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A LOOK AT RURAL AMERICA

Although the following article was printed in August, 1967, in the U. S. Department of Commerce publication Economic Development, it has as much relevance in 1969 as it did when published. Because one of the most challenging problems in economic development continues to be how to bring economic growth to the rural areas of the nation, the article is reprinted below. Together with the material presented on the inside pages, this article appears to provide an appropriate follow-up to the presentation of some of the state's problems by Dr. Casement in our July issue. The reader's attention is also directed to the discussion of Nebraska's new Planning and Development Regions in the December, 1968, issue of Business in Nebraska.

E. S. W.

Historically, we have seen that as the economy expands and the nation as a whole prospers, the rural areas, as opposed to the more diversified urban economies, respond comparatively slowly. We have found that economic development for rural America is not merely a matter of bringing jobs to the farm. Rather, raising incomes and creating employment opportunities - the purposes of economic development - often require a change in the whole pattern of rural life. In order to achieve these benefits, there are certain costs that have to be met, social as well as economic.

A growing economy is an industrialized economy - one that relies more heavily on capital than on labor. A major requirement of industrialization is a certain degree of "clustering" of people and the means of industrial production, something that is missing in many of our rural areas. In other words, rural economic development depends in large part upon the success of a "growth area" in which investment is concentrated and thus brings about self-sustained economic growth.

This approach contains several significant implications, among them the following.

There is a need to avoid confusing long-term development programs with short-term patchwork approaches. For example, rural housing conditions are often deplorable. However, in attempting to alleviate the present poor conditions of farm workers, we should carefully avoid permanently entrenching a work force that is being quickly mechanized out of jobs. Investment in such programs as permanent housing should be made in those places where industrial growth is likely to take place and be sustained in the future.

The natural tendency of industrial growth and "clustering" to go hand in hand should indicate that the government ought to coordinate all of its investment into areas of potential growth.

Continuing economic development is more than industrial development. It is change encompassing all of the socio-political facets of the community. To start the process, the Federal government should use its investment funds in line with overall local and state plans so as to achieve a complementary economic expansion in communities. We must realize that to achieve this development, some degree of "urbanization" is necessary. Thus, not only do industrial development activities require a high degree of coordination to avoid conflict and waste but other grant-in-aid programs of the government, such as housing and education, also should be merged into a unified development approach.

The fact must be faced that not every rural region and area can make the transition from an agriculturally based economy to a high-growth industrial economy based on regional growth centers. Some areas may be unsuitable in many respects for this type of growth pattern. However, these areas can still achieve a high and rising level of per-capita income in line with national economic growth, if they are willing to concede the need for outmigration of people. Aid programs should still be given to these areas. Such aid is justified on other than economic development grounds. Clearly, the personal and social costs of migration must be acknowledged and the burden equitably distributed.

The difficult problems arising from such an approach to economic growth and development must be recognized as the responsibility of all levels of government - local, state, and Federal.

Once the concepts are understood and the general goals established, investment in resources becomes the key ingredient. However, a payoff is required. Plans for the sake of planning will result in frustration and failure. Projects must follow one another in a building-block fashion in order to achieve the necessary momentum for sustained economic growth.

In sum, rather than respond to rural poverty in terms of rural solutions, we must think in terms of providing "bridges" by which the rural population can take part in expanding national prosperity. Since 1961, the nation has been moving toward building such "bridges."

The economic development programs, manpower and training activities, programs under the Economic Opportunity Act, and the special educational programs under the Adult Education and the Elementary and Secondary Education Acts are examples of such efforts.

Each in its way prepares rural America for the transition to the social and economic mainstream of American life. By gathering such programs within a network of multi-county development districts containing potential growth centers, the preconditions for an effective growth process can be achieved. This will provide a workable alternative to the present flow of rural migrants into the cores of our great metropolitan cities.

We have come to recognize the (Continued on page 6)

THE PATTERN OF OUT-MIGRATION

"Migration from the rural areas has all but ceased," writes David L. Keele in the June, 1969, issue of the Monthly Review published by the Federal Reserve Bank of Kansas City. Unfortunately, the figures do not substantiate this statement.

Mr. Keele is writing with particular reference to the Tenth Federal Reserve District, which he defines for purposes of his article as comprising seven states in their entirety,[1] and is discussing the period 1960-66, the latest for which U. S. Census Bureau county estimates are available. In spite of the growth of the metropolitan areas in these states, according to the very figures which Mr. Keele uses, all the states except Colorado show out-migration, and for the six states this net out-migration totals 286,000. Nearly two-thirds of the nonmetropolitan counties in these seven states experienced out-migration totaling 445,900.

It is true, nevertheless, as Mr. Keele goes on to say, that "some minimum number of workers for farming and supplying local agriculturally related services is required if the economy is to have an agricultural sector," that the rate of out-migration has been declining, and that because of the tremendous out-migration which has already occurred there are signs that "this bare minimum is being rapidly approached."

In these pages last month Dr. Casement discussed the extent significance of out-migration in the economy of Nebraska and ignated the provision of employment opportunities to reduc end this loss of persons in the most productive age group "perhaps the state's most crucial problem." His study was b entirely on official Census Bureau figures rather than estim and thus ended with 1960.

Vital statistics for 1968 broken down by county of residen Nebraska have recently become available, and these, toge with the Bureau's population estimates, make it possible to mate out-migration for the 1960-68 period. Such figures, arra by the 26 Planning and Development Regions into which the is now divided, are given in the table below.

For the state as a whole these figures show an out-migratio 42,354 for the period of 8 3/4 years, or about 3% of the 1960 p lation, as contrasted with a 9% rate for the fifties. Projectin the remaining 1 1/4 years gives an estimate of something u 50,000 for the entire decade - less than 40% of the actual migration of 129,000 shown by the Census of 1960 for the pre ing decade. On the other hand, the latest Census Bureau esti shows an out-migration of 87,000 for (Continued on pa

[1] Colorado, Kansas, Missouri, Nebraska, New Mexico, Oklahoma, and Wyoming.

NET MIGRATION OF THE POPULATIONS OF NEBRASKA COUNTIES FROM APRIL, 1960, TO END OF YEAR 1968

County	Migrants (+) Net In (-) Net Out	% of 1960 Population
Region 1	+34,904	+ 9.3
Douglas	+13,993	+ 4.1
Sarpy	+20,911	+66.8
Region 2	- 7,640	- 4.9
Lancaster	- 7,640	- 4.9
Region 3	- 745	- 6.1
Dakota	- 745	- 6.1
Region 4	- 5,409	-10.5
Cass	- 2,424	-13.6
Otoe	- 561	- 3.4
Saunders	- 2,424	-14.0
Region 5	+ 1,152	+ 2.6
Dodge	+ 936	+ 2.9
Washington	+ 216	+ 1.8
Region 6	- 3,503	-11.7
Burt	- 1,240	-11.9
Cuming	- 1,230	- 9.9
Thurston	- 1,033	-14.3
Region 7	- 3,641	-10.5
Johnson	- 562	- 8.9
Nemaha	- 1,100	-12.1
Pawnee	- 614	-11.5
Richardson	- 1,365	- 9.8
Region 8	- 906	- 2.5
Butler	- 1,353	-13.1
Seward	+ 587	+ 4.3
Saline	- 140	- 1.1
Region 9	- 2,200	- 7.2
Fillmore	- 724	- 7.7
Polk	- 529	- 7.3
York	- 947	- 6.9
Region 10	- 3,551	- 7.3
Boone	- 1,421	-15.6
Colfax	- 403	- 4.2
Nance	- 759	-13.5
Platte	- 968	- 4.0
Region 11	- 4,677	- 7.8
Antelope	- 1,755	-17.2
Madison	+ 345	+ 1.3
Pierce	- 1,043	-12.0
Stanton	-1,450	-25.1
Wayne	- 774	- 7.8
Region 12	+3,237	+ 5.5
Hall	+5,019	+14.0
Hamilton	- 505	- 5.8
Howard	- 698	-10.7
Merrick	- 579	- 6.9
Region 13	-2,859	- 5.5
Adams	-1,059	- 3.7
Clay	- 476	- 5.5
Nuckolls	- 698	- 8.5
Webster	- 626	-10.0
Region 14	-3,859	- 8.1
Gage	-2,413	- 9.0
Jefferson	- 492	- 4.2
Thayer	- 954	-10.5
Region 15	- 606	- 1.8
Buffalo	- 680	- 2.6
Kearney	+ 74	+ 1.1
Region 16	-2,533	- 9.1
Dawson	-1,250	- 6.4
Frontier	- 872	-20.2
Gosper	- 411	-16.5
Region 17	-1,970	- 7.0
Franklin	- 564	-10.4
Furnas	- 616	- 8.0
Harlan	- 570	-11.0
Phelps	- 220	- 2.2
Region 18	-3,388	-10.4
Hooker	- 95	- 8.4
Lincoln	-2,969	-10.4
Logan	- 51	- 4.6
McPherson	- 48	- 6.5
Thomas	- 225	-20.9
Region 19	-2,194	-12.1
Arthur	- 64	- 9.4
Chase	- 365	- 8.4
Grant	- 108	-10.7
Keith	- 742	- 9.3
Perkins	- 915	-21.8
Region 20	- 2,437	-10.5
Dundy	- 540	-15.1
Hayes	- 406	-21.2
Hitchcock	- 902	-18.7
Red Willow	- 589	- 4.6
Region 21	- 7,617	-29.4
Cheyenne	- 4,182	-28.2
Deuel	- 198	- 6.3
Kimball	- 3,237	-40.6
Region 22	- 3,304	- 7.2
Banner	- 245	-19.3
Garden	- 445	-12.8
Morrill	- 1,176	-16.7
Scotts Bluff	- 1,438	- 4.2
Region 23	- 4,234	-12.9
Box Butte	- 1,705	-14.6
Dawes	- 381	- 4.0
Sheridan	- 1,532	-16.9
Sioux	- 616	-23.9
Region 24	- 5,199	-15.2
Boyd	- 664	-14.6
Brown	- 271	- 6.1
Cherry	- 1,254	-15.2
Holt	- 2,017	-14.7
Keya Paha	- 432	-25.8
Rock	- 561	-22.0
Region 25	- 4,444	-12.8
Cedar	- 1,949	-14.6
Dixon	- 598	- 7.4
Knox	- 1,897	-14.3
Region 26	- 4,731	-13.1
Blaine	- 100	- 9.8
Custer	- 1,452	- 8.8
Garfield	- 400	-14.8
Greeley	- 550	-12.0
Loup	- 223	-20.3
Sherman	- 1,026	-19.1
Valley	- 751	-11.4
Wheeler	- 229	-17.6
STATE TOTAL	-42,354	- 3.0

*Net Migration is the difference between (1) the population as of April, 1960, plus 9/12s of the 1960 births and all of the birt for 1961 through 1968 less 9/12s of the 1960 deaths and all of the deaths for 1961 through 1968 and (2) the Bureau of Busine Research's estimated population as of year's end, 1968.

Source: Computations by Bureau of Business Research.

(Continued from page 2) the period April 1, 1960, to July 1, 1967, which would project to a total of 120,000 for the decade, or only 7% less than the preceding decade. The moment of truth approaches, for in less than a year the 1970 Census will tell us which of these estimates is more nearly correct.

It will be noted in the table below that 5 of the counties have migration figures of less than 100 persons, indicating relative stability in this regard. Only 7 counties show in-migration of more than 100. In the remaining 81 counties substantial out-migration is indicated, ranging to a high of 41% of the 1960 population. Only 3 of the Regions show in-migration; in the other 23 the out-migration ranges from 2 1/2% to nearly 30% of the 1960 population.

E. S. WALLACE

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INCOME GROWTH IN RURAL AREAS

In the same article referred to on the preceding page Mr. Keele sounds an optimistic note with regard to the growth of personal income in nonmetropolitan areas of the Tenth Federal Reserve District, pointing out that such growth has been much stronger since 1960 than in the preceding decade.

In Nebraska four counties (Dakota, Douglas, Sarpy, and Lancaster) are classified in the Census Bureau's Standard Metropolitan Statistical Areas (SMSA's). The other 89 counties had the slowest relative growth in total personal income in the 7-state region during the 1950s, but from 1959 to 1966 showed the highest growth rate (55%) of any of the SMSA or non-SMSA areas in these states. Nebraska and Kansas were the only states in which the non-SMSA growth rate exceeded that of the SMSA's.

From 1959 to 1966 per capita personal income grew faster in non-SMSA counties than in SMSA's in all the states, but here again Nebraska had the highest rate (59%), almost 50% above the non-SMSA rate for the District as a whole.

Mr. Keele attributes the growth in counties that have contributed to the strong non-SMSA showing to the development of educational institutions, manufacturing activity, recreational facilities, or military and other government installations, or to proximity to metropolitan areas. In the case of Nebraska, at least, the relative prosperity of the livestock industry should be added as a causal factor. It should be recognized also that in the absence of the out-migration discussed above the substantial increase in per capita income could not have occurred.

E. S. WALLACE

NEW MANAGEMENT TRAINING PROGRAM

Agencies of state government frequently encounter difficulty in recruiting personnel with appropriate educational background and training for the positions available. A step is now being taken by the College of Business Administration toward remedying this deficiency.

A new program entitled "Management Training in Government" leading to the M. A. degree with a major in the Business area has been approved by the Graduate College and will be implemented immediately in cooperation with the Personnel Office of the State of Nebraska.

This new program consists of 36 semester hours of course work to be taken on campus over a period of two semesters or more. Students pursuing the program will be employed concurrently in an intern classification with some department of state government.

Those admitted to the program must have a baccalaureate degree, but there are no specific course prerequisites. A student

(Continued on page 6)

REVIEW

Urban and Rural America, Policies for Future Growth, report of the Advisory Commission on Intergovernmental Relations, 1968, Washington, D.C., 20575. Single copies may be obtained without charge.

This report, which has aroused considerably more controversy than usually surrounds publications of the prestigious Advisory Commission, has evoked both sharp criticism and cogent comments. It has been described by one reviewer as being "primarily a report from public officials to public officials about a great deal that directly concerns the private official and private citizen, but largely without his participation."

Because the study recommends development of a national policy incorporating social, economic, and other considerations to guide at the national level specific decisions which affect patterns of urban growth, questions are being raised about the practicality as well as the desirability of its proposals. Predictably, some readers are asking, for example, "can government in fact control or even substantially influence basic economic trends over any substantial period of time and still remain the government of a truly free society?"

Because the report further recommends Federal financial incentive and placement of contracts to encourage business and industrial location and urban growth in specific areas, some of the same, as well as other, readers are questioning whether incentives to the private sector for social purposes can offset the adjustments needed to realize the economic goals required by aforesaid "free society."

It appears indeed that although the report rather satisfactorily summarizes the problems with which it deals and carefully identifies potential long-run solutions, it cannot be expected to have any immediately effective impact because such impact must be achieved through legislation and this is likely to take considerable time. Whenever proposals involve such basic conflicts between the businessman's short-term need for profit and the inherent long-term implications of an improved environment there is, as one reviewer has said, "a radical discrepancy in the time frame."

Rather meticulous analysis of arguments both for and against a national policy on urban growth is a distinguishing feature of the report, which also presents the pros and cons of all major discussion topics. Considerable attention is given to the currently popular proposal to "build new communities from the ground up," and it appears that the commission members view this as one of the most promising approaches to the urban-rural growth dilemma. There can be no doubt that the report has been thoroughly researched, is well organized, comprehensive in coverage, and on the whole much more realistic in its appraisals and recommendations than most such studies.

D. S.

Business Summary

Substantial gains in the general level of Nebraska business over the same month a year ago were shown in May. The physical volume index for May, 1969, rose about 8 percent over May, 1968. Although this is a somewhat smaller increase than recorded in March and April of this year, it is still a significant rise. The dollar volume index showed a gain of approximately 17 percent over May of last year, which was well above the physical volume index, thus reflecting the general rise in prices. The gain was due to a rise of about 50 percent in construction activity and a 17 percent rise in electricity produced with respect to May, 1968.

Retail sales for Nebraska rose 8.5 percent in June of this year as compared to June, 1968. This is a 1 percent gain over May of this year. The increase is due in part to a 24 percent rise in equipment sales with farm equipment showing a gain of more than 60 percent over June, 1968.

All but three of the reporting cities showed gains over the same month a year ago according to the city business indicators. North Platte had a 12.6 percent increase over June of 1968 for the largest gain among the cities reporting.

All figures on this page are adjusted for seasonal changes, which means that the month-to-month ratios are relative to the normal or expected changes. Figures in Table I (except the first line) are adjusted where appropriate for price changes. Gasoline sales for Nebraska are for road use only; for the United States they are production in the previous month.

R. W. WHITE

I. NEBRASKA and the UNITED STATES

MAY Business Indicators	Percent of 1948 Average Nebraska	Percent of 1948 Average U.S.	Percent of Same Month a Year Ago Nebraska	Percent of Same Month a Year Ago U.S.	Percent of Preceding Month Nebraska	Percent of Preceding Month U.S.
Dollar Volume of Business	358.9	396.5	116.8	110.3	96.0	99.3
Physical Volume of Business	219.6	240.7	107.6	105.8	97.7	100.3
Bank debits (checks, etc.)	244.4	406.6	100.1	113.3	100.2	100.8
Construction activity	333.9	176.7	151.1	104.0	84.7	101.6
Retail sales	153.9	184.1	103.1	99.4	100.8	99.4
Life insurance sales	406.7	482.0	101.5	99.5	96.7	94.4
Cash farm marketings	254.2	171.8	102.7	102.4	91.8	95.4
Electricity produced	392.2	493.2	116.6	108.0	99.8	99.9
Newspaper advertising	160.5	153.8	99.9	106.5	93.5	100.5
Manufacturing employment	176.4	131.5	105.8	102.4	100.2	100.1
Other employment	147.2	171.7	104.0	103.8	99.6	99.6
Gasoline sales	191.3	234.4	107.1	103.6	118.9	103.3

II. PHYSICAL VOLUME OF BUSINESS
Percentage of 1948 Average

Month	Nebraska 1968-69	U.S. 1968-69
May	204.0	227.4
June	212.8	228.1
July	211.8	230.8
August	216.7	280.7
September	213.2	227.9
October	209.8	232.6
November	201.4	231.1
December	203.6	232.9
January	216.1	232.7
February	231.1	239.6
March	223.9	238.1
April	224.8	240.0
May	219.6	240.7

III. RETAIL SALES for Selected Cities. Total, Hard Goods, and Soft Goods Stores. Hard Goods include automobile, building material, furniture, hardware, equipment. Soft Goods include food, gasoline, department, clothing, and miscellaneous stores.

JUN City	No. of Reports	Percent of Same Month a Year Ago Total	Hard Goods	Soft Goods	Percent of Preceding Month Total
THE STATE	709	108.5	117.8	104.4	93.6
Omaha	56	104.8	103.1	106.1	92.4
Lincoln	60	101.1	100.1	101.9	96.0
Grand Island	28	105.9	105.5	106.3	84.4
Hastings	30	105.0	104.3	105.6	89.1
North Platte	19	115.2	123.1	104.2	90.7
Fremont	23	108.0	116.6	100.2	99.2
Fairbury	24	111.2	121.4	99.6	98.3
Norfolk	30	96.2	103.7	89.8	83.5
Scottsbluff	33	107.1	114.2	101.1	94.9
Columbus	26	106.1	112.4	98.6	81.0
McCook	19	98.0	91.4	107.9	89.4
York	24	97.0	92.8	99.7	84.8

IV. RETAIL SALES, Other Cities and Rural Counties

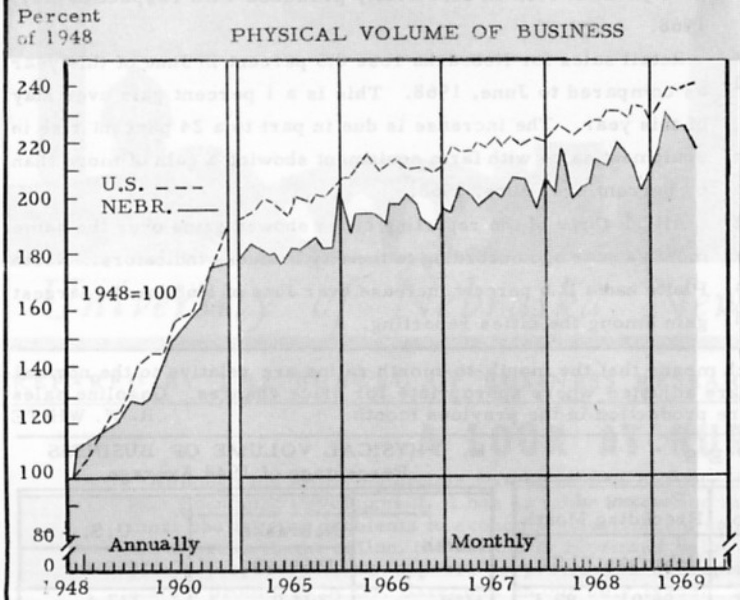
JUN Locality	No. of Reports	Percent of Same Month A Year Ago	Percent of Preceding Month
Kearney	13	115.4	202.2
Alliance	27	99.5	96.0
Nebraska City	19	97.3	100.2
Broken Bow	14	110.8	85.8
Falls City	16	132.0	94.4
Holdrege	12	126.6	120.8
Chadron	20	99.8	100.5
Beatrice	16	101.9	76.9
Sidney	24	107.3	96.5
So. Sioux City	9	141.3	105.1
Antelope	7	110.6	92.6
Cass	19	105.9	101.0
Cuming	12	105.3	94.7
Sand Hills**	23	103.3	90.9
Dodge***	9	103.2	93.8
Franklin	10	104.9	113.9
Holt	14	136.3	96.6
Saunders	13	127.6	97.2
Thayer	9	99.7	95.6
Misc. Counties	51	113.5	146.8

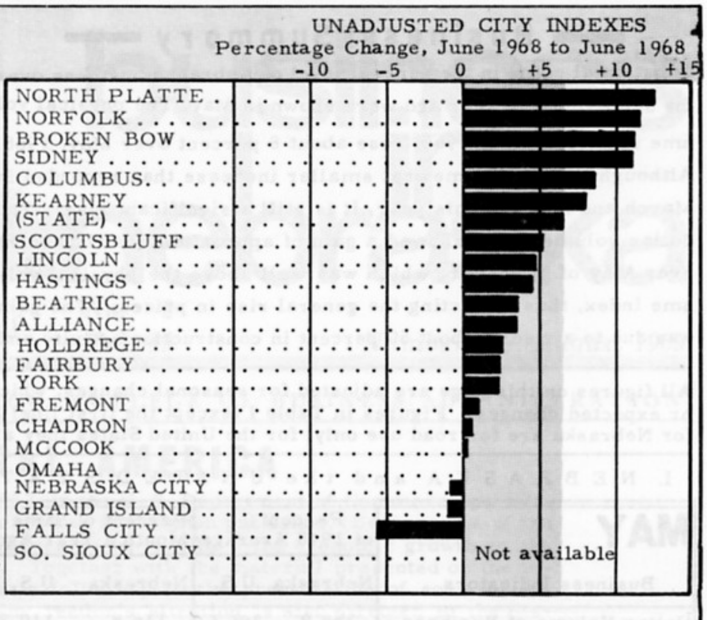
**Hooker, Grant, Dawes, Cherry, and Sheridan Counties
***Outside Principal City

V. RETAIL SALES, by Subgroups, for the State and Major Divisions

JUN Type of Store	Percent of Same Month a Year Ago Nebraska	Omaha and Lincoln	Other Cities	Rural Counties
ALL STORES****	108.5	106.1	106.5	112.9
Selected Services	107.8	102.5	110.2	110.7
Food stores	104.3	105.5	103.4	104.1
Groceries and meats	105.0	108.1	103.4	103.4
Eating and drinking pl.	98.1	96.4	99.0	99.0
Dairies and other foods	118.9	116.6	116.2	123.8
Equipment	124.0	125.6	108.0	138.4
Building material	113.6	96.7	115.8	128.4
Hardware dealers	117.1	150.3	98.8	102.2
Farm equipment	160.8	207.9	108.0	166.5
Home equipment	105.4	101.0	104.7	110.6
Automotive stores	112.3	100.0	114.8	122.2
Automotive dealers	109.8	100.0	118.7	110.8
Service stations	110.8	100.1	98.9	133.5
Miscellaneous stores	103.1	103.7	104.8	100.9
General merchandise	102.0	106.1	102.6	97.3
Variety stores	98.1	91.9	102.2	100.1
Apparel stores	99.1	102.8	100.0	94.5
Luxury goods stores	112.9	110.8	109.2	118.8
Drug stores	105.1	109.9	100.6	104.8
Other stores	108.0	96.9	123.6	103.4

****Not including Selected Services





Figures on this page are not adjusted for seasonal changes nor for price changes. Building activity includes the effects of past as well as present building permits, on the theory that not all building is completed in the month the permit is issued. R. W. W.

VI. CITY BUSINESS INDICATORS

JUN — Percent of Same Month a Year Ago

State or City	City Index	Bank Debits	Building Activity	Retail Sales	Electricity Consumed	Gas Consumed	Water Pumped	Postal Receipts	Newspaper Advertising
The State	106.6	112.0	111.2	108.5	97.0	98.6	88.1	112.2	108.1
Beatrice	103.7	130.1	72.5	101.9	101.5	104.4	57.8	107.0	127.2
Omaha	100.0	118.9	91.3	104.8	92.2	95.5	97.2	114.0	102.7
Lincoln	104.8	92.8	117.5	101.1	106.6	109.6	86.2	122.6	101.8
Grand Island	99.0	105.8	72.9	105.9	105.3	92.0	89.0	92.9	- -
Hastings	104.6	110.9	27.1	105.0	86.1	131.1	71.1	116.3	134.7
Fremont	101.0	120.7	33.9	108.0	98.4	NA	93.4	104.1	NA
North Platte	112.6	117.9	157.3	115.2	112.0	88.8	64.1	116.6	106.8
Kearney	108.0	114.4	485.4	115.4	96.4	100.3	74.3	109.4	NA
Scottsbluff	105.2	102.3	45.1	107.1	106.4	104.9	93.2	115.6	130.1
Norfolk	111.9	126.6	123.7	96.2	113.9	110.2	82.1	116.3	107.2
Columbus	108.6	123.8	124.6	106.1	108.8	115.7	87.6	103.9	101.7
McCook	100.3	120.1	18.3	98.0	98.0	126.6	NA	83.3	104.9
Sidney	111.1	118.4	72.8	107.3	88.7	107.6	120.7	154.1	NA
Alliance	103.6	107.4	66.4	99.5	105.5	86.9	107.4	105.9	NA
Nebraska City	99.3	97.8	285.3	97.3	102.8	88.0	85.2	103.1	NA
So. Sioux City	NA	NA	78.4	141.3	110.9	NA	NA	132.8	NA
York	102.4	116.5	37.8	97.0	98.0	112.2	64.4	102.1	114.4
Falls City	94.4	87.9	63.8	132.0	91.1	92.3	91.0	111.7	103.1
Fairbury	102.5	120.1	104.9	111.2	92.3	NA	80.4	97.2	105.4
Holdrege	102.6	108.5	80.3	126.6	111.6	98.5	103.0	100.2	88.1
Chadron	100.6	141.8	23.5	99.8	104.9	97.1	170.2	79.0	NA
Broken Bow	111.2	129.0	55.8	110.8	102.3	130.1	79.9	112.8	119.1

JUN — Percent of Preceding Month (Unadjusted)

State or City	City Index	Bank Debits	Building Activity	Retail Sales	Electricity Consumed	Gas Consumed	Water Pumped	Postal Receipts	Newspaper Advertising
The State	99.2	101.3	97.8	93.5	104.2	86.3	116.4	115.4	88.7
Beatrice	94.8	102.1	133.1	76.0	112.5	66.3	81.8	142.0	82.7
Omaha	97.6	104.7	93.5	92.6	103.2	94.4	115.9	99.3	91.8
Lincoln	101.0	100.4	98.2	96.1	110.1	84.9	123.0	109.2	86.6
Grand Island	99.0	85.7	115.9	84.4	105.0	71.7	123.1	136.1	- -
Hastings	102.6	103.6	117.4	89.2	100.0	79.2	137.0	137.2	84.5
Fremont	108.3	113.7	113.1	99.4	104.9	NA	138.7	101.6	NA
North Platte	94.3	94.9	103.3	90.5	107.5	48.3	83.0	102.2	89.5
Kearney	117.6	112.5	90.2	203.4	119.5	71.6	120.9	134.7	NA
Scottsbluff	103.2	141.9	116.4	94.8	86.5	70.3	100.0	128.9	101.4
Norfolk	97.7	94.6	127.1	83.6	92.7	82.1	114.6	120.0	88.8
Columbus	98.1	89.9	107.0	80.7	99.4	96.2	125.9	124.8	80.7
McCook	88.6	90.8	75.7	89.0	103.2	72.2	NA	110.3	86.1
Sidney	98.0	93.0	104.3	96.7	89.2	74.5	121.6	115.6	NA
Alliance	96.9	96.9	95.5	95.8	117.9	60.5	99.4	128.4	89.9
Nebraska City	104.3	94.1	163.0	101.0	113.3	83.9	98.5	121.9	NA
So. Sioux City	112.6	NA	115.5	106.6	115.8	54.9	NA	154.8	NA
York	95.0	88.1	107.6	85.0	97.4	83.4	120.0	124.3	87.1
Falls City	98.8	85.1	95.0	94.4	112.0	94.7	111.0	139.0	83.3
Fairbury	99.8	93.9	71.6	98.8	106.7	NA	122.8	112.2	84.1
Holdrege	105.2	117.5	101.4	121.7	117.9	83.6	124.3	84.2	78.9
Chadron	98.1	117.3	81.1	100.8	97.7	131.2	95.8	91.4	NA
Broken Bow	104.0	102.0	111.3	85.8	118.1	73.6	110.5	143.7	92.2

CORPORATION FARMING: WHAT ARE THE ISSUES?

Considerable interest has been evidenced in the discussions of corporate farming presented in the June and July, 1968, and March, 1969, issues of Business in Nebraska. The following summary of group discussion by participants in a North Central Workshop on this topic held in Chicago last April was prepared by Dr. Everett E. Peterson, Extension Economist and Professor of Agricultural Economics, and is reprinted by permission from the July 16 issue of Cornhusker Economics, a publication of the Extension Service, University of Nebraska College of Agriculture and Home Economics. E. S. W.

major issues identified included:

Rapid expansion in size of farms requiring large amounts pital and a high level of managerial skill to achieve income ;

Possible competitive advantages which large farms, including rations, may have in access to capital, employment of manal talent, information on and ability to use certain tax prons, buying of inputs, and marketing of products;

Consequences of proposed restrictive legislation on corporate ng and size of farms as to capital availability to agriculture, water and agribusiness development and conservation, and rs' participation in non-farming business enterprises;

Adjustment problems found by the estimated 75 percent of people now largely excluded from the modern, industrialized my; improved public programs to minimize human hardship iated with these adjustments consistent with national policy ;

Economic and social costs and benefits of an industrialized ulture with concentrated resource and management control reservation of widely dispersed resource ownership and decimaking power and of the rural institutional structure associwith such dispersion.

Sources of Concern

discussion groups generally agreed that much of the current rn about corporations in farming, especially non-agricultural engaged in farming operations, is a reaction to basic eco- forces in our increasingly industrialized, urbanized society. rt for proposed restrictive legislation provides an outlet for certainties and pressures arising from the technological stitutional changes affecting people in rural America. In respects, these people want the best of two different and what incompatible worlds. They would like to retain local ian-based communities largely insulated from the pressures ighly competitive industrialized society. But they want to ready access to most of the benefits of modern industrialized y--income, housing, roads, communication, health, educarecreation, and other amenities of the "good life".

Regional and Individual Differences

level of concern about "Corporations" among farmers and rural citizens varies in the North Central Region. The eastrea (Ohio, Indiana, and Michigan) is industrialized and urbano far already that farmers can adjust out of full-time farmthout moving from the home community simply by getting n nearby cities. The Western Plains States plus Iowa and sota still "enjoy" considerable rural isolation, so are more concerned. When farms are consolidated, there is an out-migration of population to industrialized communities to find jobs. Local businesses and institutions suffer.

Conditions sought by "outside" capital and management for development of agricultural operations are more likely to be found in the Plains Regions. These include: relatively low-priced, under-developed land available in contiguous blocs; water for irrigation; non-unionized labor and lack of alternative employment opportunities; depressed rural communities which face continued decline without a "lift" from outside capital and management.

Western and Southern States have had years of experience with plantations, large ranches, and other types of large farming operations. People of these regions are less inclined to view bigness of firms in agriculture or the corporate form of business organization as a new or troublesome development.

Farmers differ considerably in their reaction to the industrialization of agriculture:

1. Eager "young turks" who are using new business methods and scientific techniques are adjusting so well that they feel they will continue to be able to compete effectively;

2. Older farmers (over 50 years old) have few alternatives, but many are nearly free of debt and have accumulated considerable assets so that, although concerned about their children's future, they can gradually phase out of farming and retire in ten to fifteen years;

3. The most concerned group are the younger farmers who have limited assets, are lagging in adjusting to larger units and/or newer technology, and face the bitter choice of a constant struggle to pay debts and make a living in farming or sell out and get employment elsewhere.

Public Policy Goals

The goals of public policy to deal with the issues emerging from the industrialization of agriculture should be to manage the rate of change and to encourage resource adjustment for maximum human welfare.

Program alternatives for managing the rate of change might include: changes in tax laws; development of new methods for financing agriculture; training programs for young farmers in corporate organization, finance, and law; encouragement of agricultural supply and marketing cooperatives. Human resource adjustment would be helped by programs to upgrade rural communities as a means of helping rural people and alleviating urban problems; by negative income tax or guaranteed minimum income plans; by revision of social security and welfare programs; and by incentives to locate industries outside major metropolitan centers.

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nued from first page) unfortunate fact that this current n of migration has merely transplanted the individual's and y's problems from the rural areas of our nation to the urban exes. We can no longer ignore the fact that the problems of America, and the great social and economic tensions in our cores, are related issues.

rder to resolve our urban social and economic dilemmas burgeoning social expenditures, crime, and high unemploy- rates), we must also develop a meaningful economic development policy for rural America. This is necessarily the case, since it is rural America that in many ways has unintentionally spawned a number of our urban problems.

(Continued from page 3)

with specific deficiencies in undergraduate courses, however, may be required to take additional work.

The new interdepartmental program is being coordinated by the Department of Management, and specific inquiries should be directed to Dr. Richard M. Bourne, a Professor in that department.