)	1,226	1,520	883	1,000	1,200	12
91,103	71,000	84,566	123,200	147,900	55,448	29,598	28,594	39,600	44,300	162,911	90,662	108,479	150,200	175,100	13
(D)	(D)	45,175	49,700	58,300	8,801	8,425	9,955	11,100	12,700	88,188	59,090	51,232	59,600	65,500	14
31,862	42,569	52,208	75,500	99,500	23,379	29,702	28,954	42,100	54,800	35,157	76,124	69,629	98,600	126,600	15
842,537	1,248,613	2,112,294	3,193,500	4,636,300	336,817	507,589	962,118	1,512,500	2,268,000	986,409	1,537,823	2,336,090	3,448,100	4,847,800	16
6,342,061	9,082,051	13,053,327	19,149,700	26,685,400	2,931,178	3,988,153	6,248,001	9,360,900	13,186,300	6,327,758	8,467,403	11,756,537	17,036,900	23,470,400	17
359,835	547,896	616,514	830,900	1,050,900	233,828	293,828	322,168	433,200	558,600	886,376	938,483	1,095,753	1,414,000	1,735,500	18
66,520	71,206	71,862	98,400	124,800	22,736	5,923	4,105	6,700	7,300	61,268	56,335	34,330	44,500	53,900	19
120,676	86,473	103,963	137,300	169,100	52,231	52,339	61,089	84,600	108,400	239,591	204,621	214,626	285,100	353,900	20
165,061	183,147	214,944	289,200	372,800	160,187	164,927	243,094	340,800	454,800	240,077	248,254	301,483	414,300	537,100	21
183,360	264,299	362,025	540,900	764,000	47,726	74,924	115,841	181,800	264,200	152,200	219,167	320,441	499,000	726,700	22
270,234	409,025	563,444	831,300	1,158,600	88,722	128,289	209,658	318,700	460,200	557,896	741,571	1,029,231	1,515,100	2,110,000	23
222,345	378,573	597,983	949,400	1,397,500	99,831	176,105	200,696	460,400	678,900	236,103	374,530	650,111	1,041,100	1,529,800	24
62,885	85,216	125,964	162,700	206,500	71,199	96,589	96,111	128,100	160,000	90,586	112,839	192,214	230,100	281,900	25
1,015,256	1,362,635	1,823,643	2,194,200	2,629,100	444,808	689,599	1,117,430	1,533,000	1,985,500	593,453	787,239	1,093,782	1,305,800	1,551,200	26
718,977	992,439	1,470,507	2,284,900	3,248,900	176,090	296,812	601,312	950,300	1,393,200	695,777	961,975	1,319,915	1,971,700	2,726,000	27
...	1,288,672	2,120,994	3,146,700	4,425,600	...	376,609	594,391	900,200	1,287,300	...	1,444,358	2,131,773	3,027,100	4,122,000	28
...	833,425	1,278,785	2,206,200	3,462,200	...	576,041	962,434	1,573,400	2,376,100	...	1,133,877	1,519,044	2,500,300	3,756,600	29
1,623,939	...	...	...	...	704,468	...	...	...	...	1,674,023	...	...	...	...	30
312,417	630,560	1,306,284	1,953,200	2,821,100	383,967	440,147	701,834	997,400	1,383,000	118,284	137,211	257,801	360,500	495,000	31
123,508	522,371	555,216	844,600	1,182,900	149,335	246,412	382,595	610,700	865,000	131,871	143,896	234,771	339,500	470,100	32
1,007,043	1,426,121	1,841,187	2,677,100	3,670,500	206,018	369,618	546,324	836,900	1,202,100	650,247	963,028	1,361,265	2,088,100	3,019,900	33
1,197,519	1,496,951	1,962,553	2,859,400	3,991,300	564,751	679,363	892,033	1,315,800	1,856,300	1,648,362	2,041,384	2,621,501	3,736,500	5,054,300	34
2,649,493	3,426,464	4,785,120	7,824,300	11,592,900	1,208,507	1,514,699	2,135,018	3,598,100	5,437,400	3,623,966	4,618,602	6,274,639	9,878,600	14,114,700	35
486,512	804,910	1,200,975	1,939,400	2,883,900	199,830	369,005	575,441	932,100	1,384,400	826,541	1,310,419	1,886,120	2,853,300	3,990,200	36
1,430,956	2,258,113	3,849,110	6,945,100	11,090,800	576,330	892,731	1,548,828	2,842,100	4,625,400	2,056,143	2,948,508	5,020,855	8,701,400	13,365,800	37
1,176,665	2,037,991	3,562,398	6,540,500	10,477,300	538,780	901,783	1,625,054	3,114,800	5,065,200	1,543,516	2,371,446	4,256,502	7,781,100	12,301,700	38
1,085,107	1,842,155	3,291,579	6,206,900	10,044,400	484,641	817,702	1,512,068	2,974,700	4,883,300	1,312,915	2,095,123	3,846,351	7,281,600	11,669,200	39
91,556	195,824	270,817	333,600	432,900	54,128	84,082	112,990	140,100	181,800	230,592	276,330	410,160	499,500	635,500	40

Table 6.—Population, Employment, Personal Income, and Earnings by Industry, by State and Region, Selected Years 1950–1990

Line		Wisconsin 1950	Wisconsin 1959	Wisconsin 1969	Wisconsin 1980	Wisconsin 1990	Plains 1950	Plains 1959	Plains 1969	Plains 1980	Plains 1990
1	Population, midyear	3,438,000	3,891,000	4,365,000	4,996,000	5,675,000	14,103,000	15,195,000	16,225,000	18,174,000	20,269,000
2	Per capita income (1967 $)	2,038	2,430	3,248	4,578	5,972	1,970	2,247	3,230	4,529	5,928
3	Per capita income relative (U.S.=1.00)	.99	1.00	.95	.96	.97	.95	.92	.95	.95	.96
4	Total employment	1,357,646	1,473,870		1,991,900	2,243,900	5,378,931	5,683,325		7,118,700	7,886,600
5	Employment/population ratio	.39	.38		.40	.40	.38	.37		.39	.39
		In thousands of 1967 dollars									
6	**Total personal income**	7,007,503	9,455,670	14,243,096	22,871,000	33,889,000	27,784,041	34,144,064	52,407,480	82,309,000	120,153,000
7	**Total earnings**	5,897,261	7,770,340	11,442,423	18,092,700	26,531,700	23,135,741	27,682,976	41,660,279	63,732,100	92,431,900
8	Agriculture, forestry and fisheries	715,840	574,216	581,159	652,600	734,900	5,652,118	3,123,040	4,294,280	4,263,500	4,694,600
9	Agriculture	707,713	567,522	578,538	648,800	730,200	5,637,513	3,115,150	4,291,892	4,260,300	4,690,800
10	Forestry and fisheries	8,119	6,691	2,624	3,800	4,700	14,599	7,887	2,401	3,100	3,800
11	Mining	20,082	24,589	23,323	31,500	41,300	281,210	348,690	367,418	463,400	570,800
12	Metal	6,447	5,696	2,511	3,000	4,000	(D)	(D)	165,450	200,500	251,400
13	Coal						26,795	16,745	16,123	22,400	24,600
14	Crude petroleum and natural gas	0	0	62	(S)	(S)	(D)	(D)	100,168	115,700	129,900
15	Nonmetallic, except fuels	13,636	18,891	20,750	28,400	37,200	48,914	91,381	85,686	124,700	164,800
16	Contract construction	325,311	442,722	725,585	1,100,700	1,604,000	1,320,161	1,809,307	2,540,162	3,775,000	5,483,300
17	Manufacturing	2,165,786	3,034,756	4,236,156	6,209,300	8,614,600	4,054,655	6,265,057	9,865,820	15,076,200	21,643,500
18	Food and kindred products	293,914	364,090	433,933	559,300	685,500	1,107,244	1,439,758	1,692,554	2,206,300	2,711,000
19	Textile mill products	45,438	38,658	38,501	44,100	49,800	32,671	28,287	34,831	44,000	51,200
20	Apparel and other fabric products	29,035	29,266	35,801	51,100	67,800	205,707	212,949	240,002	324,300	411,900
21	Lumber products and furniture	129,815	132,551	154,014	209,900	271,300	182,808	209,925	266,019	362,000	468,500
22	Paper and allied products	163,420	272,324	389,319	578,300	810,700	123,826	206,862	(D)	(D)	(D)
23	Printing and publishing	88,929	140,374	192,557	201,400	415,600	327,807	458,888	645,374	947,600	1,340,700
24	Chemicals and allied products	30,983	43,922	115,218	193,600	295,400	(D)	(D)	495,201	783,700	1,159,900
25	Petroleum refining	1,981	3,214	4,744	6,300	8,200	49,302	62,174	(D)	(D)	(D)
26	Primary metals	136,796	188,728	288,250	370,700	464,100	141,210	197,110	(D)	(D)	(D)
27	Fabricated metals and ordnance	199,615	256,056	384,865	578,100	801,100	(D)	(D)	(D)	(D)	(D)
28	Machinery, excluding electrical		645,655	1,007,588	1,502,600	2,132,200		685,472	1,438,787	2,292,800	3,435,500
29	Electrical machinery and supplies		313,015	432,435	697,000	1,037,400		396,825	904,083	1,585,600	2,536,700
30	Total machinery (1950 only)	627,065					612,215				
31	Motor vehicles and equipment	192,969	316,866	341,719	470,700	639,900	154,537	200,024	546,416	849,000	1,258,800
32	Trans. equip., excl. mtr. vehs	14,932	34,138	44,928	73,300	107,600	(D)	(D)	(D)	(D)	(D)
33	Other manufacturing	210,905	255,876	372,263	582,200	827,300	522,066	808,725	1,083,714	1,704,400	2,485,900
34	Trans., comm, and public utilities	398,638	498,278	662,955	74,600	1,370,600	2,074,842	2,530,084	3,133,249	4,440,400	6,080,600
35	Wholesale and retail trade	1,089,886	1,319,856	1,805,325	2,952,300	4,365,800	4,655,268	5,509,618	7,427,540	11,704,000	16,935,300
36	Finance, insurance and real estate	186,143	304,391	458,209	733,700	1,082,400	834,120	1,349,636	2,020,326	3,115,100	4,489,600
37	Services	526,963	814,311	1,431,653	2,578,500	4,095,800	2,174,448	3,215,570	5,553,143	9,696,300	15,112,300
38	Government	468,609	757,227	1,518,057	2,859,200	4,621,900	2,088,948	3,531,946	6,458,332	11,197,900	17,421,500
39	Civilian government	432,340	689,917	1,457,207	2,782,100	4,520,200	1,853,123	2,930,380	5,570,679	10,107,000	15,995,000
40	Armed Forces	36,269	67,299	60,851	77,000	101,600	235,816	601,573	887,657	1,090,800	1,426,400

Table 6.—Population, Employment, Personal Income, and Earnings by Industry, by State and Region, Selected Years 1950–1990

Minnesota					Iowa					Missouri					Line
1950	1959	1969	1980	1990	1950	1959	1969	1980	1990	1950	1959	1969	1980	1990	
2,997,000	3,366,000	3,764,000	4,351,000	4,995,000	2,625,000	2,729,000	2,812,000	3,016,000	3,317,000	3,964,000	4,258,000	4,646,000	5,523,000	6,245,000	1
1,946	2,281	3,310	4,644	6,085	2,049	2,201	3,251	4,442	5,799	1,974	2,372	3,207	4,591	5,975	2
.94	.93	.97	.97	.99	.99	.90	.95	.93	.94	.96	.97	.94	.96	.97	3
1,146,059	1,238,271	...	1,707,000	1,945,600	1,003,109	1,020,692	...	1,205,700	1,318,900	1,524,658	1,605,740	...	2,099,500	2,353,200	4
.38	.37	...	.39	.39	.38	.37	...	.40	.40	.38	.38	...	.38	.38	5
In thousands of 1967 dollars															
5,832,814	7,677,121	12,457,151	20,207,000	30,390,000	5,377,839	6,006,331	9,142,778	13,396,000	19,235,000	7,826,732	10,101,518	14,899,857	25,356,000	37,313,000	6
4,808,323	6,250,382	10,032,567	16,226,200	24,141,400	4,502,094	4,830,589	7,111,176	10,179,600	14,495,500	6,525,570	8,524,632	12,565,594	19,888,000	29,102,800	7
822,487	514,535	645,861	693,400	778,400	1,588,349	829,532	1,208,822	1,087,400	1,178,300	883,693	582,703	544,276	630,700	705,200	8
816,743	512,378	645,053	692,400	777,200	1,586,401	828,471	1,208,400	1,086,800	1,177,600	879,000	578,839	543,473	629,600	703,900	9
5,741	2,154	810	900	1,100	1,952	1,058	427	(S)	(S)	4,689	3,867	805	1,000	1,200	10
86,840	111,472	129,988	161,000	201,400	15,851	21,293	24,693	36,800	49,600	47,610	48,056	74,789	100,700	129,300	11
81,409	97,096	117,019	140,600	173,900	0	0	0	(S)	(S)	19,394	11,264	33,788	41,800	54,200	12
160	0	0	(S)	(S)	(D)	(D)	(D)	(D)	(D)	10,393	7,001	9,045	13,300	15,500	13
170	1,802	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	1,081	432	1,708	2,000	2,400	14
5,101	12,573	(D)	(D)	(D)	10,093	17,845	22,879	34,900	47,700	16,737	29,358	30,252	43,600	57,000	15
300,607	452,499	710,251	1,097,400	1,613,600	222,212	290,747	407,128	564,100	812,100	370,073	516,700	737,269	1,132,300	1,656,800	16
968,959	1,465,573	2,646,846	4,111,900	5,993,900	721,153	1,152,735	1,745,167	2,606,000	3,712,100	1,602,168	2,375,398	3,583,854	5,450,000	7,741,800	17
253,516	353,529	436,327	580,000	731,200	251,142	347,092	438,086	562,000	703,400	293,424	353,725	415,643	534,200	631,200	18
16,472	10,874	16,051	22,200	28,200	4,587	6,714	5,840	4,800	4,400	11,493	10,410	12,319	16,200	20,500	19
39,383	33,026	33,899	43,700	53,000	12,768	14,903	18,386	28,500	38,900	141,273	142,926	155,958	206,200	257,800	20
54,687	58,351	77,088	102,400	129,200	34,342	43,471	56,757	75,300	97,600	69,729	77,166	87,918	122,400	160,800	21
64,173	101,082	281,164	448,900	666,700	8,154	13,624	28,554	45,700	68,600	43,133	75,111	97,702	146,400	207,600	22
93,395	126,429	179,220	261,200	371,700	50,189	70,850	92,440	130,900	180,800	118,563	165,051	239,941	361,900	512,900	23
28,129	39,554	51,093	72,400	97,900	24,302	33,424	60,276	89,700	129,500	90,241	157,254	272,907	440,400	658,600	24
8,702	9,265	23,785	34,600	48,300	256	1,272	2,080	2,600	3,600	14,276	13,985	20,572	22,900	27,700	25
37,002	40,179	62,416	79,900	100,300	25,302	49,175	77,002	104,000	134,100	63,927	93,142	123,037	153,400	190,000	26
62,859	144,467	263,969	453,000	696,700	50,031	77,389	143,491	243,800	369,900	111,680	244,695	344,520	543,500	779,400	27
...	201,440	573,381	934,700	1,423,300	...	251,270	402,557	592,900	838,500	...	160,903	280,452	465,100	699,300	28
...	77,831	250,486	444,400	709,700	...	104,784	198,773	363,700	598,000	...	170,386	345,791	570,200	876,400	29
151,059	...	...	...	...	195,313	...	...	...	...	218,019	...	...	...	...	30
19,638	27,112	48,569	70,600	99,400	5,641	8,242	17,957	29,100	45,000	93,588	132,686	401,402	625,100	930,000	31
3,210	7,868	37,450	62,000	93,900	7,005	13,176	25,873	40,400	59,400	53,692	234,978	391,967	665,500	1,004,900	32
136,741	234,572	311,964	501,000	743,700	52,117	117,340	177,080	291,900	439,600	279,137	342,982	393,745	575,900	783,[illegible]00	33
455,039	574,156	732,305	1,081,700	1,517,300	315,892	358,554	415,653	563,800	765,600	655,444	840,306	1,090,593	1,576,300	2,188,300	34
1,043,670	1,307,019	1,842,124	3,013,600	4,473,600	822,693	918,990	1,186,282	1,829,300	2,616,100	1,430,042	1,731,789	2,[illegible]28,649	3,749,000	5,475,900	35
192,985	323,353	505,158	801,900	1,179,800	133,270	205,112	314,513	469,100	679,100	281,411	450,783	[illegible],547	1,031,400	1,487,400	36
502,074	755,492	1,421,623	2,616,500	4,105,200	357,063	542,469	865,833	1,416,500	2,185,500	707,555	1,042,732	1,[illegible]9,213	3,036,600	4,792,200	37
435,660	746,268	1,398,420	2,648,500	4,277,700	325,615	511,144	943,085	1,606,200	2,496,700	547,584	936,176	1,840,399	3,180,500	4,925,600	38
408,104	688,781	1,330,496	2,567,300	4,174,600	307,337	473,831	908,371	1,562,500	2,439,800	489,520	758,597	1,565,134	2,801,900	4,493,200	39
27,566	57,486	67,926	81,100	103,100	18,274	37,312	34,708	43,600	56,800	58,063	177,582	275,264	378,500	522,300	40

Table 6.—Population, Employment, Personal Income, and Earnings by Industry, by State and Region, Selected Years 1950–1990

Line		North Dakota 1950	North Dakota 1959	North Dakota 1969	North Dakota 1980	North Dakota 1990	South Dakota 1950	South Dakota 1959	South Dakota 1969	South Dakota 1980	South Dakota 1990
1	Population, midyear	619,000	618,000	620,000	633,000	648,000	655,000	667,000	666,000	673,000	692,000
2	Per capita income (1967 $)	1,743	1,735	2,767	3,882	5,208	1,715	1,660	2,775	3,863	5,143
3	Per capita income relative (U.S.=1.00)	.8	.71	.81	.81	.84	.83	.68	.81	.81	.83
4	Total employment	223,776	217,996		232,500	238,200	245,217	243,331		257,400	265,300
5	Employment/population ratio	.36	.35		.37	.37	.37	.36		.38	.38
		In thousands of 1967 dollars									
6	**Total personal income**	1,079,027	1,072,489	1,715,545	2,456,000	3,372,000	1,123,073	1,107,236	1,848,008	2,599,000	3,559,000
7	**Total earnings**	934,593	863,641	1,333,212	1,868,600	2,556,300	953,166	867,589	1,395,038	1,971,600	2,703,600
8	Agriculture, forestry and fisheries	415,102	170,047	318,413	335,400	376,200	386,329	135,578	364,946	394,400	445,200
9	Agriculture	415,102	170,047	318,413	335,400	376,200	385,932	135,309	364,853	394,300	445,000
10	Forestry and fisheries	0	0	0	(S)	(S)	396	269	95	(S)	(S)
11	Mining	5,831	17,147	14,709	19,100	22,800	11,949	15,450	18,892	24,300	31,700
12	Metal	0	0	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
13	Coal	4,347	4,138	2,643	3,700	4,200	(D)	(D)	(S)	(S)	(S)
14	Crude petroleum and natural gas	601	11,590	10,464	13,100	15,400	0	327	(D)	(D)	(D)
15	Nonmetallic, except fuels	883	1,419	(D)	(D)	(D)	2,218	3,190	4,100	5,900	7,900
16	Contract construction	52,503	75,133	72,751	101,400	140,000	62,788	66,361	62,388	88,700	124,800
17	Manufacturing	26,398	36,207	59,086	86,100	120,900	50,789	76,796	106,823	152,700	208,000
18	Food and kindred products	15,231	18,304	21,992	26,600	30,700	30,468	47,191	57,270	78,800	100,800
19	Textile mill products	0	0	96	(S)	(S)	(D)	(D)	112	(S)	(S)
20	Apparel and other fabric products	(D)	(D)	216	(S)	(S)	0	62	5,457	(S)	(S)
21	Lumber products and furniture	261	355	979	1,500	2,200	7,707	7,155	3,994	5,300	6,400
22	Paper and allied products	(D)	(D)	158	(S)	(S)	(D)	(D)	(D)	(D)	(D)
23	Printing and publishing	5,513	7,943	9,606	13,500	19,000	5,850	7,786	9,069	12,800	17,700
24	Chemicals and allied products	233	204	914	1,700	2,500	(D)	(D)	556	800	700
25	Petroleum refining	(D)	(D)	2,767	3,500	4,600	(D)	(D)	(D)	(D)	(D)
26	Primary metals	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(S)	(S)	(S)
27	Fabricated metals and ordnance	1,205	1,273	4,019	7,500	12,300	1,634	3,112	6,454	10,400	15,500
28	Machinery, excluding electrical		2,206	10,259	17,100	27,200		2,642	7,554	13,000	20,600
29	Electrical machinery and supplies		75	102	(S)	(S)		136	5,857	9,400	15,200
30	Total machinery (1950 only)	629					1,170				
31	Motor vehicles and equipment	611	425	1,451	2,200	3,400	127	116	294	(S)	(S)
32	Trans. equip., excl. mtr. vehs	(D)	(D)	(D)	(D)	(D)	0	2,002	1,830	3,600	5,800
33	Other manufacturing	2,174	4,930	6,339	10,700	16,900	2,856	5,591	7,945	14,100	21,000
34	Trans., comm. and public utilities	72,641	80,494	92,008	121,800	156,400	51,961	59,455	78,031	100,600	131,400
35	Wholesale and retail trade	184,613	209,944	253,455	374,000	515,700	178,398	193,271	244,154	375,400	524,800
36	Finance, insurance and real estate	18,851	34,267	49,934	73,400	103,500	22,271	35,164	52,785	75,600	104,900
37	Services	63,435	95,611	168,306	280,900	422,200	76,107	108,490	177,683	283,700	419,000
38	Government	95,221	144,791	304,551	476,000	698,200	112,582	177,041	288,327	475,800	713,400
39	Civilian government	90,656	126,349	219,961	371,500	561,900	94,787	138,877	244,613	423,000	644,900
40	Armed Forces	4,560	18,440	84,590	104,400	136,300	17,793	38,160	43,715	52,800	68,500

NOTE.—Data may not add to higher level totals because of rounding.
(D) Deleted to avoid disclosure of CONFIDENTIAL data.
(S) Deleted because of smallness.

Table 6.—Population, Employment, Personal Income, and Earnings by Industry, by State and Region, Selected Years 1950–1990

Nebraska					Kansas					Southeast					Line
1950	1959	1969	1980	1990	1950	1959	1969	1980	1990	1950	1959	1969	1980	1990	
1,327,000	1,397,000	1,472,000	1,608,000	1,737,000	1,916,000	2,160,000	2,245,000	2,370,000	2,635,000	33,860,000	38,115,000	43,594,000	49,887,000	57,093,000	1
2,057	2,231	3,291	4,412	5,518	1,991	2,344	3,341	4,725	6,138	1,410	1,790	2,741	3,936	5,232	2
1.00	.91	.96	.93	.94	.96	.96	.98	.99	1.00	.68	.73	.80	.83	.85	3
515,104	539,707	...	603,400	650,500	721,008	817,588	...	1,012,900	1,114,700	11,913,419	13,414,097	...	19,704,000	22,375,300	4
.39	.39	...	.38	.37	.38	.38	...	.43	.42	.36	.35	...	.39	.39	5
In thousands of 1967 dollars															
2,729,214	3,117,107	4,844,654	7,096,000	10,108,000	3,815,342	5,062,262	7,499,487	11,199,000	16,176,000	47,732,172	68,212,239	119,486,017	196,369,000	298,733,000	6
2,321,669	2,507,882	3,823,860	5,397,300	7,650,900	3,090,326	3,838,261	5,398,832	8,200,500	11,781,100	39,365,870	56,156,963	96,175,981	154,765,200	232,306,200	7
801,583	433,398	663,999	568,500	612,700	754,575	457,247	547,963	553,400	598,300	5,634,460	4,449,306	5,018,042	5,113,100	5,567,800	8
800,406	433,158	663,824	568,200	612,400	753,929	456,948	547,876	553,300	598,100	5,511,728	4,335,341	4,928,813	4,971,600	5,380,200	9
1,177	240	176	(S)	(S)	644	299	88	(S)	(S)	122,759	113,968	89,223	141,400	187,600	10
6,107	18,425	12,709	16,900	20,900	107,022	116,847	91,638	104,200	114,800	1,449,078	1,338,327	1,570,464	2,121,200	2,548,400	11
...	...	...	...	...	4,082	249	(D)	(D)	(D)	42,872	39,084	30,296	35,200	43,500	12
...	...	...	...	...	6,202	3,567	(D)	(D)	(D)	1,042,641	657,185	(D)	(D)	(D)	13
2,961	8,556	5,665	7,300	8,700	85,999	95,903	81,192	91,700	101,400	225,065	435,214	575,661	734,600	889,100	14
3,146	9,867	7,049	9,500	12,200	10,736	17,129	7,470	8,600	10,000	138,497	206,850	(D)	(D)	(D)	15
116,821	152,269	239,283	325,300	462,900	195,157	255,598	310,092	465,500	672,800	2,310,406	3,465,689	6,276,899	9,779,100	14,636,900	16
232,791	374,742	605,153	953,000	1,396,800	452,397	783,606	1,118,891	1,716,200	2,469,700	8,682,682	13,436,121	24,531,712	38,567,800	56,290,300	17
128,005	176,716	193,999	264,200	329,100	135,458	143,201	129,237	160,200	184,200	975,672	1,441,327	2,072,689	2,822,100	3,630,500	18
(D)	(D)	(D)	(D)	(D)	119	98	(D)	(D)	(D)	2,215,933	2,339,918	(D)	(D)	(D)	19
(D)	(D)	(D)	(D)	(D)	8,330	16,780	(D)	(D)	(D)	420,987	850,783	1,743,600	2,835,500	4,116,400	20
7,665	10,910	20,161	28,200	36,900	8,417	12,517	19,122	26,700	35,200	1,276,215	1,335,086	2,119,771	3,038,800	4,090,800	21
1,514	4,395	10,986	19,000	30,100	6,852	12,378	19,359	31,900	46,400	389,907	774,971	1,227,424	1,949,900	2,842,900	22
23,245	31,693	38,908	56,100	79,800	31,052	49,136	76,100	110,900	158,400	316,473	504,288	862,622	1,368,100	2,056,400	23
5,121	11,503	20,145	32,200	47,300	23,907	50,664	89,310	146,200	223,100	765,632	1,404,064	2,475,348	4,003,600	5,997,400	24
1,126	860	1,660	2,200	2,900	24,616	36,449	45,095	61,500	79,300	124,585	169,703	232,813	314,000	413,000	25
3,085	4,574	10,297	13,600	17,700	11,894	10,023	22,382	27,500	35,800	535,943	827,097	1,300,709	1,668,700	2,099,600	26
(D)	(D)	(D)	(D)	(D)	23,815	38,931	80,117	146,300	229,800	263,762	615,272	1,532,497	2,725,100	4,208,200	27
...	22,138	51,685	88,000	137,700	...	44,873	112,899	181,800	288,700	...	420,409	1,242,687	2,109,000	3,306,900	28
...	33,570	77,783	150,400	260,300	...	10,043	25,291	46,900	76,300	...	587,989	1,532,880	2,907,300	4,889,000	29
21,138	...	...	...	...	24,887	...	...	...	...	312,012	...	...	...	...	30
1,849	6,271	17,841	27,800	41,800	33,083	25,172	58,902	93,500	135,400	99,359	167,539	(D)	(D)	(D)	31
2,148	9,530	16,968	28,600	42,700	91,932	262,404	302,261	450,800	618,500	128,722	591,876	1,535,191	2,518,200	3,736,400	32
21,098	32,377	66,651	109,700	168,300	27,943	70,933	119,990	200,800	312,100	857,474	1,405,814	2,641,412	4,441,300	6,862,200	33
203,403	244,437	290,308	393,700	528,500	320,468	372,682	434,351	602,200	792,700	3,092,553	4,262,342	6,537,874	9,896,400	14,348,200	34
443,775	491,145	676,644	1,003,900	1,423,000	552,077	657,460	896,232	1,358,500	1,906,000	6,993,383	9,752,208	15,506,104	25,776,900	39,102,200	35
90,577	138,720	206,064	311,300	437,900	94,755	162,237	235,325	352,100	496,700	1,275,390	2,458,872	4,334,661	7,057,600	10,744,800	36
200,802	275,402	495,431	822,200	1,265,900	267,412	395,374	715,054	1,239,500	1,922,000	4,107,634	6,861,528	12,778,345	23,001,900	37,194,300	37
225,819	379,331	634,263	1,002,100	1,501,900	346,467	637,195	1,049,287	1,808,500	2,807,600	5,820,280	10,132,554	19,621,801	33,450,800	51,872,900	38
201,328	296,212	531,237	876,800	1,339,300	261,391	447,733	770,867	1,503,700	2,431,000	4,048,971	7,218,629	14,638,610	27,336,000	43,939,600	39
24,490	83,125	103,025	125,300	162,500	85,070	189,468	278,429	304,800	376,600	1,771,315	2,913,933	4,983,182	6,114,800	7,933,300	40

Table 6.—Population, Employment, Personal Income, and Earnings by Industry, by State and Region, Selected Years 1950–1990

Line		Virginia					West Virginia				
		1950	1959	1969	1980	1990	1950	1959	1969	1980	1990
1	Population, midyear	3,315,000	3,951,000	4,632,000	5,503,000	6,422,000	2,006,000	1,855,000	1,746,000	1,903,000	2,018,000
2	Per capita income (1967 $)	1,694	1,999	3,088	4,452	5,844	1,469	1,789	2,512	3,720	4,933
3	Per capita income relative (U.S.=1.00)	.82	.82	.90	.93	.95	.71	.73	.74	.78	.80
4	Total employment	1,259,099	1,473,882		2,302,800	2,647,700	628,786	539,062		617,700	661,600
5	Employment/population ratio	.38	.37		.42	.41	.31	.29		.32	.33
		In thousands of 1967 dollars									
6	**Total personal income**	**5,615,898**	**7,898,464**	**14,303,307**	**24,493,000**	**37,534,000**	**2,947,243**	**3,318,114**	**4,386,125**	**7,079,000**	**9,953,000**
7	**Total earnings**	**4,696,967**	**6,561,530**	**11,638,787**	**18,746,400**	**27,912,100**	**2,551,877**	**2,760,306**	**3,576,127**	**5,502,900**	**7,664,200**
8	Agriculture, forestry and fisheries	461,817	279,528	265,303	269,500	294,300	127,275	66,202	36,446	35,200	40,200
9	Agriculture	445,453	266,172	257,965	258,500	280,200	126,874	65,523	36,287	35,000	39,900
10	Forestry and fisheries	16,372	13,348	7,335	11,000	14,000	403	677	160	(S)	(S)
11	Mining	94,591	87,787	109,832	157,800	190,000	626,620	403,210	426,986	577,100	660,100
12	Metal	(D)	(D)	(D)	(D)	(D)					
13	Coal	80,812	69,294	91,066	130,300	153,800	605,150	367,661	392,495	532,300	606,200
14	Crude petroleum and natural gas	(D)	(D)	(D)	(D)	(D)	16,550	27,326	24,219	30,600	35,200
15	Nonmetallic, except fuels	11,534	16,601	16,815	24,600	32,500	4,920	8,223	10,271	14,000	18,600
16	Contract construction	249,170	354,999	675,141	1,075,700	1,615,300	112,882	134,722	245,824	359,000	501,400
17	Manufacturing	897,820	1,342,965	2,359,204	3,731,200	5,445,300	605,851	803,006	1,031,633	1,455,400	1,951,700
18	Food and kindred products	93,238	139,913	194,589	268,600	351,400	38,053	46,749	46,073	62,400	78,600
19	Textile mill products	149,012	151,078	220,066	328,100	441,300	7,659	5,714	(D)	(D)	(D)
20	Apparel and other fabric products	48,874	75,768	111,363	238,100	350,500	10,325	12,884	21,490	32,000	43,200
21	Lumber products and furniture	135,398	158,135	257,656	306,400	494,000	33,027	28,651	39,752	56,700	75,200
22	Paper and allied products	54,683	80,803	108,752	175,600	262,500	6,457	6,995	9,233	15,600	23,500
23	Printing and publishing	32,385	54,318	92,722	144,400	213,000	16,429	19,230	25,776	40,500	57,800
24	Chemicals and allied products	151,130	270,205	387,019	642,600	970,300	140,540	237,046	256,647	364,100	494,800
25	Petroleum refining	974	3,440	4,126	5,200	6,600	6,182	5,865	7,988	10,300	13,100
26	Primary metals	31,869	51,501	90,225	119,200	152,400	133,372	191,459	264,750	312,500	368,300
27	Fabricated metals and ordnance	23,299	50,854	80,349	154,200	242,500	29,722	37,752	51,253	75,100	108,400
28	Machinery, excluding electrical		22,752	75,967	144,000	225,100		21,120	38,037	79,100	117,900
29	Electrical machinery and supplies		42,713	151,839	291,200	503,900		22,778	34,937	75,800	135,900
30	Total machinery (1950 only)	9,570					32,718				
31	Motor vehicles and equipment	11,106	14,598	32,955	47,000	65,900	4,144	6,016	(D)	(D)	(D)
32	Trans. equip., excl. mtr. vehs	40,529	121,254	222,773	323,500	434,400	2,926	7,042	24,137	44,100	64,700
33	Other manufacturing	106,092	172,639	295,791	482,200	727,800	144,301	153,706	180,677	247,600	321,100
34	Trans., comm. and public utilities	381,879	523,268	724,863	1,102,000	1,572,900	252,376	282,564	314,580	453,000	599,100
35	Wholesale and retail trade	734,706	998,211	1,606,484	2,710,500	4,121,100	361,894	406,750	500,987	809,400	1,153,800
36	Finance, insurance and real estate	145,714	261,344	458,375	743,500	1,119,600	54,725	82,796	104,343	166,400	239,000
37	Services	441,611	721,538	1,444,427	2,631,700	4,277,300	205,913	273,600	421,286	737,800	1,112,000
38	Government	1,289,659	1,981,884	3,995,151	6,324,200	9,275,900	204,338	307,454	494,038	909,200	1,406,500
39	Civilian government	824,116	1,329,350	2,872,473	4,953,800	7,499,800	187,542	275,904	463,603	871,800	1,357,800
40	Armed Forces	465,545	652,535	1,122,680	1,370,400	1,776,100	16,796	31,555	30,442	37,400	48,700

Table 6.—Population, Employment, Personal Income, and Earnings by Industry, by State and Region, Selected Years 1950–1990

Kentucky					Tennessee					North Carolina					Line
1950	1959	1969	1980	1990	1950	1959	1969	1980	1990	1950	1959	1969	1980	1990	
2,936,000	2,999,000	3,202,000	3,491,000	3,951,000	3,315,000	3,522,000	3,905,000	4,553,000	5,288,000	4,068,000	4,458,000	5,051,000	5,713,000	6,431,000	1
1,354	1,753	2,662	3,862	5,141	1,372	1,730	2,654	3,916	5,193	1,431	1,705	2,756	3,942	5,271	2
.66	.72	.78	.81	.83	.66	.71	.78	.82	.84	.69	.70	.81	.83	.85	3
977,171	974,239	......	1,341,700	1,519,800	1,153,187	1,246,801	......	1,804,700	2,067,900	1,505,342	1,579,393	......	2,452,400	2,730,000	4
.33	.32	......	.38	.38	.35	.35	......	.40	.39	.37	.38	......	.43	.42	5
							In thousands of 1967 dollars								
3,975,250	5,256,907	8,523,997	13,484,000	20,310,000	4,547,655	6,091,763	10,364,594	17,829,000	27,460,000	5,822,107	7,601,574	13,922,590	22,520,000	33,895,000	6
3,165,231	4,172,812	6,768,465	10,901,100	16,221,400	3,770,444	5,159,638	8,651,903	14,305,000	21,792,800	4,976,263	6,489,589	11,705,602	18,437,400	27,287,100	7
498,393	400,710	483,557	538,300	620,200	473,748	363,371	326,928	319,900	337,800	922,354	634,659	771,799	738,800	795,100	8
497,715	399,093	482,983	537,400	619,200	472,609	361,184	325,485	317,600	334,800	914,375	626,963	767,771	732,900	787,800	9
687	1,621	584	800	1,000	1,138	2,185	1,444	2,300	3,000	7,980	7,698	4,022	5,800	7,300	10
274,745	192,424	218,695	305,500	355,500	54,601	39,062	45,402	58,300	70,900	13,907	15,149	23,988	36,200	49,000	11
(D)	(D)	(D)	(D)	(D)	7,551	7,688	13,214	15,800	20,100	1,133	1,126	397	(S)	(S)	12
248,012	154,963	177,709	252,700	290,600	30,432	12,755	14,170	16,600	18,600	(D)	(D)	(D)	(D)	(D)	13
(D)	(D)	(D)	(D)	(D)	184	127	231	1,400	1,600	(D)	(D)	(D)	(D)	(D)	14
10,049	16,732	19,476	28,500	38,100	16,436	18,494	17,788	24,300	30,400	12,221	14,010	23,482	35,500	48,100	15
170,881	264,709	501,708	781,400	1,159,100	253,643	274,737	510,677	811,900	1,223,300	264,225	321,365	651,836	1,002,200	1,491,100	16
601,094	998,826	1,745,239	2,771,900	4,092,200	972,713	1,555,267	2,887,783	4,607,300	6,795,900	1,506,166	2,123,233	3,943,662	6,117,100	8,784,400	17
137,891	157,161	176,296	232,300	289,900	105,682	158,274	225,447	303,000	382,000	84,547	135,774	217,741	292,300	370,500	18
13,144	10,155	15,746	20,700	28,400	122,442	127,935	174,294	261,900	354,900	834,067	897,165	1,416,113	2,046,000	2,712,900	19
44,597	67,992	122,344	199,200	287,200	57,684	125,551	248,094	400,200	576,300	36,071	100,264	273,698	446,300	648,700	20
62,451	68,040	90,029	126,200	166,600	98,270	125,877	209,273	315,000	428,500	233,812	285,783	499,917	711,100	951,100	21
2,943	11,922	29,154	48,700	75,700	22,754	56,148	101,386	160,900	237,800	41,233	82,761	123,765	198,000	293,400	22
35,512	53,688	88,353	131,900	189,900	47,569	76,611	119,483	185,200	272,200	28,992	48,424	90,713	143,600	214,700	23
30,560	84,086	137,810	213,800	310,200	206,883	327,869	567,124	890,300	1,301,500	36,995	79,706	206,494	360,300	574,500	24
5,251	8,179	14,274	19,400	25,770	1,692	3,156	6,024	9,900	14,100	821	1,180	1,741	2,200	2,900	25
48,170	67,472	125,825	159,800	200,700	56,222	89,223	157,298	219,000	287,200	12,356	13,732	48,359	64,100	82,700	26
58,688	83,598	136,634	273,300	439,900	51,398	98,951	235,305	392,800	610,100	11,265	36,072	98,346	176,300	279,900	27
......	98,545	212,205	315,200	458,500	......	51,339	146,868	231,400	358,100	......	55,597	221,158	373,500	582,900	28
......	136,264	247,930	455,000	732,300	......	74,214	183,922	352,800	589,000	......	136,115	274,954	520,200	872,600	29
89,702	......	......	......	......	40,544	......	......	......	......	47,862	......	......	......	......	30
12,312	31,807	91,774	139,600	204,400	18,122	8,566	39,709	59,500	87,700	4,742	9,047	20,473	31,900	46,900	31
2,206	5,108	9,952	13,100	18,400	6,434	18,723	78,419	139,000	219,400	786	13,854	26,018	44,900	71,700	32
60,660	114,815	246,914	423,100	663,500	137,020	212,822	395,150	685,700	1,076,300	132,620	227,768	424,154	705,700	1,078,100	33
294,189	340,515	458,357	672,100	939,300	295,159	349,009	505,395	774,600	1,130,200	258,167	386,853	668,565	1,014,100	1,477,200	34
517,562	717,482	1,031,325	1,728,800	2,610,100	715,176	943,563	1,465,125	2,474,100	3,777,800	790,802	1,053,416	1,784,698	2,920,200	4,368,400	35
80,715	148,308	250,359	414,900	630,700	131,944	215,343	391,794	650,500	990,000	120,487	240,862	471,586	754,900	1,126,600	36
294,783	475,780	841,495	1,518,100	2,502,700	412,483	618,172	1,157,608	2,131,700	3,486,400	458,739	710,607	1,331,383	2,318,600	3,751,700	37
429,869	634,051	1,237,712	2,139,700	3,311,100	460,985	771,121	1,361,183	2,476,300	3,980,300	641,421	1,003,447	2,058,083	3,501,900	5,443,300	38
260,754	441,436	901,305	1,724,700	2,772,900	387,111	634,121	1,197,831	2,277,900	3,722,900	387,550	647,173	1,365,802	2,652,500	4,335,900	39
169,110	192,610	336,398	415,000	538,200	73,872	137,002	163,352	198,300	257,300	253,879	356,279	692,285	852,300	1,107,400	40

Table 6.—Population, Employment, Personal Income, and Earnings by Industry, by State and Region, Selected Years 1950–1990

Line		South Carolina 1950	South Carolina 1959	South Carolina 1969	South Carolina 1980	South Carolina 1990	Georgia 1950	Georgia 1959	Georgia 1969	Georgia 1980	Georgia 1990
1	Population, midyear	2,113,000	2,348,000	2,578,000	2,914,000	3,278,000	3,458,000	3,868,000	4,570,000	5,335,000	6,231,000
2	Per capita income (1967 $)	1,232	1,506	2,522	3,679	4,966	1,426	1,817	2,889	4,051	5,355
3	Per capita income relative (U.S.=1.00)	.60	.62	.74	.77	.81	.69	.74	.85	.85	.87
4	Total employment	771,489	861,678	....	1,268,300	1,405,700	1,292,605	1,450,932	....	2,209,900	2,537,800
5	Employment/population ratio	.37	.37	....	.44	.43	.37	.38	....	.41	.41
		In thousands of 1967 dollars									
6	**Total personal income**	**2,602,771**	**3,536,749**	**6,500,914**	**10,722,000**	**16,278,000**	**4,932,289**	**7,027,129**	**13,202,839**	**21,612,000**	**33,366,000**
7	**Total earnings**	**2,185,725**	**3,019,452**	**5,495,398**	**8,801,300**	**13,121,200**	**4,094,512**	**5,914,278**	**10,987,099**	**17,607,500**	**26,739,500**
8	Agriculture, forestry and fisheries	315,061	212,375	199,413	207,700	221,800	539,208	403,222	556,558	501,000	518,900
9	Agriculture	312,551	209,029	196,085	202,000	213,800	514,460	382,509	535,594	467,700	474,300
10	Forestry and fisheries	2,513	3,347	3,321	5,600	7,990	24,751	20,708	20,957	33,300	44,500
11	Mining	6,899	7,897	10,205	15,300	20,600	16,916	29,336	41,971	67,900	93,800
12	Metal	0	(S)	(S)	(S)	(S)	(D)	(D)	2,157	2,700	3,500
13	Coal	....	....	....	....	....	138	(S)	(S)	(S)	(S)
14	Crude petroleum and natural gas	0	0	(D)	(S)	(S)	(D)	(D)	303	(S)	(S)
15	Nonmetallic, except fuels	6,899	7,851	(D)	(D)	(D)	16,291	28,445	42,463	64,800	89,800
16	Contract construction	102,280	154,241	312,020	490,100	734,800	222,958	315,485	599,349	957,400	1,473,100
17	Manufacturing	738,850	1,014,163	1,926,640	2,985,400	4,292,700	1,002,526	1,534,261	2,928,747	4,596,000	6,693,200
18	Food and kindred products	32,904	46,167	73,847	102,400	132,700	123,879	194,304	296,709	406,000	531,100
19	Textile mill products	499,874	552,949	826,814	1,185,600	1,564,700	382,497	407,793	627,356	923,600	1,243,800
20	Apparel and other fabric products	31,928	87,449	161,746	263,500	387,300	86,456	152,922	277,757	449,800	649,300
21	Lumber products and furniture	84,005	66,981	92,613	129,500	171,200	138,529	122,674	179,224	254,000	340,000
22	Paper and allied products	24,112	48,369	98,154	152,500	227,500	50,528	110,639	201,945	322,100	475,700
23	Printing and publishing	11,804	17,698	30,153	49,000	75,200	31,966	59,906	112,195	177,400	269,000
24	Chemicals and allied products	15,919	91,030	208,779	345,000	528,500	31,633	57,128	104,980	168,500	248,700
25	Petroleum refining	727	1,823	2,260	3,000	4,000	2,740	5,522	7,763	10,600	14,200
26	Primary metals	3,123	6,902	11,798	13,000	15,400	12,439	26,112	51,757	76,900	108,700
27	Fabricated metals and ordnance	1,111	6,889	48,467	87,100	139,400	16,044	33,680	121,464	225,900	367,900
28	Machinery, excluding electrical	....	22,947	101,268	178,200	288,600	....	46,090	99,942	172,700	276,500
29	Electrical machinery and supplies	....	12,477	68,976	132,600	225,900	....	27,140	74,554	150,000	265,600
30	Total machinery (1950 only)	8,658	....	....	....	....	28,706	....	....	....	....
31	Motor vehicles and equipment	437	619	6,882	10,100	15,000	37,258	73,472	159,990	244,400	359,200
32	Trans. equip., excl. mtr. vehs	159	2,386	54,379	95,600	150,200	2,743	127,885	395,260	639,400	936,000
33	Other manufacturing	24,003	49,476	140,507	237,700	366,300	51,120	88,985	209,869	374,100	606,800
34	Trans., comm. and public utilities	111,585	150,590	260,315	393,600	571,300	326,739	466,908	824,147	1,263,200	1,872,900
35	Wholesale and retail trade	336,777	432,742	741,381	1,246,600	1,896,000	794,762	1,113,199	1,935,432	3,223,000	5,005,700
36	Finance, insurance and real estate	55,640	107,520	200,009	329,100	499,000	149,188	285,656	542,048	890,100	1,384,500
37	Services	201,070	325,220	668,623	1,193,100	1,911,900	445,162	698,371	1,308,516	2,328,000	3,803,700
38	Government	317,565	614,699	1,176,793	1,940,000	2,972,800	597,041	1,067,842	2,252,300	3,780,600	5,893,100
39	Civilian government	200,836	356,827	728,425	1,388,700	2,257,500	395,025	722,128	1,555,936	2,925,100	4,783,200
40	Armed Forces	116,727	257,872	448,368	551,300	715,300	202,018	345,709	696,362	855,400	1,109,800

NOTE.—Data may not add to higher level totals because of rounding.
(D) Deleted to avoid disclosure of CONFIDENTIAL data.
(S) Deleted because of smallness.

Table 9.—Population, Employment, Personal Income, and Earnings by Industry by State and Region, Selected Years 1950–1990

Florida					Alabama					Mississippi					Line
1950	1959	1969	1980	1990	1956	1959	1969	1980	1990	1950	1950	1969	1980	1990	
[illegible]	[illegible]	[illegible]	[illegible]	3,911,[illegible]	[illegible]	3,204,000	3,445,[illegible]	[illegible]	[illegible]	[illegible] 000	2,135,000	2,231,000	2,370,000	2,580,900	1
[illegible]	[illegible],186	3,104	4,204	5,406	1,224	1,654	2,5[illegible]	[illegible]	[illegible]	1,042	1,358	2,173	3,257	4,425	2
93	90	91	.88	.89	77	65	.72	[illegible]	.79	.50	.56	.64	.68	.62	3
1,05[illegible],617	[illegible],790,821	....	3,731,900	3,756,500	1,040,168	1,088,658	....	1,466,[illegible]	1,61[illegible],500	730,920	703,320	....	896,000	970,600	4
37	37	....	.38	.38	.34	.31	....	.33	.39	.34	.33	....	.38	.38	5
In thousands of 1967 dollars															
[illegible],925,884	[illegible]0,511,[illegible]	20,745,863	34,462,000	54,518,000	3,713,413	5,300,257	8,444,333	13,[illegible]39,000	20,[illegible],000	2,267,540	2,904,177	4,848,359	7,749,000	11,419,000	6
[illegible]4,210	[illegible],137,[illegible]	15,357,122	25,745,260	[illegible]0,577,400	3,024,225	4,453,0[illegible]	6,920,[illegible]55	10,[illegible],300	16,1[illegible]	1,963,573	2,413,323	3,888,864	6,096,700	8,892,800	7
[illegible]	604,9[illegible]	790,886	833,400	955,400	4[illegible],788	[illegible]25,5[illegible]	367,214	348,0[illegible]	[illegible]	543,616	419,737	445,206	484,700	522,100	8
3[illegible],901	576,149	760,309	800,900	915,700	416,821	317,583	355,765	335,[illegible]	[illegible]	536,675	411,196	438,277	473,500	506,800	9
3[illegible],413	28,657	20,506	32,400	42,600	5,968	8,005	7,453	12,100	[illegible]	6,945	8,549	6,927	11,200	15,300	10
29,179	49,347	57,168	82,600	109,400	101,156	74,520	64,898	86,700	[illegible]	10,784	45,457	47,817	58,700	69,000	11
1,868	4,907	2,558	2,900	3,600	25,110	15,662	4,776	4,900	5,500	0	0	0	(S)	(S)	12
0	0	0	(S)	(S)	60,645	48,802	45,624	61,500	69,000						13
320	2,261	7,051	10,000	13,100	406	989	5,040	6,600	8,500	13,974	39,931	42,824	51,600	60,000	14
26,990	42,679	47,558	69,600	92,900	5,993	[illegible],985	9,458	13,500	17,600	2,810	5,528	4,991	7,000	8,900	15
350,259	794,271	1,309,099	2,062,100	3,181,900	155,131	245,731	385,253	610,500	911,900	92,984	128,658	220,470	319,400	460,800	16
39[illegible],161	[illegible],072,188	2,32[illegible],0[illegible]5	3,921,[illegible]00	6,062,200	526,9[illegible]8	1,21[illegible],16[illegible]	2,062,884	3,100,700	4,414,[illegible]00	278,848	504,691	1,006,019	1,652,500	2,457,200	17
194,585	169,589	2[illegible]9,429	[illegible]	59[illegible],300	55,825	[illegible],746	150,310	196,300	243,[illegible]00	35,145	60,402	93,832	134,000	173,600	18
630	3,935	12,005	18,[illegible]00	26,700	180,288	150,603	217,478	318,700	147,600	15,328	19,180	33,395	54,500	77,400	19
[illegible],[illegible]17	2[illegible],08[illegible]	38,393	15[illegible],600	231,400	2[illegible],171	71,020	164,561	267,600	304,100	38,880	82,261	141,801	228,309	325,400	20
78,[illegible]48	101,526	12[illegible],381	182,400	212,500	113,90[illegible]	83,117	116,417	202,700	269,800	99,888	95,877	197,566	291,300	404,400	21
36,726	94,825	143,089	225,700	331,800	33,137	78,717	152,201	213,100	363,900	30,129	55,333	56,432	92,200	138,400	22
41,798	83,299	155,155	255,300	402,100	20,938	31,860	50,585	79,000	117,600	8,783	11,546	17,090	27,900	42,200	23
21,443	91,528	161,498	267,900	412,300	23,585	57,861	108,676	186,300	292,700	17,839	21,836	38,600	60,400	87,200	24
281	4,135	10,083	14,700	20,600	3,507	5,653	10,842	14,500	19,000	779	3,147	13,107	19,400	28,000	25
2,998	12,783	23,827	35,000	49,500	223,700	319,776	436,521	550,600	681,200	1,518	2,849	11,628	15,300	19,800	26
18,358	129,762	315,380	566,500	808,500	30,607	72,701	164,136	288,400	459,900	1,276	12,830	63,089	108,500	168,300	27
....	31,557	144,292	258,000	423,100	....	24,134	78,186	159,100	203,600	....	15,267	47,832	93,900	159,900	28
....	70,184	268,115	517,500	853,600	....	22,882	52,442	93,300	155,100	....	23,998	64,342	121,600	200,900	29
9,251	....	....	....	....	21,583	....	....	....	....	7,222	....	....	....	....	30
1,395	2,633	7,366	12,800	21,100	3,647	14,419	29,400	47,700	73,800	1,824	2,771	10,361	16,200	24,000	31
17,758	117,334	321,350	542,500	819,700	16,509	74,703	137,297	215,200	307,900	3,440	55,980	105,118	190,100	289,300	32
52,071	130,089	257,438	457,400	738,900	73,514	106,625	165,979	271,500	411,700	16,793	41,396	111,797	198,100	317,700	33
338,243	644,060	1,203,826	1,872,200	2,863,000	234,258	302,770	418,094	616,800	873,400	110,882	150,697	217,831	320,600	452,000	34
893,513	1,666,969	2,957,098	4,973,800	7,766,600	549,659	727,322	1,021,727	1,678,300	2,507,700	332,155	388,192	563,190	902,500	1,317,700	35
230,469	551,577	1,003,863	1,630,700	2,560,100	102,035	181,439	271,342	439,900	654,900	43,537	83,208	147,683	239,400	358,900	36
595,445	1,352,584	2,769,391	5,083,300	8,483,400	307,653	511,775	873,615	1,560,000	2,484,900	179,680	279,361	476,511	812,900	1,255,500	37
6[illegible]3,512	[illegible],101,339	2,948,663	5,285,800	8,692,100	394,559	875,518	1,161,521	2,489,100	2,783,700	265,085	413,311	763,239	1,305,700	1,999,100	38
433,222	965,418	2,291,298	4,478,100	7,644,200	317,791	708,394	1,171,791	2,120,500	3,298,600	182,924	298,901	559,919	1,068,200	1,687,200	39
130,385	435,923	657,501	807,000	1,317,900	76,771	167,125	289,728	368,500	475,000	82,160	114,404	203,240	237,400	311,800	40

Table 6.—Population, Employment, Personal Income, and Earnings by Industry, by State and Region, Selected Years 1950–1990

Line		Louisiana 1950	Louisiana 1959	Louisiana 1969	Louisiana 1980	Louisiana 1990	Arkansas 1950	Arkansas 1959	Arkansas 1969	Arkansas 1980	Arkansas 1990
1	Population, midyear	2,697,000	3,208,000	3,632,000	4,053,000	4,518,000	1,908,000	1,756,000	1,919,000	2,085,000	2,286,000
2	Per capita income (1967 $)	1,546	1,881	2,656	3,843	5,093	1,139	1,555	2,396	3,451	4,636
3	Per capita income relative (U.S.=1.00)	.75	.77	.78	.81	.82	.55	.64	.70	.72	.75
4	Total employment	886,432	1,026,011		1,444,800	1,613,600	617,299	573,695		763,900	843,900
5	Employment/population ratio	.33	.32		.36	.36	.32	.33		.37	.37
		In thousands of 1967 dollars									
6	**Total personal income**	4,168,998	6,034,829	9,645,770	15,578,000	23,008,000	2,173,124	2,731,049	4,597,326	7,197,000	10,599,000
7	**Total earnings**	3,310,697	4,828,096	7,601,001	12,155,600	17,810,500	1,767,136	2,242,213	3,585,058	5,535,100	8,070,600
8	Agriculture, forestry and fisheries	371,805	280,051	296,912	355,000	377,700	529,053	459,052	493,826	481,000	496,800
9	Agriculture	351,164	265,214	282,918	332,300	347,400	524,130	454,720	491,374	477,400	492,100
10	Forestry and fisheries	20,641	14,842	13,995	22,600	30,200	4,918	4,331	2,459	3,600	4,700
11	Mining	176,923	356,195	486,388	630,200	774,800	36,757	37,443	34,114	44,400	54,000
12	Metal						4,809	7,115	5,036	5,700	6,900
13	Coal	0	0	(S)	(S)	(S)	(D)	(D)	858	(S)	(S)
14	Crude petroleum and natural gas	160,524	325,526	456,324	586,100	715,700	(D)	(D)	18,106	22,900	26,900
15	Nonmetallic, except fuels	16,401	30,671	30,051	44,000	59,000	7,953	8,551	10,112	14,800	19,400
16	Contract construction	236,310	365,141	662,431	990,400	1,413,000	99,683	101,630	203,091	318,200	470,700
17	Manufacturing	593,816	837,005	1,396,458	2,182,300	3,172,600	255,839	436,209	920,452	1,446,500	2,128,000
18	Food and kindred products	126,627	166,122	191,530	251,300	304,500	37,295	68,207	124,886	167,000	212,600
19	Textile mill products	6,657	3,161	2,437	2,900	3,400	4,335	7,245	20,135	32,400	45,500
20	Apparel and other fabric products	19,476	20,581	32,305	49,300	68,000	7,908	24,382	57,248	101,000	154,500
21	Lumber products and furniture	93,744	79,638	101,113	145,200	195,900	104,445	118,787	177,797	257,700	351,700
22	Paper and allied products	72,233	107,519	134,455	206,600	296,600	14,992	40,940	68,798	108,400	156,500
23	Printing and publishing	25,701	31,354	45,395	74,700	112,900	11,596	16,359	35,666	58,800	89,100
24	Chemicals and allied products	67,065	130,050	251,879	432,800	676,100	19,040	25,716	45,836	71,100	99,900
25	Petroleum refining	93,302	114,971	135,535	177,100	226,900	8,239	12,632	19,070	27,000	37,400
26	Primary metals	3,228	27,167	44,297	56,500	70,200	6,958	18,121	34,424	46,200	60,000
27	Fabricated metals and ordnance	15,748	39,426	163,506	290,800	458,500	5,578	12,754	50,668	85,700	133,400
28	Machinery, excluding electrical		23,891	44,320	73,800	114,400		7,670	34,612	59,700	97,700
29	Electrical machinery and supplies		[illegible]795	28,932	50,000	78,900		18,449	81,937	146,100	244,600
30	Total machinery (1950 only)	10,074					6,122				
31	Motor vehicles and equipment	1,776	1,660	5,692	8,100	11,200	2,596	1,926	9,819	14,700	21,400
32	Trans. equip., excl. mtr. vehs.	25,564	41,144	141,469	245,100	379,100	677	6,463	19,019	36,100	45,200
33	Other manufacturing	32,624	50,921	73,602	117,500	175,500	26,056	56,572	139,534	239,800	377,900
34	Trans., comm. and public utilities	351,719	494,259	698,992	1,050,300	1,485,700	137,357	170,849	242,909	363,200	510,700
35	Wholesale and retail trade	650,193	921,086	1,333,388	2,184,200	3,210,900	316,184	382,376	565,269	925,200	1,366,000
36	Finance, insurance and real estate	113,286	219,577	343,855	555,000	815,300	47,659	81,242	149,404	242,600	365,500
37	Services	398,948	616,017	1,046,840	1,850,800	2,898,600	166,147	247,603	438,740	775,500	1,225,500
38	Government	417,692	736,065	1,335,737	2,357,000	3,661,500	178,454	325,823	537,241	938,000	1,453,000
39	Civilian government	326,589	590,050	1,073,970	2,035,700	3,244,900	145,511	248,924	456,227	838,600	1,324,100
40	Armed Forces	91,112	146,020	261,769	321,200	416,600	32,940	76,899	81,007	99,300	128,800

Table 6.—Population, Employment, Personal Income, and Earnings by Industry, by State and Region, Selected Years 1950–1990

Southwest					Oklahoma					Texas					Line
1950	1959	1969	1980	1990	1950	1959	1969	1980	1990	1950	1959	1969	1980	1990	
11,450,000	13,874,000	16,385,000	18,952,000	21,931,000	2,229,000	2,289,000	2,539,000	2,810,000	3,173,000	7,776,000	9,405,000	11,090,000	12,886,000	14,916,000	1
1,790	2,144	2,989	4,193	5,492	1,577	2,038	2,855	4,087	5,349	1,861	2,161	3,045	4,257	5,575	2
.87	.88	.88	.88	.89	.76	.83	.84	.86	.87	.90	.89	.89	.89	.90	3
4,091,466	5,055,606	......	7,320,700	8,418,100	767,058	818,107	......	1,118,600	1,249,300	2,860,272	3,450,858	......	5,015,400	5,793,600	4
.36	.36	......	.39	.38	.34	.36	......	.40	.39	.37	.37	......	.39	.39	5
In thousands of 1967 dollars															
20,492,293	**29,751,176**	**48,975,465**	**79,460,000**	**120,441,000**	**3,514,864**	**4,664,679**	**7,248,454**	**11,453,000**	**16,976,000**	**14,471,064**	**20,322,157**	**33,771,775**	**54,850,000**	**83,400,000**	6
16,849,495	**24,456,991**	**39,364,211**	**62,761,900**	**94,207,100**	**2,808,360**	**3,715,432**	**5,611,044**	**8,837,700**	**12,983,200**	**11,957,139**	**16,754,014**	**27,320,916**	**43,528,600**	**65,511,200**	7
2,482,672	1,961,811	2,032,663	2,040,800	2,179,600	398,424	319,215	324,223	341,900	365,000	1,727,763	1,313,289	1,324,400	1,319,800	1,423,200	8
2,463,392	1,945,952	2,021,860	2,023,600	2,156,800	396,367	318,006	323,970	341,600	364,500	1,711,736	1,299,464	1,314,107	1,303,400	1,401,500	9
19,283	15,860	10,789	17,100	22,700	2,059	1,207	251	(S)	(S)	16,027	13,828	10,280	16,300	21,600	10
1,228,650	1,639,399	1,748,169	2,070,300	2,400,400	272,117	348,576	366,788	438,900	506,800	805,260	1,041,709	1,053,933	1,224,600	1,379,700	11
(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	4,385	3,934	3,569	4,200	5,300	12
(D)	(D)	9,175	14,000	18,000	(D)	(D)	(D)	(D)	(D)	704	0	0	(S)	(S)	13
1,034,509	1,364,719	(D)	(D)	(D)	245,656	328,418	351,406	418,700	481,200	752,718	975,675	1,003,186	1,156,800	1,293,800	14
69,674	111,006	83,073	117,300	151,900	6,339	11,351	9,536	12,900	16,300	47,449	62,104	47,181	63,500	80,500	15
1,222,854	1,613,714	2,614,493	4,038,400	6,046,900	189,941	229,373	304,208	470,700	701,600	850,148	1,000,587	1,832,311	2,827,400	4,239,700	16
2,146,053	4,001,744	7,678,729	12,383,100	18,556,200	321,725	515,601	948,089	1,513,300	2,253,200	1,692,331	3,068,334	5,856,397	9,422,500	14,095,200	17
384,622	554,599	699,008	952,100	1,225,800	70,514	88,714	97,610	128,800	159,200	286,569	402,143	526,002	716,800	925,100	18
(D)	(D)	47,627	60,700	77,600	4,387	4,118	9,251	6,400	5,500	31,171	28,773	36,216	52,800	71,100	19
84,195	148,617	301,798	470,200	663,000	4,638	13,368	34,445	52,600	75,700	78,570	125,755	246,174	382,500	536,100	20
177,603	179,563	281,516	407,200	553,400	15,887	14,631	23,514	36,600	52,100	136,937	128,657	213,797	307,100	415,800	21
(D)	(D)	(D)	(D)	(D)	1,685	4,368	9,041	13,300	20,400	30,149	65,167	127,044	201,800	298,900	22
154,756	235,479	372,043	591,200	892,000	28,032	36,226	50,750	79,100	116,300	111,747	166,548	273,113	433,900	655,700	23
187,954	355,635	679,037	1,192,500	1,901,500	7,689	10,185	10,962	15,700	21,100	166,597	337,975	657,120	1,158,700	1,853,900	24
(D)	(D)	596,558	773,700	985,500	57,471	62,571	98,942	124,200	154,400	247,522	362,742	488,352	638,000	816,500	25
(D)	(D)	(D)	(D)	(D)	16,711	21,573	31,461	40,200	50,200	74,043	168,366	289,796	404,700	542,400	26
138,538	327,596	661,141	1,182,000	1,874,600	32,816	52,291	108,145	201,500	327,400	89,131	195,260	475,582	855,100	1,362,700	27
......	356,157	823,272	1,374,100	2,127,100	......	60,715	140,435	232,200	356,900	......	269,313	579,591	959,400	1,475,600	28
......	141,711	725,669	1,369,600	2,299,000	......	13,614	71,742	135,200	223,600	......	104,729	458,945	876,300	1,489,500	29
180,029	......	......	......	......	38,000	......	......	......	......	140,893	......	......	......	......	30
26,051	58,740	143,080	221,200	327,300	5,028	5,760	21,768	32,600	48,500	20,011	50,892	112,588	174,700	257,800	31
170,518	550,768	1,184,077	1,948,700	2,905,400	329	58,609	133,781	243,600	389,400	169,097	430,147	916,803	1,478,900	2,168,300	32
159,944	338,374	650,057	1,101,300	1,7[illegible],700	38,548	68,859	106,243	170,600	251,900	109,898	231,867	455,279	781,100	1,225,100	33
1,456,710	2,025,501	2,791,838	4,166,400	5,965,500	231,392	303,098	436,813	644,400	914,800	1,052,966	1,415,414	1,943,134	2,897,200	4,150,300	34
3,385,156	4,620,137	6,886,398	11,267,500	17,051,700	581,610	679,476	916,074	1,484,400	2,189,300	2,429,023	3,254,670	4,960,016	8,089,900	12,283,100	35
673,025	1,210,758	2,019,893	3,228,700	4,839,200	116,077	172,459	270,924	423,100	615,800	481,086	851,222	1,433,390	2,290,500	3,431,300	36
1,845,550	3,024,506	5,648,781	10,092,000	16,295,700	297,634	420,623	754,663	1,335,800	2,114,100	1,284,874	2,035,966	3,839,976	6,852,100	11,102,400	37
2,408,842	4,359,452	7,943,254	13,474,300	20,871,400	309,438	727,016	1,289,261	2,184,800	3,322,200	1,633,709	2,772,842	5,077,371	8,604,100	13,405,800	38
1,635,056	3,061,351	5,920,173	10,088,300	17,646,100	314,970	545,401	997,050	1,811,100	2,837,500	1,040,483	1,875,842	3,668,747	6,856,900	11,139,300	39
773,780	1,298,093	2,023,086	2,485,900	3,225,300	84,472	181,620	292,207	373,600	484,600	593,218	896,992	1,408,634	1,747,200	2,266,500	40

Table 6.—Population, Employment, Personal Income, and Earnings by Industry, by State and Region, Selected Years 1950–1990

Line		New Mexico 1950	New Mexico 1959	New Mexico 1969	New Mexico 1980	New Mexico 1990	Arizona 1950	Arizona 1959	Arizona 1969	Arizona 1980	Arizona 1990
1	Population, midyear	689,000	919,000	1,008,000	1,120,000	1,225,000	756,000	1,261,000	1,748,000	2,136,000	2,571,000
2	Per capita income (1967 $)	1,624	2,165	2,646	3,841	5,177	1,836	2,201	3,025	4,131	5,336
3	Per capita income relative (U.S.=1.00)	.79	.89	.77	.81	.84	.89	.90	.89	.87	.87
4	Total employment	218,168	309,812		391,100	428,100	245,968	446,829		795,500	947,000
5	Employment/population ratio	.32	.34		.35	.35	.33	.35		.37	.37
		In thousands of 1967 dollars									
6	**Total personal income**	1,118,711	1,989,318	2,666,875	4,301,000	6,342,000	1,387,654	2,775,022	5,288,361	8,825,000	13,723,000
7	**Total earnings**	936,372	1,695,406	2,158,667	3,394,800	4,943,700	1,147,624	2,292,139	4,273,584	7,000,600	10,768,800
8	Agriculture, forestry and fisheries	145,195	138,140	149,797	139,700	137,400	211,290	191,167	234,243	239,200	253,900
9	Agriculture	144,159	138,084	149,789	139,700	137,300	211,130	190,398	233,994	238,800	253,200
10	Forestry and fisheries	1,037	55	(S)	(S)	(S)	160	770	248	(S)	(S)
11	Mining	78,185	146,355	142,930	177,000	215,500	73,088	102,759	184,518	229,700	298,200
12	Metal	23,843	53,032	54,916	63,600	77,700	70,320	97,052	180,245	223,700	290,600
13	Coal	4,930	851	4,524	7,900	10,100	161	0	(D)	(D)	(D)
14	Crude petroleum and natural gas	35,963	60,305	59,691	68,100	77,200	172	321	(D)	(D)	(D)
15	Nonmetallic, except fuels	13,452	32,167	23,806	37,300	50,300	2,434	5,384	2,550	3,600	4,700
16	Contract construction	96,390	150,895	142,702	221,300	324,200	86,375	232,859	335,272	518,800	781,200
17	Manufacturing	54,079	106,313	130,714	196,700	280,700	77,918	311,496	743,529	1,250,500	1,927,000
18	Food and kindred products	7,928	24,100	21,800	29,000	36,500	19,611	39,642	53,596	77,400	104,800
19	Textile mill products	(D)	(D)	2,085	(S)	(S)	0	0	75	(S)	(S)
20	Apparel and other fabric products	213	1,344	3,224	5,200	6,900	774	8,150	17,955	29,800	44,200
21	Lumber products and furniture	9,400	10,764	12,956	17,900	23,100	15,379	25,511	31,249	45,500	62,400
22	Paper and allied products	(D)	(D)	(D)	(D)	(D)	617	867	6,837	11,600	18,200
23	Printing and publishing	5,448	12,355	11,115	17,800	26,500	9,529	20,350	37,065	60,200	93,400
24	Chemicals and allied products	(D)	(D)	2,715	4,600	6,400	(D)	(D)	8,240	13,400	20,000
25	Petroleum refining	3,489	5,069	9,050	11,200	14,200	(D)	(D)	214	(S)	(S)
26	Primary metals	(D)	(D)	(D)	(D)	(D)	12,801	27,408	47,169	63,300	81,800
27	Fabricated metals and ordnance	11,332	16,963	5,561	8,700	12,500	5,259	63,082	71,853	116,600	171,900
28	Machinery, excluding electrical		2,366	6,130	10,500	16,300		23,773	97,116	171,900	278,100
29	Electrical machinery and supplies		1,455	17,312	32,700	53,600		21,913	177,670	325,300	532,100
30	Total machinery (1950 only)	226					910				
31	Motor vehicles and equipment	866	524	2,021	3,000	4,500	146	1,564	6,703	10,700	16,400
32	Trans. equip., excl. mtr. vehs	786	9,715	18,796	24,100	32,200	306	52,297	114,697	201,800	315,300
33	Other manufacturing	3,809	15,977	15,443	27,300	43,100	7,689	21,671	73,092	122,200	187,400
34	Trans., comm. and public utilities	72,216	131,355	154,494	229,800	317,400	100,136	175,634	257,397	394,900	582,900
35	Wholesale and retail trade	159,075	270,189	311,390	514,100	756,800	215,448	415,802	698,918	1,178,900	1,822,300
36	Finance, insurance and real estate	31,735	67,727	86,019	139,300	204,700	44,127	119,350	229,560	375,700	587,200
37	Services	110,703	264,759	394,721	697,800	1,069,500	152,339	303,158	659,421	1,206,100	2,009,500
38	Government	188,790	419,677	645,891	1,078,800	1,637,100	186,905	439,917	930,731	1,606,500	2,506,200
39	Civilian government	130,258	306,641	524,866	961,000	1,483,800	149,345	333,467	729,510	1,359,200	2,185,300
40	Armed forces	58,532	113,032	121,024	117,800	153,200	37,558	106,449	201,221	247,300	320,800

NOTE.—Data may not add to higher level totals because of rounding.
(D) Deleted to avoid disclosure of CONFIDENTIAL data.
(S) Deleted because of smallness.

Table 6.—Population, Employment, Personal Income, and Earnings by Industry, by State and Region, Selected Years 1950–1990

Rocky Mountain					Montana					Idaho					Line
1950	1950	1969	1980	1990	1950	1959	1969	1980	1990	1950	1959	1969	1980	1990	
3,494,000	4,226,000	4,953,000	5,630,000	6,368,000	593,000	669,000	694,000	720,000	751,000	590,000	657,000	708,000	736,000	784,000	1
2,011	2,331	3,005	4,265	5,588	2,239	2,270	2,899	4,102	5,438	1,787	2,114	2,774	3,785	5,010	2
.97	.95	.88	.90	.91	1.08	.93	.85	.86	.88	.87	.87	.81	.79	.81	3
1,204,098	1,558,329	...	2,141,900	2,408,300	220,468	237,508	...	262,500	274,600	206,407	237,157	...	281,000	299,000	4
.36	.37	...	.38	.38	.37	.36	...	.36	.37	.35	.36	...	.38	.38	5
In thousands of 1967 dollars															
7,026,168	9,849,357	14,882,256	24,014,000	35,583,000	1,327,463	1,518,845	2,011,967	2,955,000	4,081,000	1,054,386	1,288,709	1,963,798	2,785,000	3,927,000	6
5,801,010	8,044,679	11,964,950	18,658,400	27,355,900	1,140,083	1,213,978	1,558,397	2,276,700	3,125,000	903,257	1,153,888	1,595,412	2,223,400	3,095,900	7
1,093,769	797,580	896,647	894,000	971,800	359,832	199,777	226,800	242,200	265,300	236,310	219,637	265,307	247,400	267,200	8
1,089,722	788,663	894,256	890,400	967,300	359,110	198,158	226,193	241,200	264,000	235,401	217,261	264,461	246,100	265,500	9
4,052	8,916	2,401	3,500	4,500	724	1,619	607	900	1,200	914	2,375	846	1,300	1,700	10
276,431	351,486	426,940	532,300	656,700	61,297	52,676	55,591	69,500	86,600	33,020	24,844	30,470	34,300	40,900	11
146,140	167,545	201,748	236,100	294,600	45,899	34,037	29,473	33,800	41,300	31,676	21,682	25,031	26,500	30,700	12
(D)	(D)	28,417	37,400	41,900	4,303	1,240	984	1,200	1,300	(D)	(D)	(D)	(S)	(S)	13
(D)	(D)	156,474	198,100	237,600	7,398	12,807	19,017	24,800	30,900	(D)	(D)	(S)	(S)	(S)	14
13,246	24,502	40,295	60,500	82,400	3,697	4,590	6,118	9,500	13,000	1,190	3,160	5,414	7,600	10,100	15
430,464	632,769	771,321	1,157,800	1,686,800	71,638	85,751	99,188	141,900	194,700	67,108	82,335	104,836	137,100	189,900	16
663,851	1,170,237	1,794,966	2,730,700	3,936,400	90,489	124,657	175,970	213,400	324,000	110,663	183,143	207,885	377,400	512,700	17
178,041	252,579	319,575	424,400	543,700	21,516	23,840	27,913	32,400	37,900	29,574	43,970	80,514	112,800	152,600	18
(D)	(D)	1,789	2,500	3,700	[illegible]	0	(D)	(D)	(D)	0	0	110	(S)	(S)	19
(D)	(D)	(D)	(D)	(D)	0	141	227	(S)	(S)	(D)	(D)	(D)	(D)	(D)	20
108,395	163,630	213,835	294,500	387,800	29,364	44,581	62,941	91,400	124,600	57,070	82,748	102,265	133,100	169,000	21
3,526	14,998	23,953	40,400	62,600	(D)	(D)	(D)	(D)	(D)	0	6,650	(D)	(D)	(D)	22
55,333	87,476	119,434	185,200	271,900	6,959	9,658	11,200	17,000	23,800	5,916	6,962	9,734	14,000	20,100	23
(D)	(D)	48,266	72,800	102,100	2,851	4,543	3,103	4,100	5,200	744	20,251	(D)	(D)	(D)	24
29,773	51,867	(D)	(D)	(D)	4,442	11,106	12,906	15,400	17,900	748	0	(D)	(D)	(D)	25
(D)	(D)	(D)	(D)	(D)	16,166	21,123	36,125	45,900	57,100	9,677	8,151	11,665	15,000	18,800	26
27,502	79,377	196,483	357,100	576,700	1,115	1,690	6,193	11,000	17,700	772	3,369	9,358	15,000	22,300	27
...	57,218	178,310	299,100	464,400	...	707	1,504	2,600	4,600	...	3,041	6,759	11,900	19,200	28
...	(D)	71,431	138,900	237,200	...	(D)	(D)	(D)	(D)		(D)	(D)	(D)	(D)	29
30,385	...	...	...	...	538	...	...	...	...	2,324	...	...	...	...	30
2,626	4,035	(D)	(D)	(D)	130	(S)	69	(S)	(S)	0	151	383	800	1,500	31
2,190	69,348	83,919	144,900	224,900	0	224	824	1,200	1,900	131	2,553	13,428	20,500	28,500	32
83,664	154,939	234,335	384,900	581,000	7,409	6,000	8,018	13,600	20,600	3,588	4,956	9,973	16,700	25,600	33
594,096	763,429	967,258	1,401,300	1,922,400	116,510	132,856	146,060	202,800	259,800	82,071	93,232	107,312	143,800	191,100	34
1,150,365	1,541,310	2,066,009	3,312,500	4,875,800	198,621	227,898	262,326	403,400	557,600	177,059	217,811	269,051	397,100	558,400	35
199,176	366,256	562,404	887,600	1,316,400	28,103	48,795	61,510	91,900	127,600	26,258	40,506	59,945	85,700	120,700	36
571,512	976,425	1,696,166	3,038,200	4,835,000	95,679	141,637	207,201	343,300	508,600	79,837	122,863	212,824	358,000	555,900	37
821,327	1,445,186	2,783,237	4,703,700	7,154,200	117,906	199,931	323,706	537,800	800,500	90,921	169,515	277,779	442,300	658,800	38
663,948	1,203,510	2,261,898	4,067,000	6,328,300	103,512	166,542	273,815	476,600	721,200	86,289	139,679	238,119	393,200	594,900	39
157,382	241,676	518,330	636,600	825,900	14,373	33,594	49,895	61,200	79,200	4,628	29,837	39,653	49,000	63,800	40

Table 6.—Population, Employment, Personal Income, and Earnings by Industry, by State and Region, Selected Years 1950–1990

Line		Wyoming					Colorado				
		1950	1959	1969	1980	1990	1950	1959	1969	1980	1990
1	Population, midyear	290,000	320,000	329,000	360,000	391,000	1,325,000	1,710,000	2,174,000	2,583,000	3,029,000
2	Per capita income (1967 $)	2,302	2,525	3,021	4,243	5,517	2,052	2,480	3,225	4,581	5,937
3	Per capita income relative (U.S.=1.00)	1.11	1.03	.88	.89	.89	.99	1.02	.94	.96	.96
4	Total employment	114,715	123,309	.....	143,700	154,300	492,075	654,716	.....	981,100	1,139,300
5	Employment/population ratio	.40	.39	.....	.40	.40	.37	.38	.....	.38	.38
		In thousands of 1967 dollars									
6	**Total personal income**	667,632	807,870	993,941	1,527,000	2,155,000	2,718,995	4,240,924	7,011,316	11,832,000	17,981,000
7	**Total earnings**	558,595	670,169	794,019	1,196,300	1,672,800	2,145,933	3,420,635	5,634,546	9,039,600	13,597,000
8	Agriculture, forestry and fisheries	109,161	91,882	66,297	81,200	90,900	278,116	220,616	269,897	251,600	267,700
9	Agriculture	108,847	91,424	66,233	81,100	90,800	276,881	217,922	269,447	250,900	266,900
10	Forestry and fisheries	316	457	67	(S)	(S)	1,230	2,697	454	(S)	(S)
11	Mining	53,799	73,225	103,294	130,800	161,800	56,302	108,186	128,511	159,400	192,700
12	Metal	1,135	14,159	21,644	27,000	35,200	23,006	39,653	47,180	52,700	64,000
13	Coal	19,337	3,238	1,923	2,700	3,000	21,316	14,780	13,545	18,100	20,800
14	Crude petroleum and natural gas	30,679	49,090	65,619	81,000	95,900	8,860	48,327	63,431	82,400	99,700
15	Nonmetallic, except fuels	2,649	6,735	14,108	20,000	27,500	3,122	5,428	4,349	6,100	8,100
16	Contract construction	45,450	74,423	61,922	90,000	126,800	163,995	271,407	376,580	581,200	865,700
17	Manufacturing	34,034	50,542	54,267	78,900	111,600	290,279	539,203	907,790	1,441,300	2,145,900
18	Food and kindred products	6,315	8,040	8,615	11,300	13,500	82,972	122,206	150,358	195,700	248,300
19	Textile mill products	(D)	(D)	59	(S)	(S)	314	520	(D)	(D)	(D)
20	Apparel and other fabric products	0	(S)	(S)	(S)	(S)	5,854	7,768	(D)	(D)	(D)
21	Lumber products and furniture	3,839	6,292	6,962	9,000	11,200	14,109	20,748	30,228	43,800	59,100
22	Paper and allied products	0	0	(S)	(S)	(S)	3,093	6,650	9,144	15,000	22,600
23	Printing and publishing	4,228	4,130	4,541	6,600	9,300	28,277	53,742	71,601	111,400	164,300
24	Chemicals and allied products	125	950	1,731	2,800	4,500	9,222	13,083	19,190	28,800	40,500
25	Petroleum refining	14,156	20,716	20,454	24,900	30,800	2,332	5,055	8,835	12,100	16,100
26	Primary metals	(D)	(D)	(D)	(D)	(D)	42,227	58,348	75,137	91,400	109,600
27	Fabricated metals and ordnance	640	2,996	1,404	4,400	11,500	19,064	41,200	145,818	267,600	433,500
28	Machinery, excluding electrical	.....	416	3,341	5,800	9,200	.....	40,941	126,233	210,300	325,300
29	Electrical machinery and supplies	.....	59	71	(S)	(S)	.....	17,678	49,020	97,100	166,300
30	Total machinery (1950 only)	107	.....	.....	.....	.....	22,949	.....	.....	.....	.....
31	Motor vehicles and equipment	0	298	(D)	(S)	(S)	2,259	2,853	12,051	18,800	28,400
32	Trans. equip., excl. mtr. vehs	0	425	802	1,600	4,200	1,798	31,670	21,846	41,300	68,200
33	Other manufacturing	4,626	6,188	6,045	9,400	13,800	55,809	116,746	177,774	293,200	444,700
34	Trans., comm. and public utilities	72,021	75,982	80,929	113,200	147,400	210,974	306,169	436,861	644,400	909,100
35	Wholesale and retail trade	99,660	108,012	117,307	182,700	258,000	460,472	687,666	1,012,370	1,646,500	2,478,900
36	Finance, insurance and real estate	14,585	20,311	27,689	42,000	59,500	93,392	187,344	314,499	503,200	760,200
37	Services	41,142	68,338	97,096	164,400	249,500	256,483	461,464	843,701	1,548,900	2,515,900
38	Government	88,741	107,465	185,214	312,700	466,900	335,918	638,581	1,344,341	2,262,600	3,460,500
39	Civilian government	59,857	94,891	155,897	276,800	420,300	243,745	499,071	990,346	1,827,800	2,896,500
40	Armed Forces	28,881	12,574	29,318	35,900	46,600	92,174	139,512	353,991	434,700	563,900

Table 6.—Population, Employment, Personal Income, and Earnings by Industry, by State and Region, Selected Years 1950–1990

Utah					Far West					Washington					Line
1950	1959	1969	1980	1990	1950	1959	1969	1980	1990	1950	1959	1969	1980	1990	
696,000	870,000	1,048,000	1,231,000	1,414,000	14,758,000	20,313,000	25,723,000	31,273,000	37,573,000	2,387,000	2,821,000	3,354,000	3,909,000	4,519,000	1
1,807	2,176	2,768	3,992	5,259	2,485	2,899	3,810	5,265	6,695	2,310	2,618	3,616	5,018	6,447	2
.88	.89	.81	.84	.85	1.20	1.19	1.12	1.10	1.09	1.12	1.07	1.06	1.05	1.06	3
230,433	305,549	....	473,400	540,900	5,618,171	7,880,331	....	12,601,400	14,828,800	896,927	1,054,396	....	1,540,500	1,763,800	4
.33	.35	....	.38	.38	.38	.39	....	.40	.39	.38	.37	....	.39	.39	5
In thousands of 1967 dollars															
1,257,692	1,893,009	2,901,234	4,914,000	7,438,000	36,676,604	58,892,700	98,003,731	164,668,000	251,562,000	5,513,591	7,386,[illegible]72	12,128,308	19,616,000	29,134,000	6
1,053,142	1,586,009	2,382,576	3,922,200	5,865,000	29,641,141	48,245,529	78,676,529	129,986,600	196,633,400	4,470,293	6,024,957	9,861,050	15,685,900	23,015,500	7
110,350	65,668	68,346	71,400	80,600	2,525,999	2,396,100	2,518,421	2,661,300	2,873,300	431,765	313,639	396,946	424,300	465,600	8
109,483	63,898	67,922	70,900	79,900	2,413,048	2,335,280	2,477,110	2,600,700	2,797,900	399,553	294,712	383,112	404,100	440,500	9
868	1,768	427	(S)	(S)	112,951	60,822	41,301	60,600	75,400	32,210	18,931	13,828	20,200	25,000	10
72,013	92,555	109,074	138,100	174,500	265,247	315,734	388,417	485,700	587,600	18,839	14,072	15,379	21,400	28,100	11
44,424	58,014	78,420	95,900	123,300	37,562	35,955	(D)	(D)	(D)	8,026	3,057	3,916	4,500	5,400	12
23,162	18,752	11,965	15,300	16,600	6,233	1,289	501	(S)	(S)	6,092	1,282	501	(S)	(S)	13
1,841	11,202	8,383	9,700	11,000	(D)	(D)	(D)	(D)	(D)	164	601	273	(S)	(S)	14
2,588	4,589	10,306	17,000	23,500	(D)	(D)	106,900	154,000	202,000	4,560	9,132	10,691	15,900	21,600	15
82,273	118,853	128,795	207,400	309,400	2,221,346	3,334,319	4,523,371	7,283,400	11,060,800	317,657	400,405	614,076	953,100	1,393,200	16
138,386	272,692	389,054	[illegible]89,500	842,100	6,122,521	12,429,874	19,268,926	29,774,300	42,808,000	973,020	1,594,534	2,613,807	3,924,500	5,483,400	17
37,664	54,523	52,175	72,100	91,200	1,026,735	1,406,321	1,764,134	2,470,300	3,205,600	148,710	176,536	218,782	294,700	370,300	18
1,111	1,027	370	(S)	(S)	(D)	(D)	(D)	(D)	(D)	2,434	3,311	3,895	5,700	7,800	19
3,409	5,241	16,282	26,900	39,400	(D)	(D)	426,859	651,000	898,200	11,999	15,385	26,611	40,800	56,500	20
4,013	9,261	11,439	17,100	23,800	1,245,564	1,478,263	1,670,288	2,183,800	2,729,900	327,047	312,669	398,[illegible]	521,200	656,800	21
(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	78,209	115,013	178,[illegible]4	280,900	406,900	22
9,953	12,984	22,259	36,100	54,100	360,025	604,918	909,654	1,462,100	2,180,200	43,082	61,293	85,328	134,400	198,800	23
(D)	(D)	(D)	(D)	(D)	236,828	409,019	611,089	981,200	1,458,300	58,109	91,942	64,386	86,900	113,100	24
8,095	14,990	10,606	12,200	14,100	(D)	(D)	(D)	(D)	(D)	1,427	12,728	14,794	18,600	23,100	25
46,516	64,764	85,115	99,900	118,400	326,195	527,680	843,046	[illegible],109,800	1,415,800	53,249	79,279	146,853	194,000	249,100	26
6,211	30,122	33,715	58,800	91,600	375,985	1,235,598	(D)	(D)	(D)	29,950	47,151	72,102	117,900	174,000	27
....	12,113	40,473	68,200	105,906	....	(D)	(D)	(D)	(D)	....	38,465	104,940	182,400	291,100	28
....	4,355	20,165	38,800	66,100	....	1,175,429	2,637,637	4,587,200	7,227,200	....	16,547	36,800	68,700	113,300	29
4,467	....	....	....	....	483,662	....	....	....	....	32,867	....	....	....	....	30
237	708	3,665	5,300	7,400	(D)	(D)	485,440	714,200	1,019,300	8,226	11,838	20,923	32,100	46,900	31
258	34,476	47,049	80,200	121,900	(D)	(D)	3,602,213	5,417,800	7,483,900	143,433	559,658	1,152,203	1,802,800	2,564,000	32
12,232	21,049	32,525	51,700	76,200	469,767	876,338	1,545,951	2,531,000	3,813,700	34,283	52,723	89,500	142,500	211,200	33
112,520	155,190	196,096	297,000	414,800	2,406,383	3,434,196	5,568,605	8,557,000	12,407,600	361,142	433,707	652,277	976,500	1,384,200	34
214,553	299,923	404,952	682,500	1,022,700	6,140,958	8,927,313	13,232,313	22,447,400	34,054,600	880,434	1,134,907	1,650,433	2,689,200	3,954,400	35
36,838	69,310	98,731	164,500	248,200	1,534,336	2,516,416	4,237,496	6,872,500	10,223,300	204,065	301,024	500,964	782,900	1,130,800	36
98,371	182,123	335,341	623,300	1,005,000	3,911,810	6,888,856	13,086,726	23,869,100	38,501,000	468,675	714,488	1,301,673	2,340,700	3,716,900	37
187,841	329,691	652,197	1,148,200	1,767,200	4,512,547	8,002,721	15,852,274	28,035,500	44,116,800	814,694	1,118,178	2,115,503	3,572,800	5,458,600	38
170,515	303,527	606,721	1,092,500	1,695,000	3,418,676	6,267,295	12,896,643	24,404,700	39,406,200	574,901	849,786	1,647,304	2,998,000	4,712,900	39
17,326	26,159	45,473	55,700	72,100	1,093,863	1,735,422	2,955,622	3,630,700	4,710,500	239,796	268,392	468,196	574,800	745,700	40

Table 6.—Population, Employment, Personal Income, and Earnings by Industry, by State and Region, Selected Years 1950–1990

Line		Oregon 1950	Oregon 1959	Oregon 1969	Oregon 1980	Oregon 1990	Nevada 1950	Nevada 1959	Nevada 1969	Nevada 1980	Nevada 1990
1	Population, midyear	1,532,000	1,746,000	2,067,000	2,442,000	2,794,000	162,000	279,000	488,000	671,000	909,000
2	Per capita income (1967 $)	2,235	2,475	3,254	4,466	5,820	2,785	3,125	3,867	5,188	6,489
3	Per capita income relative (U.S.=1.00)	1.08	1.01	.95	.94	.94	1.35	1.28	1.13	1.09	1.05
4	Total employment	579,372	644,246		953,500	1,078,500	66,359	119,941		287,000	374,500
5	Employment/population ratio	.38	.37		.39	.39	.41	.43		.43	.41
		In thousands of 1967 dollars									
6	**Total personal income**	3,424,727	4,321,163	6,726,010	10,905,000	16,261,000	451,169	871,907	1,886,914	3,479,000	5,899,000
7	**Total earnings**	2,881,808	3,566,044	5,367,923	8,583,600	12,682,000	368,545	736,568	1,615,728	2,874,500	4,787,800
8	Agriculture, forestry and fisheries	309,199	240,871	203,894	211,200	232,400	44,073	28,173	31,209	25,900	30,900
9	Agriculture	298,448	231,014	198,551	203,500	222,900	43,688	28,173	31,209	25,900	30,900
10	Forestry and fisheries	10,754	9,855	5,340	7,700	9,500	385	0	0	(S)	(S)
11	Mining	10,519	10,132	12,621	17,400	22,000	16,949	21,922	35,349	46,600	61,600
12	Metal	761	1,453	(D)	(D)	(D)	11,880	15,358	27,029	34,500	45,600
13	Coal	0	(S)	0	(S)	(S)					
14	Crude petroleum and natural gas	0	144	(D)	(D)	(D)	(D)	(D)	820	(S)	(S)
15	Nonmetallic, except fuels	9,758	8,527	11,402	15,700	19,700	(D)	(D)	7,497	11,100	14,900
16	Contract construction	207,605	220,058	341,074	521,900	769,600	29,255	61,206	129,824	216,900	353,900
17	Manufacturing	777,761	975,148	1,424,167	2,076,400	2,876,500	21,215	39,374	68,682	107,100	158,100
18	Food and kindred products	95,107	116,679	157,735	211,100	270,500	4,029	7,703	8,912	14,500	21,900
19	Textile mill products	10,498	12,909	13,650	19,000	24,600	(D)	(D)	(D)	(D)	(D)
20	Apparel and other fabric products	8,974	10,283	15,401	23,700	33,500	(D)	(D)	281	(S)	(S)
21	Lumber products and furniture	494,344	546,765	594,194	781,600	975,400	4,022	3,717	3,014	4,500	6,400
22	Paper and allied products	33,173	53,478	84,726	121,300	170,300	(D)	(D)	(D)	(D)	(D)
23	Printing and publishing	28,058	34,558	48,335	77,100	114,700	3,527	5,732	10,183	18,300	31,000
24	Chemicals and allied products	7,234	9,497	20,334	34,000	52,500	2,114	5,000	7,119	11,100	16,200
25	Petroleum refining	2,293	2,112	4,798	6,900	9,700	(D)	(D)	(D)	(D)	(D)
26	Primary metals	18,966	40,786	76,285	103,800	135,100	2,940	7,015	15,998	22,200	30,100
27	Fabricated metals and ordnance	19,510	33,613	71,715	122,700	187,300	254	752	(D)	(D)	(D)
28	Machinery, excluding electrical		36,661	94,109	161,700	257,200		(D)	(D)	(D)	(D)
29	Electrical machinery and supplies		23,325	80,223	150,300	251,200		(S)	3,899	5,400	7,600
30	Total machinery (1950 only)	26,406					173				
31	Motor vehicles and equipment	4,279	7,904	37,377	55,300	79,200	(D)	(D)	285	(S)	(S)
32	Trans. equip., excl. mtr. vehs.	5,270	13,543	60,188	100,400	154,700	(D)	(D)	139	(S)	(S)
33	Other manufacturing	23,649	33,034	65,103	106,800	160,000	4,155	7,800	14,425	21,900	30,800
34	Trans., comm. and public utilities	261,085	316,114	441,134	643,800	892,300	42,129	65,957	118,213	193,300	301,900
35	Wholesale and retail trade	601,859	720,193	1,035,648	1,693,400	2,512,100	64,551	126,151	228,324	424,900	720,600
36	Finance, insurance and real estate	118,082	155,311	263,292	422,500	622,900	10,541	27,047	66,114	118,900	198,800
37	Services	319,514	447,178	761,864	1,379,400	2,195,400	82,438	236,763	621,673	1,155,100	1,963,800
38	Government	276,184	481,040	884,232	1,617,400	2,558,400	57,397	129,977	316,342	585,400	997,900
39	Civilian government	254,341	435,585	836,083	1,557,900	2,481,400	45,120	95,958	252,462	507,100	896,200
40	Armed Forces	21,841	45,456	48,150	59,400	77,000	12,275	34,014	63,878	78,300	101,600

NOTE.—Data may not add to higher level totals because of rounding.
(D) Deleted to avoid disclosure of CONFIDENTIAL data.
(S) Deleted because of smallness.

Table 6.—Population, Employment, Personal Income, and Earnings by Industry, by State and Region, Selected Years 1950–1990

	California					Hawaii					Alaska					
	1950	1959	1969	1980	1990	1950	1959	1969	1980	1990	1950	1959	1969	1980	1990	
	10,677,000	15,467,000	19,814,000	24,251,000	29,351,000	499,000	610,000	749,000	886,000	1,031,000	135,000	224,000	297,000	359,000	418,000	1
	2,556	2,994	3,899	5,388	6,823	1,912	2,435	3,830	5,133	6,640	3,290	2,831	3,924	5,619	7,329	2
	1.24	1.23	1.14	1.13	1.11	.93	1.00	1.12	1.08	1.08	1.59	1.16	1.15	1.18	1.19	3
	4,075,513	6,061,748		9,820,300	11,611,700	190,444	256,637		388,900	443,800	62,695	90,923		160,900	176,900	4
	.38	.39		.40	.40	.38	.42		.44	.43	.46	.41		.45	.42	5
	In thousands of 1967 dollars															
	27,287,117	46,313,458	77,262,499	130,668,000	200,268,000	954,277	1,485,068	2,834,539	4,548,000	6,843,000	444,133	634,171	1,165,311	2,015,000	3,066,000	6
	21,920,495	37,917,960	61,831,828	102,842,400	156,147,800	811,613	1,279,060	2,365,993	3,693,200	5,475,100	440,158	606,088	1,130,247	1,774,500	2,621,600	7
	1,740,962	1,813,417	1,886,372	1,999,800	2,144,200	108,508	104,152	101,225	107,900	105,700	20,816	18,735	20,218	27,000	32,200	8
	1,671,359	1,781,381	1,864,238	1,967,100	2,103,400	108,508	104,152	99,711	105,700	103,100	985	1,842	7,384	6,400	4,600	9
	69,692	32,036	22,133	32,600	40,800	0	0	1,514	2,100	2,500	19,830	16,893	12,833	20,600	27,600	10
	218,940	269,608	325,068	400,200	475,700	(D)	(D)	351	(S)	(S)	(D)	(D)	54,576	79,800	107,900	11
	16,895	10,087	25,919	32,400	42,400						0	4,834	1,663	1,800	2,100	12
	141	0	0	(S)	(S)						(D)	(D)	1,522	2,000	2,100	13
	168,536	180,046	221,838	256,500	287,600						0	5,371	50,699	74,900	102,000	14
	38,365	73,478	77,310	111,200	145,700	(D)	(D)	351	(S)	(S)	0	151	694	1,000	1,500	15
	1,666,829	2,652,650	3,438,397	5,591,300	8,544,000	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	16
	4,350,525	9,820,818	15,162,270	23,666,200	34,289,900	76,743	121,484	169,431	268,900	388,200	34,258	37,174	70,111	105,900	149,700	17
	778,889	1,105,403	1,378,705	1,949,800	2,542,700	0	82,750	85,011	132,100	182,300	0	15,740	23,724	31,300	39,200	18
	38,214	32,315	68,886	105,000	145,200	0	138	181	(S)	(S)	0	0	(S)	(S)	(S)	19
	210,213	261,957	384,566	586,100	807,700	0	7,316	12,955	20,100	28,400	(D)	(D)	(D)	(D)	(D)	20
	420,151	615,112	674,577	876,400	1,091,100	0	6,798	8,371	11,800	15,800	0	7,127	19,830	29,700	41,500	21
	77,001	186,981	305,061	469,300	676,400	0	1,770	(D)	(D)	(D)	0	8,118	(D)	(D)	(D)	22
	285,358	503,335	765,808	1,232,100	1,835,600	0	12,037	18,678	29,200	43,800	0	2,635	4,836	7,700	11,800	23
	169,375	302,580	519,250	819,000	1,276,400	0	2,151	(D)	(D)	(D)	0	375	(D)	(D)	(D)	24
	[illegible]	287,530	438,101	581,700	752,700	0	198	3,783	5,500	7,200	0	0	651	800	1,100	25
	251,040	400,600	603,910	789,600	1,001,400	0	150	(D)	(D)	(D)						26
	326,271	1,154,082	1,944,964	3,268,500	4,936,500	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	27
		632,135	1,368,261	2,195,400	3,289,900		712	1,085	1,900	3,200		(D)	(D)	(D)	(D)	28
		1,135,529	2,516,715	4,362,600	6,855,000		(D)	(D)	(S)	(S)		(S)	(S)	(S)	(S)	29
	424,216					0					0					30
	130,918	213,552	426,855	626,200	892,400	0	228	0	(S)	(S)						31
	629,282	2,206,922	2,389,683	3,514,200	4,764,600	(D)	(D)	5,802	10,100	15,800	0	380	612	1,200	1,700	32
	407,650	782,751	1,376,923	2,259,700	3,411,600	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	33
	1,742,027	2,618,418	4,356,981	6,743,300	9,829,200	64,021	91,905	192,072	286,600	421,500	19,552	39,478	107,676	163,400	245,800	34
	4,594,114	6,946,062	10,317,908	17,639,700	26,867,400	129,399	191,037	348,434	565,200	849,800	36,202	62,150	125,065	209,400	320,200	35
	1,201,648	2,033,034	3,407,126	5,548,100	8,270,600	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	36
	3,041,183	5,490,427	10,401,516	18,993,800	30,624,800	88,824	151,046	364,485	641,300	1,011,800	18,097	52,111	108,217	196,100	319,200	37
	3,364,272	6,273,526	12,536,197	22,259,800	35,101,600	282,979	467,409	817,663	1,269,400	1,868,300	219,084	292,802	496,075	770,100	1,123,000	38
	2,544,314	4,885,966	10,160,794	19,341,700	31,315,500	183,176	267,850	543,627	932,700	1,431,500	103,130	161,764	307,536	538,400	822,400	39
	819,951	1,387,560	2,375,398	2,918,100	3,786,100	99,803	199,559	274,035	336,600	436,700	115,954	131,038	188,537	231,600	300,500	40