After 4 years of operation, the Appalachian Regional Commission (ARC) presents this 1969 annual report and evaluation of its activities as required by the Appalachian Regional Development Act of 1965. A brief overview is given of the history of the program, the Federal-state relationship, and strategies for regional development. Appalachia is then described in terms of education, health, children and youth, manpower development, rural programs in transportation, community facilities and housing, natural resources, local development districts, and regional economy. Also discussed are research, technical assistance, and planning. Appendices provide population data, a bibliography of research publications by the ARC, and breakdowns of funding for ARC-approved projects. (LS)
APPALACHIAN REGIONAL COMMISSION
ANNUAL REPORT 1969
1666 Connecticut Ave., N.W.
WASHINGTON, D.C. 20035
APPALACHIAN REGIONAL COMMISSION

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State Cochairman—Gov. James A. Rhodes
States' Regional Representative—John D. Whisman

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LETTER OF TRANSMITTAL

THE APPALACHIAN REGIONAL COMMISSION
1600 CONNECTICUT AVENUE
WASHINGTON, D.C. 20225

December 19, 1969

The President
The White House
Washington, D. C.

Dear Mr. President:

Pursuant to Section 304 of the Appalachian Regional Development Act of 1965, we respectfully submit to you, for transmittal to the Congress, a report on the activities carried out under this Act during Fiscal Year 1969.

Respectfully yours,

John B. Waters, Jr.
Federal Cochairman

Nelson A. Rockefeller
Governor of New York
States Cochairman
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INTRODUCTION

This report is an accounting of the activities of the Appalachian Regional Commission in fiscal 1969—the fourth year of operations under the Appalachian Regional Development Act. The purpose of the Act is to “assist the region in meeting its special problems, to promote its economic development, and to establish a framework for joint Federal and State efforts toward providing the basic facilities essential to its growth and attacking its common problems and meeting its common needs on a coordinated and concerted regional basis.”

Passed in March, 1965, the Act was a response to the persistent economic and social hardship that blighted the lives of many Appalachians. This severe distress was largely rooted in the sharp decline in mining, agriculture and railroad employment as technology and market conditions changed rapidly in the 1950's. In that decade Appalachia lost over half of its jobs in agriculture and nearly 59 percent of its jobs in mining. Railroad employment, a major source of jobs among parts of Appalachia, dropped by 40 percent. While the region gained in service and construction employment, the rate of increase was only half that of the rest of the nation; gains in manufacturing jobs in the region were only two-thirds the rate for the rest of the country. This failure to generate the new jobs needed to absorb those displaced from mining, agriculture and railroads created serious unemployment—25 percent in one industrial county of Pennsylvania, far higher in eastern Kentucky and southern West Virginia.

Economic distress was compounded by the physical isolation of a large part of the region. Rugged mountains and narrow valleys characterize the core of Appalachia. The lack of adequate highways handicapped development of the Region as nationally increasing commerce moved by road and skirted the more mountainous, but still populous, sections of Appalachia.

Poverty was endemic in much of the region, evidenced by poor health conditions, substandard housing, inadequate education and heavy migration to escape to a better life. For some, the big cities outside Appalachia provided jobs and a
chance to share in the material comforts enjoyed by increasing numbers of Americans. For many, though, the cities offered no improvement. These were the people without the skills and, all too frequently, the health needed to compete in the urban job market. Chronic neglect in education and health had reduced the odds for success of many migrants, just as it afflicted so many of the people left behind.

The nation has come to realize the inseparability of the problems of the cities and the plight of many rural citizens. We cannot afford to have prosperity in much of the land while large numbers of Americans go without the sound shelter, good schools and medical care that a rising national income can provide. The ultimate costs of such neglect far outweigh the investments in housing, education, health and other needs essential to decent life and national development.

The Appalachian Act provides the means for investments to, at least partially, meet these needs in the 13 states of the region. In the year covered by this report, there were early signs that regional investments were beginning to have a strategic impact: that new highways, vocational schools, housing projects and health services were beginning to fit together in an encouraging pattern of area-wide development and that change and improvement had begun. The Appalachian Regional Commission's program, along with the general growth in the national economy, increased private investment in the region, and higher expenditures by Federal, State and local governments on public programs have had a major effect on the region.

Among the major highlights of Fiscal Year 1969 were:

Construction on 68 miles of the Appalachian Development Highway System was completed, bringing the total completed by June 30, 1969 to 165 miles. By that date 481 miles were under construction, with 1,082 miles in right-of-way acquisition or design. About 270 miles were expected to be completed by the middle of fiscal 1970.

Fifty-nine vocational and technical schools were funded, providing facilities for 34,000 more students.
Eight multi-country areas completed their first full year of developing and demonstrating comprehensive health programs.

State housing corporations were established in West Virginia and North Carolina with Appalachian Regional Commission assistance, a long step towards providing the technical and financial capacity to relieve an acute housing shortage.

Planning began for a child development program to provide health, education and other social services to families with young children in need of this aid.

Eleven new development districts were supported, bringing the total of these local, multi-county agencies to thirty-six.
A NATIONAL LABORATORY

Congress in 1969 referred to the Appalachian Regional Development Program as a "national laboratory" in which new principles are being tested which might be applied to the country as a whole.

The Appalachian experiment is trying new political techniques designed to provide more effective coordination and cooperation between federal, state and local governments. It is an experiment in the "new federalism." It is an experiment, too, in developing a growth policy for one section of the United States.

In his State of the Union message, President Richard Nixon set forth the need for a similar "national growth policy."

Before a joint session of Congress, the President recommended that we carry "our concern with the quality of life in America to the farm as well as to the suburb, to the village as well as to the city. What rural America needs most is a new kind of assistance. It needs to be dealt with, not as a separate nation, but as a part of an overall growth policy for America."

He continued:

"We must create a new rural environment which will not stem the migration to urban centers but reverse it. If we seize our growth as a challenge, we can make the 1970's a historical period if by conscious choice we transform our land to what we want it to become."

Such a growth policy is in the early stages of being tried and tested in Appalachia. The Region is experimenting with new delivery systems for services in rural areas. It is trying new approaches to rural education, to the comprehensive delivery of health services, to providing a full range of public services in areas where, economically, traditional delivery systems will not work. This cooperative regional endeavor, involving 13 states, 393 counties, and almost 19 million people, is attempting new approaches to the provision of low and moderate income housing. It is encouraging coordinated attacks upon interrelated environmental problems. And it is doing this through a new kind of partnership where regionalism is employed when regionalism is appropriate; where state authority
is utilized when state authority is needed; and where localism is given full play when it is the best way to assure a sound decision.

Only A Beginning

The last four years of the Appalachian Regional Development Program represent only a beginning—but an important beginning—in Appalachia's attempt to play its full role in the national life and to reap its fair rewards from the national economy. Many of the gains have been significant, but some of Appalachia's ills still exist.

During 1970, the Appalachian experiment will meet its greatest test, for in the coming year it must pull its separate programs and the separate needs of the Region into a still more effective comprehensive strategy for the long-term development of Appalachia.

Steps were taken in 1969 to achieve that objective.

During 1969, the program moved into a new stage as systems of physical facilities were completed. The Appalachian Regional Commission was able to shift emphasis from building these essential facilities toward operational programs which directly serve the people from the new facilities.

During 1969, funds approved by the Appalachian Regional Commission enabled the State of New York to complete a network of 16 vocational schools in its Appalachian counties.

Pennsylvania finally had under attack all the major anthracite mine fires which had for so long plagued the northeastern corner of the State.

Virginia received funds for completing a full network of vocational schools, community colleges, and public health centers.

Kentucky received approval for a vital system of vocational schools, educational television stations, home health services, and emergency health transportation systems.

South Carolina built several vocational and technical training schools, and Georgia received approval for a multi-county system of solid waste disposal programs.
Four vocational schools were funded in Tennessee in fiscal 1969.

During 1969, the Commission’s attention focused more directly upon the people themselves, for it was the people of Appalachia—the quality of their life and opportunities—with whom Congress was concerned when it passed the Appalachian Regional Development Act of 1965.

THE PEOPLE AND THE REGION

Just before his death in 1967, Perley Ayer, the Chairman of the Council of the Southern Mountains, observed: “We beat ourself to death over wasted natural resources, water and trees and coal and soil, and this is important, but the greatest single wasted resource is people.”

The unhappy predicament of many of Appalachia’s people has been recited time and time again. Income, employment, educational achievement are far below the rest of the nation. Infant mortality, adult illiteracy, dilapidated housing are all far more widespread in Appalachia than in the rest of the nation.

The Appalachian program was established to help alter these conditions two centuries in the making.

From the outset, it was recognized that people—not geography—were the primary concern of Appalachian development. But it was also recognized that unless the basic facilities were built to provide improved services to the people; unless the environment in which they lived is cleaned up to protect their health and safety; and unless gainful employment is made available to all able and willing to work, the problems of the people will persist—as they have in the past—for generations.

Congress directed the Appalachian Regional Commission to develop strategies that would lead to permanent, rather than temporary, solutions to the Region’s problems. It was recognized, therefore, that Appalachian development would, of necessity, require carefully staged plans to build a new future, step by step.
Five basic assumptions underlay the Appalachian strategy developed in partnership by the states, the localities, and the Federal representative on the Commission:

(1) Substantial investment in the health and education of the people is required because—in the language of one of the early Commission documents on the subject—"without investments in the health and skills of the people, resources will remain inert and capital will never appear."

(2) The location of Appalachia between the major metropolitan regions of the East, Midwest and South make it possible to integrate much of the Appalachian economy with the national mainstream by strengthening transportation linkages with major nearby business centers and thereby induce more rapid economic growth in the Region.

(3) Development of a well-balanced economy requires a growth strategy which recognizes the relationship between urbanization, service employment, and the potential for growth in rural areas.

(4) Public services and facilities provide the necessary support for most private investment in manufacturing plants and services. A proper public investment strategy attuned to that relationship would have to be developed which placed highest priority upon those public investments most likely to push local area economies over the threshold of growth.

(5) For such a strategy to succeed, the institutions of local and state government would have to be modernized and strengthened financially. New "private alliances" for Appalachia would have to be formed.

All these assumptions were combined into two Commission goals:

(1) Social Goal—To provide the people of Appalachia with the health and skills they require to compete for opportunity wherever they choose to live.
(2) Economic Goal—To develop in Appalachia a self-sustaining economy capable of supporting the people with rising incomes, improving standards of living, and increasing employment opportunities.

The programs undertaken by the Commission have been predicated upon these five assumptions and designed to accomplish the two general goals.

HISTORY

The Appalachian Regional Commission, conceived in the need for a concerted and comprehensive campaign to rid Appalachia of its financial and human poverty, was born on March 9, 1965, with the signing of the Appalachian Regional Development Act.

Passage of the Act came in response to the shocking scenes of human misery and disillusionment that appeared throughout the region, and which were brought home to millions of Americans during the presidential campaign of John F. Kennedy in 1960.

The governors of 10 Appalachian states met in Annapolis, Maryland, in May of that year to chart a course which would lead Appalachia back to a place of equal standing with the rest of the nation.

Coming to grips with what seemed to be a hopeless situation, recognizing that their region was a vast "island of poverty in the midst of affluence," these men established the Conference of Appalachian Governors. For the first time, Appalachia was viewed in terms of regional development, rather than state-by-state.

Meeting at the White House with President Kennedy in May, 1961, the governors proposed a comprehensive state-federal regional development program.

On April 9, 1963, following extensive study by state planners and the Area Redevelopment Administration, Kennedy established the President's Appalachian Regional Commission,
a body unique in American politics, combining the resources of nine Appalachian states and ten federal departments and agencies.

Participating in the President's Commission were the States of Alabama, Georgia, Kentucky, Maryland, North Carolina, Pennsylvania, Tennessee, Virginia and West Virginia. Federal organizations included the Departments of Agriculture, Commerce, Defense, Interior, Labor, and Health, Education and Welfare; the Housing and Home Finance Agency, the National Aeronautics and Space Administration, the Small Business Administration and the Atomic Energy Commission.

The President's Commission submitted its report one year later to a new President, Lyndon B. Johnson. President Johnson proposed to Congress a bold and ambitious program of regional development, unlike any venture ever undertaken in the history of the United States.

Congress responded with the passage of the Appalachian Regional Development Act of 1965, establishing the Appalachian Regional Commission to coordinate a six-year state and federal effort to put Appalachia back on its feet.

It was no longer the President's Commission; now it belonged to the people of Appalachia.

Joining forces with the federal government under the new legislation were the States of Alabama, Georgia, Kentucky, Maryland, Ohio, North Carolina, Pennsylvania, South Carolina, Tennessee, Virginia and West Virginia. The States of New York and Mississippi were added later.

The Commission first met on April 19, 1965. Attending were the Federal Cochairman appointed by the President to represent the Federal Government, and the Governors of the Appalachian States. At this conference the Governors agreed that they would serve as the State members of the Commission. They agreed to appoint representatives and alternate members from their States who would assist with Commission duties and attend regular Commission meetings. They also established the position of States' Regional Representative to act as the functional equivalent of the Federal Cochairman for the Ap-
palachian States in the daily operations of the Commission with full-time offices in Washington.

The first Federal Cochairman of the Commission was John L. Sweeney, formerly Executive Director of the President's Appalachian Regional Commission. In March 1967, he became Assistant Secretary of Transportation, and was succeeded by Joe W. Fleming, who had served for two years as his Special Assistant.

In March, 1969, President Nixon appointed John B. Waters, Jr., as Federal Cochairman. Waters, a native Appalachian, was a Sevierville, Tennessee, attorney and businessman before his appointment to the federal position in Washington.

The Governors elected Governor Carl E. Sanders of Georgia as the Commission's first State Cochairman. They agreed he would serve through June 30 of that year, and that the office of State Cochairman would rotate among the States with six-month terms beginning July 1 and January 1 of each year thereafter.

Since that time through June 30, 1969, the following Governors have served as State Cochairman of the Commission: Governor Sanders, Governor Edward T. Breathitt of Kentucky, Governor William W. Scranton of Pennsylvania, Governor J. Millard Tawes of Maryland, Governor Hulett C. Smith of West Virginia, Governor Dan K. Moore of North Carolina, Governor Buford Ellington of Tennessee, Governor Mills E. Godwin of Virginia and Governor James A. Rhodes of Ohio. New York Governor Nelson A. Rockefeller served for the term of July 1, 1969 to December 31, 1969, and South Carolina Governor Robert McNair from January 1 to June 30, 1970.

The position of States' Regional Representative, financed entirely by the States, was first filled by Harry A. Boswell, Jr. of Maryland who served from April 1965 until June 1966. He was succeeded on June 15, 1966, by John D. Whisman of Kentucky, who had previously served as Kentucky Representative on the Commission and as Executive Secretary of the President's Appalachian Regional Commission. Mr. Whisman had also been Chairman of the staff committee with the Conference of Appalachian Governors.
STRUCTURE AND OPERATION
OF THE COMMISSION

All formal Commission actions require the affirmative vote of the Federal Cochairman and a majority of the State members. The States have authorized the States' Regional Representative to provide the States' approval on most Commission actions taken between Commission meetings. Program and project proposals may not be brought before the Commission for action except by the Governor of the State or his representative.

The main responsibilities of the Appalachian Regional Commission are:

- To develop, on a continuing basis, comprehensive and coordinated plans and programs for the development of the Region.
- To implement these plans through financial assistance, provided under the Act, for the appropriate programs and projects.
- To provide technical assistance to the States and local development districts in implementing the Appalachian program.
- To serve as the focal point of coordination of Federal and State efforts in Appalachia.
- To sponsor and initiate research on problems facing the Region.

Since July 1, 1967, all of the Commission's administrative expenses have been shared equally by the States and the Federal Government.

The staff of the Commission, with offices in Washington, is financed half by the States, half by the Federal Government. Under an Executive Director, the staff is responsible for assisting the Commission in carrying out the Act. Duties within the staff are assigned as follows:

- Executive Staff—General Counsel, Deputy Director (Secretary to the Commission), Comptroller, and Information Services.
- Planning Division—Regional Planning, Education and Health Planning, and Research.
• Technical Assistance Division—Project development and analysis and technical assistance to States and development districts.

In addition to the Commission staff, the Federal Co-chairman has a small staff, supported entirely by Federal funds, which is primarily responsible for assisting him in the evaluation of projects and the coordination of the Appalachian program with other Federal agencies. The States' Regional Representative also has a small staff, supported entirely by State funds, to assist him in working with the Appalachian States.
APPALACHIAN REGIONAL COMMISSION STAFF STRUCTURE

EXECUTIVE COMMITTEE

FEDERAL GOVERNMENT

FEDERAL COCHAIRMAN

STATES' REGIONAL REPRESENTATIVE

STATE GOVERNORS

FEDERAL STAFF

STATES STAFF

GENERAL COUNSEL

EXECUTIVE DIRECTOR

INFORMATION SERVICES

DEPUTY DIRECTOR

FINANCE AND ADMINISTRATION

PROGRAM OPERATIONS

PROGRAM PLANNING

SOCIAL PROGRAMS
THE STRATEGY

Under the Appalachian Act of 1965, the Appalachian Regional Commission is directed by Congress to “develop, on a continuing basis, comprehensive and coordinated plans and programs, and establish priorities thereunder, giving due consideration to other Federal, State, and local planning in the Region...”

If the regional development program is to succeed, much of the planning for public investments in Appalachia must be done by the States and localities.

Congress recognized that Appalachia, while sharing many common problems and potentials, is also a huge and highly diverse region. No regional “master plan” capable of being implemented within a reasonable length of time could possibly be responsive to local desires nor the varied needs that exist in each area. In addition, it is the States and local organizations that conceive most projects, raise the necessary local or State revenues to finance them, and administer their construction and operation.

For these reasons, differing responsibilities for Appalachian development planning are vested at each level of government where responsibilities for execution are most appropriate. The results of these efforts are brought together each year in Appalachian Development Plans produced by each of the 13 States.

During the first years of the Appalachian Regional Development Program, these plans were necessarily preoccupied with implementing new programs authorized under the Act. As the program has progressed, however, knowledge of local aspirations, area potentials, and regional needs has advanced so that regional and State plans can concern themselves increasingly with the comprehensive efforts toward regional development envisioned by Congress.
APPALACHIAN REGIONAL COMMISSION

THE PRESIDENT

FEDERAL COCHAIRMAN

13 GOVERNORS OF APPALACHIAN STATES

13 STATE GOVERNMENTS

MULTI-COUNTY DEVELOPMENT DISTRICTS
The Appalachian Commission carries out the national and regional economic, social, and physical analyses required to provide a common basis for all Federal, State and local planning in the Region.

The Development Districts provide the conduit for expressing local aspirations in the program, and plan and execute specific projects.

The States, through their annual State Development Plans, set goals, establish priorities, and allocate funds to projects.

With this partnership in planning, it is possible to develop a strategy for a long-term development that can be carried out year by year at each level of government.
FOUR APPALACHIAS

In analyzing the various economic and geographic areas of the vast Appalachian region, it was found that there are four definite sub-regions, or four Appalachias, with characteristic problems and potentials unlike those of any other section of the region.

Southern Appalachia

The first of these major subregions is Southern Appalachia, covering Mississippi, Alabama, South Carolina, and parts of Tennessee, North Carolina, and Virginia. Industrialization and urbanization are occurring here quite rapidly, converting the area from an agricultural economy to manufacturing and services. New production jobs are being generated in such fields as apparel, textiles, and food processing. While much of this growth has been initially low wage and female-employing, several areas have already begun to diversify beyond these labor intensive industries.

The first priority in Southern Appalachia is the development of an educational system capable of providing a labor force competitive with that of the nation as a whole. While many States are attempting to strengthen primary and secondary education on their own, all the States have recognized the need under the Appalachian Program to provide high school and post-high school level vocational and technical education on a large scale, if trained technical employees are to be available for the apparent growth industries in the South. New industries now developing in Southern Appalachia also require professional personnel, and the States are concentrating on the development of higher educational opportunities relevant to those growth opportunities.

Second priority has been assigned to public facilities in the growing industrial communities where growth has come so rapidly that it threatens to choke itself off before the people can realize its full benefits. In such communities, Appalachian assistance is used to develop a full complement of public facilities.
Northern Appalachia

The second subregion is Northern Appalachia, encompassing the southern tier of New York and most of the Allegheny Plateau area in Pennsylvania, Maryland, northern West Virginia, and southern Ohio. This part of Appalachia has problems related to the transition from dependence on a coal-steel-railroad economy to new types of manufacturing and service employment. Primary emphasis has been placed upon post-high school and adult occupational training to facilitate this transition.

Many communities suffer from environmental problems, legacies of past industrial and mining activities, including mine drainage pollution, mine subsidence, blight from strip mining, and mine fires and flooding. Community renewal and environmental improvement are the most pressing needs for future growth. High priority has been given to solving environmental problems through the use of mine area restoration, water pollution control, housing assistance, supplemental grant funds, and other Federal and State programs.

In addition, a number of local governments in the area, with assistance under the Appalachian Act, are investigating organizational and financial reforms to improve their effectiveness.

Appalachian Highlands

The third subregion is the Appalachian Highlands, which begins near Mt. Oglethorpe in Georgia and extends through the Great Smoky, Blue Ridge, Allegheny, and Catskill Mountains. Covering parts of Georgia, South Carolina, Tennessee, North Carolina, Kentucky, Virginia, West Virginia, Pennsylvania, and Maryland, the Highlands is a sparsely populated segment of Appalachia rich in scenic beauty and recreation potential and close to the heavily-populated metropolitan areas of the East, Midwest, and South. A special task force of four Federal agencies and ten States, working through the Commission, is developing a recreational development plan for the Highlands designed to provide jobs and income to the people of the area.
Central Appalachia

The last of the four major subregions is Central Appalachia, covering 60 counties in eastern Kentucky, southern West Virginia, southwestern Virginia, and northern Tennessee, where urbanization must be accelerated if adequate services and employment opportunities are to be developed for their million and a half people. Only 250,000 persons live in communities of more than 2,500. The choice is between faster growth of key communities or continued out-migration. Four initial priorities have been established: transportation, education, health, and concerted development of key communities in the area. The largest share of the Appalachian Development Highway System has been allocated to this rugged area. Heavy emphasis is being placed on high school and post-high school vocational and technical education and complementary facilities such as educational television and community colleges. The comprehensive health program, under Section 202 of the Appalachian Act, covers counties where 75 percent of the population in Central Appalachia lives. The four States have cooperated through the Commission in developing a comprehensive interstate plan for the area’s development. Local groups and individuals will be asked for their judgments early in 1969 before the plan is implemented.

During Fiscal Year 1969, still more specific determinations of development potential and public investment priorities in each of the “four Appalachias” are being developed.
FINANCING THE PROGRAM

Authorizations

The Appalachian Regional Development Act of 1965 authorized a total of $1.092 billion in Federal funds. Of this amount, $840 million was earmarked for highway construction over a six-year period ending in 1971. The remaining $252 million was authorized for the other programs under the Appalachian Act for a period of two years, through Fiscal Year 1967.

The 1967 amendments to the Appalachian Act increased the highway authorization from $840 million to $1.015 billion until 1971. In addition, the non-highway programs were authorized at $170 million for the two-year period, 1967–69.

In November, 1969, President Nixon signed legislation authorizing the extension of all major non-highway programs under the Act through fiscal 1971. Authorization for these programs was set at $268.5 million.

The highway construction program was extended through Fiscal Year 1973, with authorizations of $175 million for each fiscal year, 1970 through 1972, and $170 million for fiscal 1973. This represents an increase of $150 million over highway funds authorized in previous legislation, bringing the total authorization for the development highway and access road construction program to $1.165 billion.

Two-year authorizations in specific non-highway programs were approved as follow: health demonstration, $90 million; supplemental grants, $82.5 million; vocational education, $50 million; land stabilization, $15 million; mine area restoration, $15 million; research and local development districts, $13 million; housing, $3 million.

Appropriations

For the fiscal years 1965 through 1969, a total of $763,700,000 was appropriated by the Congress for all programs under the Appalachian Act. This total included $470 million for highways and $293,700,000 for all other programs. In fiscal 1969 alone, $73,600,000 was appropriated for non-highway programs and $100,000,000 was appropriated for highway construction.
APPALACHIAN INVESTMENTS
1965—1969

17.3 202 HEALTH FACILITIES

17.4 104 COMPREHENSIVE HEALTH COMPONENTS

184 VOCATIONAL TECHNICAL PROJECTS

145 HIGHER EDUCATION PROJECTS

72 LIBRARIES

9 NDEA

11 EDUCATION TELEVISION

17,439 LAND RECLAMATION CONTRACTS

50 MINE AREA RECLAMATION PROJECTS

25 HOUSING DEVELOPMENT

24 WATER & SEWAGE

43 AIRPORTS

Includes All Appalachian Programs except Highways
Total Funds 140,660,000
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1 Appropriations are adjusted to account for reappropriations to other accounts—for 204 and 205 programs of $1.2 million.
3 Includes authorization of $175 million and $170 million for 1972 and 1973 respectively.
4 Includes pending request for transfer of $42 thousand to this account.
In the 1969 amendments, actual appropriations for fiscal 1970 were set at $107,500,000 for non-highway programs and $175,000,000 for highways. Specific non-highway appropriations for fiscal 1970 are as follows: health demonstration, $34 million; supplemental grants, $34 million; vocational education, $25 million; land stabilization, $15 million; mine area restoration, $5 million; research and local development districts, $5.5 million; housing, $1 million.

1969 Amendments

Health—Congress amended Section 202 of the Appalachian Regional Development Act to specify support for nutrition and child care projects. Both the Senate and House Public Works Committees stated that the Appalachian region is uniquely suited to serve as a national laboratory for child development programs.

Special emphasis will also be given to programs and research “for the early detection, diagnosis and treatment of occupational diseases arising from coal mining, especially black lung.”

To further assist agencies whose services are supported as part of the Appalachian health demonstration program, the Congress raised the federal share of operation costs from 50 to 75 percent for the third, fourth and fifth years of these programs’ existence. Operating grants for the first two years remain at a maximum level of 100 percent in federal funds.

An amendment was also passed permitting comination of Appalachian demonstration health money with other federal grant-in-aid programs to cover costs of child development projects.

Mine restoration—Congress amended Section 205 (a) (2) of the Act to allow the Secretary of the Interior to make grants directly to states in order to plan and execute their own projects for extinguishing underground and outcrop mine fires.

The 1969 amendments also extend, through fiscal 1971, the provision permitting the federal share in projects conducted on land not owned by the federal government to be as high as 75 percent of the total project cost.
Appalachian Regional Development Programs
Cumulative Allocations to States by Program. Allocations are through the fiscal year ending June 30, 1970.

Programs which are not allocated on a predetermined formula are shown on the basis of currently approved projects. These include:

205 - Mine Area Restoration
207 - Housing Fund
302 - Portion dealing with projects of a Region-wide rather than individual State nature.

(Amounts shown in thousands of dollars)

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<th>State</th>
<th>Section 201A</th>
<th>Section 201B</th>
<th>Section 202</th>
<th>Section 203</th>
<th>Section 205</th>
<th>Section 207</th>
<th>Section 211</th>
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1 Includes: 3 counties in Northern Georgia.
Housing—Section 207 of the Act was amended to authorize the Secretary of Housing and Urban Development to provide non-profit organizations in the region with information, advice and technical assistance regarding construction, rehabilitation and operation of low- and moderate-income housing projects.

Sewage treatment—The 1969 amendments also permit the use of supplemental grants under Section 214 of the Act to be used for projects prefinanced by state and local governments under Section 8 (c) of the Federal Water Pollution Control Act.

Local Development Districts—Section 302 (a) of the Act was amended to allow continued funding of local development districts after three years, the limit set by the original Act.

Border extension—Congress also asked the President to undertake a study to determine which portions of upper New York State are socially or economically compatible with either the New England or Appalachian region and should therefore be included with either grouping. The study is to be completed by June 30, 1970.
I. THE PEOPLE OF APPALACHIA

EDUCATION

"Nothing is more important than education to the people of this region." That judgment was presented to the Appalachian Commission by Dr. Frank A. Rose, chairman of the Appalachian Education Advisory Committee and former president of the University of Alabama.

The single major symptom of the Region’s education malaise, according to the Advisory Committee, is the fact that 71 percent of Appalachian students who entered the first grade in 1948 failed to graduate from high school in 1960.

More recent data indicates improvement, but Appalachia’s drop-out rate still runs 20–25 percent higher than the national average. The loss rate results in undereducated and under-skilled youth, destined to swell the welfare and unemployment rolls in Appalachia, or in the urban areas to which many of them migrate. And the undereducated work force remaining in the region acts as a deterrent to economic growth.

A second major indication of the unmet needs of Appalachian children is their educational attainment.

Excluding the Appalachian counties of New York and Pennsylvania, only four Appalachian counties equaled or exceeded the national median number of school years completed (10.6) in 1960. Eleven percent of Appalachian adults (25 or older) had completed less than five years of school as compared to a national average of 8.4 percent. The national average of adults completing high school was 41.8 percent in 1960, as compared to 32.3 percent for Appalachia. The Commission has committed a major part of its funds to the improvement of educational opportunities in the Region. In Fiscal Year 1969, the Commission provided $21.4 million for education under the Vocational Education grant program (Section 211) and the Supplemental Grant program (Section 214) of the Appalachian Act. These investments had a substantial multiplier effect, producing an additional investment of $51.9 million of facilities and equipment from other Federal programs, State and local governments and private funds.
One-room dilapidated schoolhouses (top) are gradually disappearing from Appalachia. One teacher often taught as many as twelve grades, and her only teaching aid was a pot-bellied stove that kept the winter out. The Appalachian Regional Commission is helping to replace these old structures with modern facilities (bottom) featuring the latest teaching equipment, qualified instructors and wide range of relevant courses.
In several Appalachian states, Commission and other funds have been combined to complete networks of new educational facilities and services.

Virginia has virtually completed a network of vocational-technical schools and community colleges within commuting distance of every resident of the 21 counties in the region.

New York has completed its planned 16 area-wide vocational schools and is shifting its Appalachian funds to construction of technical education facilities at community colleges.

Kentucky has been able to build and equip 38 vocational centers in the mountains.

South Carolina, by the end of Fiscal Year 1969, had completed most of its secondary-school vocational facilities.

During the fiscal year, the Commission approved funds for 59 vocational education and technical schools to serve an estimated 34,000 students. Since the start of the Appalachian program, the Commission has shared in the funding of 235 such institutions. Many of these schools serve three shifts of students: two groups of youths who spend half their day in basic high school courses, the other half in vocational training, and adults who attend vocational classes at night.

Of the 235 schools funded in the last four years, half are now open. The ARC investment of $72,000,000 has stimulated a total local, State and Federal investment of more than $250,000,000. More than two-thirds of this funding was at the high school level and has resulted in a 50 percent increase in job relevant training opportunities in the Region, or 110,000 new training positions.

The Commission has been spending an average of 57 percent of its supplemental funds under Section 214 for education projects. These range from enabling districts to make greater use of the National Defense Education Act Title III for elementary and secondary school equipment to investment in colleges. Some Appalachian school districts have tripled and quadrupled their materials and equipment buying.
During Fiscal Year 1969, the Commission identified six educational priorities based on analysis of its Educational Advisory Committee and with the agreement of representatives of the State Departments of Education, Governors' offices and Higher Education Commissions of the Appalachian states.

The priorities are:

*Early Childhood Education.* Much evidence points to the fact that children, particularly those coming from disadvantaged families, can and should start school younger and receive remedial services that enable them to advance both physically and mentally.

In some parts of the Region, 65 percent of first grade entrants failed first grade. Such children drop out later or are perfunctorily moved through the school system to graduate as functional illiterates, an average of five and three quarters grades behind in their attainment.

Yet only five of the thirteen States in the Region have even Statewide kindergarten programs. In three of the five states having kindergartens, less than 50 percent of the Appalachian school districts have kindergartens. Among the efforts to improve and expand early childhood education opportunities in the Region is a Commission-aided study in West Virginia. Under the direction of the Governor's office, a study is being made of the need for early childhood education in the state and the specific legislation required to meet that need. The Commission provided assistance under Section 302 of the Appalachian Act.

*Occupational Information.* The highest drop-out rate comes in grades 7–9, as a young person begins to mature and question the relevance of school. By grade 10, he must choose courses which should prepare him either for college or the work-a-day world. Although frequently inadequately prepared to make informed choices, most students end up in college preparatory or general courses of study. An apparent cause is an almost total lack of information about career and employment opportunities, economic and social considerations as well
as a negative bias by school personnel toward less-than-college level preparation. The Commission feels that this problem could be alleviated by providing through the school, at least in grades 7–9, information relating to occupational choices.

**Occupational Education.** Once provided with a rational basis for decision-making, a student must be provided with job-relevant training opportunities. The Commission has adopted a policy requiring that its grants for vocational and technical schools under Section 211 and Section 214 assist programs which relate to projected labor market demands locally, regionally and nationally. At current rates of program investment, Commission investments should, by 1973, result in opportunities for at least 50 percent of the Region’s high

Vocational training in courses relevant to jobs available in today’s industry is one of the Commission’s biggest programs. At the Hazard Area Vocational-Technical School in Kentucky (one of 235 such schools which have been funded throughout the region) students are being trained in tool and die-making skills.
school students to be enrolled in job-relevant training opportunities. Projections and plans are being updated in the adult and technical training needs area as well.

Educational Manpower. In order to improve early childhood and occupational training, as well as education generally, new staff and personnel to provide services must be developed. Emphasis is being placed on training and retraining teachers for instruction in courses geared to today's job market. There is also emphasis on training early childhood personnel, occupational guidance personnel, and para-professionals. The student-teacher ratio in the Region is significantly higher than the national average. With lower salaries, low teacher mobility, and scarce human and fiscal resources, Appalachia must depend heavily on assuring a supply of aides to gain better use of professional staff. Low teacher mobility, advanced age of school personnel, lack of supervisor support and little opportunity for self-development emphasize the need to better link the large number of colleges of the Region in an effort to upgrade the school staffs that provide them with students.

Multi-Jurisdictional Service Agencies. Because Appalachia is primarily rural, many of the region's school systems lack the fiscal base and student population to economically justify provision of many of the most basic educational and support services to its students. While consolidation is proceeding, topography still limits the size and efficiency of districts. An alternative solution is to assist states in development of Multi-Jurisdictional Service Agencies to provide for basic education and administrative services. It is significant that while 39 states have arrangements of this type, only two Appalachian States have formally developed this pattern of service.

Comprehensive State Educational Planning. Central planning capability should be developed in the Appalachian States to manage and coordinate development and program activities in these priority areas and generate five-year development plans for education to be integrated with other Commission
planning and support. With one exception, the Appalachian State Departments of Education have only decentralized and short range planning capability, although most are making concerted efforts to undertake this task.

During part of Fiscal Year 1968 and Fiscal Year 1969, the Commission's educational planning activities in the Region were aided by a $132,624 grant from the U.S. Office of Education under Title V of the Elementary and Secondary Education Act. The Commission allocated $60,000 from research funds to provide expert assistance to its member states to plan and design comprehensive education programs.

Towards the end of Fiscal Year 1969, the Commission initiated a survey of 32,000 of the 160,000 Appalachian teachers in order to determine the need for and nature of programs for: (1) recruiting teachers for Appalachian schools; (2) up-grading present teachers, (3) and for more precisely defining teacher shortages. Specific program recommendations will be developed from the findings. The study is to be completed in the late winter of Fiscal Year 1970.

Through its Education Advisory Committee and sub-committees, the Commission has served as a forum for exchange of information in education and as a market place for states to obtain technical assistance.

New York, for example, shared its Cooperative Review Service process and staff services with West Virginia, resulting in increased experience for New York personnel and the adoption by West Virginia of a modified district review system for its own use. Significantly, New York bore the expenses of its staff in this effort.

In Maryland, a State Appalachian Education Committee has met monthly since 1967, assisting the Governor in the innovative uses of existing Commission programs.

Through this committee's efforts, an alliance was created between the junior colleges and the school districts to train and use educational aides. Initially, because no federal funds were available, State and local funds were used. Federal and local funds were reallocated to hire the aides and train local
teachers to use them. Combinations of Vocational Education Act of 1963, Manpower Development Training Act, Appalachian and local funds were used to build and operate an early childhood demonstration center at Frostburg College for 3, 4, and 5 year-olds. The center also trains teachers and aides.

The Commission intends to provide technical assistance and planning grants to the states during 1970–71, to allow the states to design and implement programs according to priorities established by each individual state.

HEALTH

A healthy population is essential for success in regional development. For many people in Appalachia, good health has been elusive.

Appalachia's people have not shared in the rising health status of the nation generally. It has become increasingly evident that the improvement of the health levels of Appalachia will depend on advances in education, better housing, expanded employment opportunities, adequate roads and other developmental achievements. But direct attention to health deficits is also required.

Section 202 of the Appalachian Regional Development Act provides a way to demonstrate new and improved techniques for the delivery of health services in Appalachia. Eight areas in as many states were conducting demonstrations under Section 202 and a ninth was designated in 1969.

Six counties in Georgia and Tennessee were designated as a ninth health demonstration area in December, 1969. The counties include Catoosa, Dade and Walker in Georgia, and Tennessee's Hamilton, Marion and Sequatchie counties.

In keeping with a fundamental Commission practice, each demonstration area covers a cluster of rural and urban counties linked together for planning purposes. The Commission designated the areas in Fiscal Year 1968 on the basis of initial proposals to meet criteria proposed to the Commission.
The delivery of medical services to the thousands of isolated residents of the rural Appalachian region is a major program now being undertaken by the Appalachian Commission. Because of their isolation, the people of the region—and especially the children—have not received adequate health care.

by the Appalachian Health Advisory Committee, a group of experienced professionals from public and private life. (Health Advisory Committee Report; March 1966).

The Appalachian demonstration health program, by harnessing the government and private sectors to improve the public well-being, anticipated the philosophy on national health problems expressed by Secretary of Health, Education and Welfare Robert H. Finch and Dr. Roger Egeberg, Assistant Secretary for Health:

"Unless government and our vast array of private institutions can learn to work together, we cannot succeed. The fault in the past has been shared by both. Too often government has operated independently and even blindly. . . . And too often the private sector has been reluctant to give up outmoded practices that are unsuited to the incredibly rapid changes of our society."

The public-private health demonstrations in Appalachia are attempting a comprehensive approach involving all aspects of health to improve the quantity and quality of health services and reach persons who do not have access to essential care.
Planning is carried out through councils comprised of public officials, interested citizens, physicians, dentists, hospital administrators and other providers of care from the local area. Administration of the health program is a partnership between the Appalachian Regional Commission, the U.S. Health Service and Mental Health Administration, the States, and the local health councils.

States with demonstration areas are: Alabama, 3 counties; Georgia, 12 counties; Kentucky, 16 counties; North Carolina, 4 counties; Ohio, 7 counties; South Carolina, 6 counties; Virginia, 7 counties; and West Virginia, 9 counties. Some 2.14 million persons live in the present demonstration areas. (Appendix B identifies these counties.)

The Appalachian health program authorizes the Secretary of Health, Education and Welfare to make planning grants of up to 75 percent, construction and equipment grants of up to 80 percent, and grants for up to 100 percent for initial operation and operating deficits for the first two years of a project, and up to 75 percent of such costs for the following three years. (Until enactment of the 1969 amendments to the Appalachian Act, the maximum Federal share was 50 percent in the last three years.)

Virtually any health project undertaken in Appalachia is needed to fill a void in services or facilities, or to expand an activity so that service can reach more of the population. An important goal of the demonstration health program is to develop the area's capacity for setting priorities among projects in order to effectively phase the development of programs and to lay a firm foundation to meet continuing needs. While this goal is still to be fulfilled, progress has been made.

The demonstration program's success depends heavily on the availability of health manpower. As a step toward encouraging medical and nursing professionals to practice in the Region, the Commission funded a program in Fiscal Year 1969 which brought 108 medical students and student nurses into the demonstration areas and other parts of the
region to experience largely rural practice conditions. These students worked alongside local physicians and health agencies. The program was administered by the Student American Medical Association.

The Commission also supported 16 nursing students during a nine-week summer project in a remote area of Appalachia Kentucky. The student nurses worked in association with the community service program of Alice Lloyd College at Pippa Passes, Kentucky. The 16 student nurses were recruited by the National Student Nurses Association.

The Southeast Kentucky Regional Health Demonstration participated through its Field Professors of Medicine and the Home Health Nursing Project. A registered nurse and a trained nutritionist are part of the professional health staff which supervise the students.

Home health care is one of the Appalachian Commission's newer experiments. Nurses like Doris A. Hollenback, with the Home Health Agency in Homeplace, Ky., bring medical care to the homes of patients who have no means of transportation.
The Commission also aided in the recruitment of professional health personnel to staff activities in the demonstration health areas. Some 25 professionals were placed in jobs in these areas by direct efforts of the Commission during a relatively short period of Fiscal Year 1969.

The following are examples of projects in the demonstration areas to relieve the health manpower shortage:

Nine senior medical students from the University of Kentucky spent six-week clerkships in Eastern Kentucky communities. Their work, under the guidance of physicians holding field professorships from the University of Kentucky School of Medicine, includes community health diagnosis, visits to patients in their homes, and epidemiological surveys.

In Alabama, a program is underway to train nurses and technicians. In all, 28 students are in nursing training at Calhoun Junior College; 12 students have been sent to the Regional Technical Institute for Health Occupations at the University of Virginia. The students receive stipends and certain expenses, and each has signed an agreement to work at least one year in the three-county demonstration area.

An effort is being made in Georgia to encourage students of junior high school level to consider preparing for health careers. This is not too early because vocational training for a number of sub-professional health occupations is starting to be offered in high schools.

The Dalton (Ga.) Junior College has an ultimate goal of graduating fifty nurses a year. Eighteen full-time and four part-time nursing students were enrolled at the college in 1969. Clinical facilities for actual experience are provided by the Whitfield County Health Department and Hamilton Memorial Hospital.

Training is being offered in the North Carolina demonstration area for a variety of health careers including medical office assistants, laboratory assistants and a wide range of other health-related jobs such as ambulance attendants, hospital food workers, and child care workers. Area hospitals are
providing training space and instructional staff. Inservice training to continually improve the skills of present staffs is being provided to 240 nurses, 30 supervisory employees and 30 persons in hospital housekeeping.

By June 1970, a project in the Ohio area will be graduating annually 48 licensed practical nurse students. Candidates are being recruited in high schools and among older women, with particularly high interest shown by those 45–50 years old.

Approximately 30 students who began training in Fiscal Year 1969 will be graduating in the South Carolina area in radiological technology. Additional programs are proposed for dental assistants and ward secretaries, and expansion of the medical laboratory assistant program is planned.

Efforts are well underway in the demonstration program to improve the health of children. While these efforts are largely traditional public health programs, they are absolutely essential and require further expansion.

In three of the nine demonstration counties of West Virginia, 9,800 children in the first through eighth grades have been screened for heart disease. Some 250 of these youngsters were referred to private doctors, the Mercer County Regional Diagnostic Clinic, the Crippled Children’s Services, and Charleston Memorial Hospital for more elaborate examinations and treatment. Plans call for extending this program to the other six counties in the demonstration area.

Because of high infant mortality rate, the demonstration area has increased the number of special clinics, or established clinics where none existed. For example, there are now two pre-natal clinics and two cancer screening clinics instead of one each. Family planning and adult health screening clinics have gone into operation. Some 675 persons have attended lectures on family planning methods. Under another Appalachian health project, most of the counties have completed a survey on the immunization of babies. Immunizations are being coordinated with public health clinics.
A task force on nutrition has been established as part of the public health program in the North Carolina area. Welfare agencies, county commissioners, agriculture extension agents and public health officials in the four counties are cooperating with the Appalachian health council to modify existing food programs to meet needs, combine various food programs for greater efficiency and carry out nutritional education. Some 500 pre-school children were examined in a six-month period to determine their nutritional status.

Screening clinics have been established in Kentucky to detect disease as early as possible, including those affecting children. Plans provide for some of these clinics to be held in outlying locations rather than only in present county health offices. This will bring the preventive service closer to large numbers of rural residents who otherwise would find it difficult to reach the central offices. Local medical societies are cooperating with the clinic program. Home health services covering the area are operating successfully.

Sufficient staff has been recruited and equipment and facilities provided for a comprehensive speech and learning diagnostic and treatment program—the first in the Georgia demonstration area. Some 20,000 children in the first and fourth grades will be tested for speech and learning defects, and high school students needing speech correction also will be examined. Youngsters needing attention will be referred to local doctors and to school audiologists.

The public health program has been expanded in Alabama. Maternity clinics have been established in Morgan and Limestone Counties; the one in Morgan County enlarged. Some 60 to 75 babies are now being seen each week in well-baby clinics compared to 25–30 each week before the grant. In a seven-month period, 4,800 school children in Limestone County were tested for eye, ear, speech and dental problems and those needing care were referred to public health agencies or private physicians. The three counties have now joined in a single health department, bringing greater efficiency and helping to close gaps in essential health services.
School systems, Head Start agencies and county health departments have allied to expand and extend speech and hearing diagnosis and therapy services in South Carolina. Volunteers are being trained to assist in the screening of children.

With an Appalachian grant, Pickens County, South Carolina, has established its first public health dental program. Some 800 patients—mostly school children with their permanent teeth—have been provided care. A second dentist is being recruited to operate a mobile dental unit. A hygienist is being recruited to conduct a dental health education program.

Thirty-five clinics, including five family-planning clinics, are being instituted as the health staffs in each Virginia demonstration county are expanded. Nine local physicians are now aiding these clinics, and 700 more patients a year are being given care.

The Commission in Fiscal Year 1969 approved a wide array of facilities, ranging from large regional hospitals to small public health clinics, in the demonstration areas. Many existing facilities are physically inadequate. New or modernized facilities are needed to meet standards. Other types of facilities, such as extended care units and long-term facilities, are needed to provide alternatives to high-cost general hospitals.

In Virginia, four county health centers have been approved as a base for services and as part of the plan that will eventually lead to a network of clinics, satellite hospitals and regional hospitals.

In West Virginia, new design and construction techniques are being used to speed construction of public health centers.

In Kentucky, the concept of “levels of care” is being implemented through construction of a range of facilities including emergency, extended care, long-term care, and psychiatric and general hospital beds.

Continued planning, in conjunction with development and implementation of actual health projects, is a basic element in
the Section 202 program. This planning aspect of the demonstration is in harmony with P.L. 89-749, the Comprehensive Health Planning and Public Health Services Amendments of 1966. The twelve-county Northeast Georgia Regional Health Advisory Council has been officially designated as the "749" area planning agency. In Kentucky, the three medical trade areas encompassed by the demonstration area form the nucleus of larger planning regions which will add other counties and add members to the present councils. The Tri-County Appalachian Regional Health Planning Commission, Alabama’s Section 202 organization, is functioning as a P.L. 749 organization.

The demonstration organization in North Carolina, the Regional Health Council of Eastern Appalachia, is operating similarly. The Ohio Valley Health Services Foundation will be the official State planning agency for the seven-county Appalachian demonstration area.

The six counties which make up the South Carolina Appalachian Regional Health Policy and Planning Council and one adjacent county have been designated as three separate planning areas under P.L. 89-749. Any applications for Federal funds originating from these planning areas must be reviewed by the Appalachian Council to assure against duplication. The Council remains the overall health planning agency in the area.

The Southern West Virginia Regional Health Council, which directs the demonstration, has sought designation as the "749" planning area. The same applies to the seven-county Section 202 organization in Virginia.

Efforts have begun in several states to link planning in the Regional Medical Program to the demonstration areas' planning.

In order to assure that the planning element in the Section 202 programs continues to improve, the Commission began in Fiscal Year 1969 to require that each demonstration area annually update a long-term health investment plan. This plan is to include a description of health projects for which Appalachian and other Federal health funds will be sought and
how those projects will deal with the health problems described in the plan. The plan is addressed to both the short-term and long-term financing needs for projects and indicates how funds will be secured to operate service components as Federal support phases out.

CHILDREN AND YOUTH

"We cannot heal one another with laws, or even with food and care and jobs—though they are an absolute necessary beginning. Nor can children learn to love unless they are loved—treated with kindness and tenderness and respect and concern and consistency over a long enough period of time to make the experience a firm part of their life, an experience that has been made trustworthy by time."

Robert Coles, M.D.

Marie Piers in "Wages of Neglect"

For some time, the Commission has been supporting health projects of benefit to children in the selected comprehensive health demonstration areas of the region. These projects include infant and maternal care services, dental care; screening for heart, hearing and vision defects; and mental health services.

Support for such programs is continuing. But many children and their families often need an array of services beyond health, embracing education, job training, counseling, recreation and other services.

Proverbs and folklore remind us that "great oaks from little acorns grow" and that "as the twig is bent, so grows the tree."

Modern scientific findings validate those old sayings. Poor maternal and infant nutrition, inadequate education and stimulation, uncorrected disabilities and lack of understanding by the parents all interact to produce damaged personalities and reduced intelligence. The human tragedy is great. The impact of it on the development of the Region is severe for it drastically reduces the skilled labor force essential to economic growth. Additionally, resources which could be channeled into social and economic advancement are directed to simply maintaining a new generation of welfare clients.
The following data is one measure of the need for child development aid in the region:

Less than 5 percent of the approximately 2.2 million children under six in Appalachia have available comprehensive services such as those included in Head Start.

About 43 percent of all children under six in Appalachia are categorized as poor by OEO standards and are likely to require some special services. Head Start is available to only about 11 percent of these children.

Over 85 percent of the poor children in Appalachia under six receive no financial aid or services in the form of Aid for Families with Dependent Children or Head Start.

During Fiscal Year 1969 the Commission took the first steps toward planning comprehensive child development programs in the Region. The 1969 Amendments to the Appalachian Act provide for special emphasis on such programs utilizing Appalachian Health funds completely or in combination with other Federal funds to support child-centered services.

But the Commission recognized that its attention should also be addressed to the teen-aged youth and young adults of Appalachia. The responsibility for the preservation of Appalachia's unique cultural heritage, for social progress, and for continued economic development will soon pass to these young people of the region. Today 65 percent of the students who enter schools in the region drop out before getting a high school diploma.

Hundreds of younger professionals and adults needed to build a better future for the Region are leaving their homes for more lucrative positions in other parts of the nation.

In West Virginia, 70 percent of the people leave before they reach the age of 24.

Regionally, 70 percent of the teachers leave within the first four years after they start teaching.

In rural Appalachia, 65 percent of the doctors are over 50 years of age.

Appalachia needs 227,000 more college graduates to provide the professional leadership needed, yet less than one
out of ten students born in Appalachia completes college. With the loss of large numbers of its best educated and highly motivated young people, the Region faces a crisis in leadership within a few years.

Aware of the heavy social costs of this shortage of talent, the Commission in late Fiscal Year 1969 began planning the Youth Leadership Program.

Goals of the Youth Leadership Program are:

1. To assess the nature of the impending crisis in leadership in Appalachia, statistically define the problem, and help the states and development districts create public awareness of the need for more young people to become educated and trained as future leaders of Region.

2. To more clearly define regional needs for leadership and help improve the understanding and techniques of the Region’s academic and political institutions in helping meet those needs through improved education and training of young people.

3. To develop special plans and programs by means of which young people, working with various groups in the Region, particularly the schools, to more effectively meet development.

4. To bring together present leaders and engage them in the development of new young leaders through such devices as internships and apprenticeships in actual work experiences.

5. To enlist the public and private institutions of the Region, particularly the schools, to more effectively meet their responsibilities in the development of new leadership.

6. To work with various service and voluntary associations to promote more active participation by talented citizens in developing the Region. Also, to work with businesses and other groups to stimulate youth employment.

7. To create among the young people in the Region a pride in its past, an awareness of Appalachia’s considerable future potential, an understanding of its problems, and a commitment to stay in the Region and help build a better future.
The primary vehicles through which the program will operate are Youth Development Councils—groups of young people organized on a community, county and district basis under the direction of the local development districts. Through participation in these councils, young people will be able to exercise positive leadership in establishing policy, planning programs, and administering area youth development projects. A special effort will be made to organize the non-student population—the drop out and the employed or unemployed youth.

During Fiscal Year 1969, the Commission shared in the support of several efforts to involve young people in the development of the region.

In Georgia, an intern was assigned to each of the development districts to assess the housing needs of the area and the resources to meet these needs. The field work followed a special seminar to train the students for their assignments. The interns were selected under the Southern Regional Education Board program.

During the summer the Commission supported a total of six interns in three Kentucky development districts. The students examined outmigration patterns, surveyed recreation potential and acted as youth project organizers.

Interns worked under the direction of the North Carolina State Planning Task Force in the gathering of information which was incorporated into the annual State Appalachian Development Plan.

Programs were undertaken to develop regional pride through seminars and school curriculum, youth activism through student off-campus and service-learning programs, and youth participation through special task forces on student involvement and other youth-directed projects.

Additionally, the Commission employed on its staff as interns students who gained work experience in regional development.
The Commission has recognized that investments in physical capital are likely to be unproductive unless they are accompanied by substantial investments in the education and training of the people who must create wealth from the resources of the region. Thus, Section 211 of the Appalachian Act provides grants for the construction and equipment of vocational education facilities in the Appalachian Region. If current trends materialize, Commission and other public investments should result by 1973 in opportunities for at least 50 percent of the Region’s high school students to enroll in job-relevant vocational training.

This should help stem the tide of youths who are flowing into the pool of the unemployed and underemployed. However, it will not have any major impact on those young adults already out of school and unemployed.

**MANPOWER DEVELOPMENT**

A Commission study indicated that there were 1,700,000 persons who could benefit from manpower programs. This includes 300,000 unemployed, 750,000 “working poor” and 670,000 “hidden unemployed” (persons not in the labor force who ought to be). These people, in despair of finding jobs, have given up the search and withdrawn from the labor force.

The latter group, in addition to the unemployed, are the prime targets for proposed Commission sponsored regional manpower development demonstration programs. These programs would feature “rural outreach,” i.e., the identification, recruitment, training and placement of persons living in isolated rural areas.

Other major components would be job training, labor mobility, counseling and supportive services and basic education. Basic education (reading, writing and arithmetic) are desperately needed since, in 1960, the Region’s adult population had only completed 8 years of school compared to 10.6 for the nation.

The Commission has shared with the Atomic Energy Commission, the U.S. Labor Department and the Department
of Health, Education and Welfare in funding a demonstration training program at the Atomic Energy Commission facilities in Oak Ridge, Tennessee. The Commission grant will help 80 of the 310 trainees from Tennessee, Kentucky, Virginia and West Virginia learn skills in welding, technician aide, and machine operation.

New techniques for recruiting, training and placing young adults in better jobs will be demonstrated in the program. An attempt will be made to develop outreach techniques and methods for interstate recruitment of trainees. Special emphasis will be given to the placement of trainees in Central Appalachia, especially in the coal industry where a severe shortage of trained technical personnel has developed.
II. LINKING APPALACHIA TO AMERICA

THE APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

Appalachia is quite unique among the large depressed regions in the world's industrialized countries. Unlike most such regions, which tend to be located on the edge of the economic heart of the country in which they are located, Appalachia is sandwiched between two of the most urbanized and affluent areas in the world—the Atlantic Seaboard and the industrial Mid-West with the burgeoning Atlanta area to the south.

It was for just this reason that in its report in 1964 the President's Appalachian Regional Commission referred to the Region as "an island of poverty in the midst of affluence."

National transportation patterns tended to bypass Appalachia because of its rugged terrain.

This bypassing of the Region reinforced early patterns of settlement which had dispersed millions of people up the hollows and across the ridges in hundreds of very small communities and mining camps isolated from the main-stream of American economic growth.

Appalachian Development Highways

It was for this reason that the President's Appalachian Regional Commission recommended to the President and Congress that a major effort be made to provide an adequate transportation system that would open up Appalachia to the flow of national commerce, provide access to new areas for development, and make it possible for people to get to and from new jobs and services wherever they could be developed.

Until the transportation problem is at least partially cured, there can be little hope for achieving full social and economic development in Appalachia. The new roads will get products to markets, men to jobs, children to schools, families to hospitals.