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REGIONAL ECONOMIC DEVELOPMENT WITHIN STATES

In an attempt to meet realistically the most challenging problems confronting mid-Americans as they approach the 1970s, concepts of intrastate regional development - some of them highly innovative - were the focus of the 16th annual conference of the Mid-Continent Research and Development Council held in Minneapolis late in September. Using a different format than in previous meetings, with emphasis on workshops, member participation, dialogue, and reaction, the conference program made a significant contribution to the study of intrastate regionalization as a viable way to solve the problems of rural communities. Because many of the papers and discussions dealt with matters of special pertinence to residents of this state, it appears appropriate to share with readers of Business in Nebraska some of the more cogent points stressed at the meeting.¹

Long-Range Regional Planning

Conference leaders agreed that it is essential to combine the local and the regional approach in planning concerted services and that the responsibility should be shared with more and more people within the area. If the regional system is to take into account the needs of the small towns, and not just the growth centers, the following are necessary:

(1) identification of occupational needs of the region, (2) a manpower survey to take full inventory of existing skills and to try to develop vocational and technical course offerings to support present and future needs, (3) determination of needed business, educational, health, and recreational services and facilities, (4) economic base evaluations, and (5) involvement of residents of all communities in the region at each stage of planning and development.

It was emphasized that rural health systems must have high priority among such other objectives in regional planning as new jobs, new housing, and protection and enhancement of the quality of the environment. As Professor Bright M. Dornblaser² stated: "People want and even demand effective and efficient health services. The phrase 'health care is a right' symbolizes this demand. Regional development needs people both to create jobs and to fill them. A high priority in regional development, therefore, is to establish the effective and efficient health system demanded by the people it needs and serves. This high priority is particularly vital to nonmetropolitan regions where inaccessibil-

ity of health services is a more highly visible and therefore a more potent barrier to economic development than in metropolitan areas."

In his opinion certain conditions for action are essential to develop the increased organizational support required by a rural regional health system. The first is a willingness of the residents of a region to relinquish tenacious adherence to the status quo, a second is willingness by those who propose change to recognize that change will be effective only if accepted by the community and that proposals must incorporate community-determined specifications, and the third is recognition that the private health sector cannot contemplate existing in the 1970s without the Federal (and/or state) government as a purchaser of its product.

Dr. Dornblaser was speaking specifically of health services, but his reference was much more inclusive when he said: "The stakes of regionalization are high. Our future as social beings rests on our ability to organize our efforts, and to establish social institutions responsive to our future needs."

Representatives of industry brought the message that public priorities must meet the demands of private enterprise on both natural and human resources and that it is therefore the responsibility of the public sector to

(Continued on page 2)

NEBRASKA INCOME GAIN LARGEST

Nebraska registered the largest percentage increase of any state in total personal income for the second quarter of 1969 as compared with the first quarter, according to figures just released by the Office of Business Economics of the U. S. Department of Commerce. The 7.3% increase in Nebraska is far ahead of the 2.2% for the nation as a whole and the 2.1% for the Plains states. Only two other states (South Dakota and Wyoming) exceeded 5%.

Comparing the second quarter of 1969 with the second quarter of 1968, Nebraska's percentage increase of 14.3% was also the largest of any state. The percentage for the nation was 8.9 and for the Plains states 9.8. The only other states exceeding 12% were Idaho and Iowa.

Nebraska's income growth was due largely to gains in the agricultural sector. According to the report: "The second quarter advance of nearly 8 1/2 percent in farm income was the largest relative rise among major industries. In large part, the increase reflected much higher prices for farm products, especially meat, and slightly increased marketing of crops. These gains in receipts were only partially offset by the continuing rapid advance of farm costs."

¹Proceedings, containing full text of all papers presented at the conference, may be obtained for \$3.00 per copy from Dr. Dwight M. Blood, Division of Business and Economic Research, Box 3925, University Station, Laramie, Wyoming 82070.

²Professor and Director, Program in Hospital and Health Care Administration, School of Public Health, University of Minnesota.

(Continued from first page) analyze its resources and then plan for the best use, for the most benefit, for the most people. To industry this means planning on a regional scale that includes the concept of regional cities and regional growth areas. It was pointed out that industry needs suppliers, satellite industries, and transportation, but that these need not all be headquartered in the same city, although they should be fully available within the region.

A number of speakers presented well-documented evidence that residents of rural regions are willing to remain where they are if jobs are made available and some of the amenities of a good life are present. A survey of residents of three rural counties in Minnesota, for example, showed a high preference for living in small towns, coupled with a willingness to commute up to 50 miles to work, if necessary. Adequate school, health, and recreational facilities were considered to be essential to the quality of life, but given assurance of these "basics" plus the opportunity to earn a livelihood, rural residents preferred to stay where they were. Speakers and discussants agreed that a new entrepreneurship whether private, corporate, or cooperative must be encouraged to emerge in order to create the necessary new jobs to hold people in rural communities - but these need not be industrial jobs - they might be in agribusiness, in recreation-oriented activities, or in public and private service enterprises.

Among those who took the position that the attraction of new industry is not necessarily the answer to the problems of small communities was Dr. John Hoyt, Jr.,³ who said, "it even seems possible to me that the pursuit of new industry may be the most colossal waste of independent energies that these communities could engage in." Having by implication "damned the chasing smokestacks theory," he took a positive position with respect to substate regionalization. This he described as a conscious policy of coordination and cooperation at all levels of government within, and between, intrastate geographic areas which are multicounty and multifunctional.

Dr. Hoyt cited three compelling reasons for pursuing a policy of regionalization:

(1) to bring the forces of technological change to bear on rural society in a way that will realize the greatest possible gains in human welfare - that is, in the "quality of life" available to the citizens of the state, (2) to find a common geographical denominator for the coordination and implementation of Federal, state, and local government public-service programs (and perhaps for some rationalization of private decisions), and (3) to slow down and possibly even reverse the trend of rising per capita costs for public services while providing a vehicle that can assist in the realization of sound programs for outside economic growth.

All discussions of long-range regional planning indicated that regional delineation within any state is a complex matter involving many variables. Vernon Deines⁴ reported that in Kansas delineation of development was based on over seventy variables including existing county lines, population characteristics, labor distribution, trade areas, and types of agriculture. Through the use of the computer many combinations of these variables helped to evaluate and establish homogeneous regions for planning and development. Common interests, common problems, and common opportunities - the like factors which set it apart from surrounding areas - established the homogeneity of each region.

³Professor and program leader for special project development, Agricultural Extension Service and Department of Agricultural Economics, University of Minnesota.

⁴Associate Professor of Planning, Kansas State University.

Resource Leadership in Regional Planning

Particularly relevant to Nebraska with its geographically dispersed system of private and state institutions of higher learning was the suggestion that colleges, junior colleges, and technical schools are virtually untapped sources of leadership in regional development. Staff members in these educational institutions feel new responsibilities to their environment and to become involved. It is felt that encouragement should be given to them to share their research and other abilities with regional planners because their leadership could have a significant impact on both local communities and regional growth areas.

The regional centers of culture that are developing around colleges help satisfy the yearnings of educated and sophisticated men and women who come into the region as new industry comes in and as supportive and satellite services accompany the industry. Surveys were cited to show that cultural advantages among the amenities of life that have high priority when a region seeks to attract new residents and to hold those already located within it.

In discussion of sources of training for "job creators," educational institutions were cited at the top of the list, with emphasis also on cooperative efforts of industry and community leaders in setting up training conferences and institutes. Evidence was presented that industry is attracted to a region in which there are opportunities for expanding vocational training. This is important not only to assure a continuing supply of trained workers but also to provide the upgrading and training for new skills demanded by ever-changing technology.

The Role of Vocational Training Schools

Several Minnesotans who are identified with technical training in regional manpower projects indicated that occupational education programs, in connection with other economic development activities, can increase employment opportunities in the rural area. To do this effectively, Sherman Mandt⁵ vigorously maintained that economic base evaluations are necessary to match the skills of the people in the region to job responsibilities and to plan ahead for occupational training. It was also his firm contention that the regional system must take into account the needs of the small town: "For the region to prosper, the smaller communities must support the growth center, and in turn the growth center must help the small town with its technical-training needs and economic growth."

It appears that Minnesota with its outstanding system of vocational schools is peculiarly well prepared to meet its manpower needs. It is said that there is now a vocational technical school within thirty miles of virtually every young person in the state but these schools tend to specialize rather than to offer training for all types of jobs at every school. There is great flexibility because such schools are owned and operated by local school districts. Thus when an industry informs a vocational school that it wants to build a plant in the area to be ready to go into operation within a year and needs students trained to work in that plant the school can start a program almost immediately. The proposal must be submitted to the Minnesota Department of Education, which in turn makes a quick but accurate study of the area for the product of the proposed course. As soon as the department approval is given the school can proceed to hire a teacher

⁵Coordinator of Concerted Services and Education, a pilot program in Minnesota, (and in five other states), representing Federal departments and agencies, and created to provide a centralized effort in experimental areas to make maximum use of government assistance through coordination of creative programs and agencies for full development of human resources

equip a shop, recruit students, and start a class --all in a matter of a few months after the first contact by industry and well before the new plant is in operation.⁶

Regional Communication Systems

Nebraskans who are involved in regional planning either on a formal or informal basis are fully aware of the need for a communication system that enables people to share information received via mass media, study guides, libraries, discussion groups, institutions and conferences, and from whatever source. A special workshop which focused on this subject arrived at some significant generalizations as well as several more specific conclusions. It was agreed that the ability to predict social and economic consequences of alternative regional proposals is based on knowledge and understanding, not merely data and unanalyzed information. Thus a regional communication system requires not only access to objective information, but skilled leadership to interpret the information.

It should encourage full cooperation of interested individuals as well as organized groups in the several communities, should permit open discussion of sensitive issues, and should provide facilities for "feedback" within the communication system. Discusants considered the encouragement of dialogue that may change attitudes and lead to sound leadership in problem-solving to be one of the major objectives of a regional communication system. It was suggested that educational television can play a role in this effort and that programs such as "Economics for the Concerned Citizen," produced by the Nebraska Council on Economic Education and KUON,⁷ may be utilized effectively.

The Regional Economy

Basic to all discussions was the firm belief that regional planning should not concentrate on regional growth centers to the neglect of smaller communities, but that instead the needs of those on the farms and in the small towns should receive equal attention in the regional economy.

The concept of "linkages" or relationships between each community and other communities (basic), as well as between internal sectors of the community (nonbasic) was fully explored by Dr. Deines. He indicated that study of a regional economy leads to considering linkages within the region (nonbasic) that occur

⁶According to Duane R. Lund, Superintendent of Schools, Staples, Minnesota, and others.

⁷Now available from the National Instructional Television Center, Bloomington, Indiana, and aired on the Nebraska ETV network at 8:00 a.m. Mondays, and on Channel 26, 7:30 p.m. Fridays.

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across the boundary lines of communities. He had prepared figures which are reproduced here with his permission (Figures 1 and 2) to show such linkages in the local economy and in the regional economy. In the typical region a central city is surrounded by small towns, each linked by trade exchanges, but precisely how they are linked depends on the functions performed. In general the central city is the major exporter and importer for the region, acting as the principal wholesale center for the surrounding large towns, as well as performing some of the retailing functions of small towns. The small towns may serve as local retail trade centers and as "bedroom communities." These relationships between towns and cities may be seen to form a regional economic structure. The next logical step then is organization for regional planning and development, with advantage accruing to action as a unit, rather than by many parts.

Careful consideration was given to the need for cooperation among local units of government to provide services they cannot adequately finance by themselves. Participants were reminded of the findings of an Economic Research Service study on inter-local cooperation in Nebraska and five other states⁸ that recommended establishing a center in each state to collect information about local government practices and experiences. A local official with a problem could then call the center to find what has been done by other local officials in comparable situations. Management consultants could be provided, (Continued on page 6)

⁸A study done by the United States Department of Agriculture and discussed by Thomas F. Hady in the paper that he and William C. Motes, both of the Economic Development Division of the USDA, prepared on cost-effectiveness research.

FIGURE 1

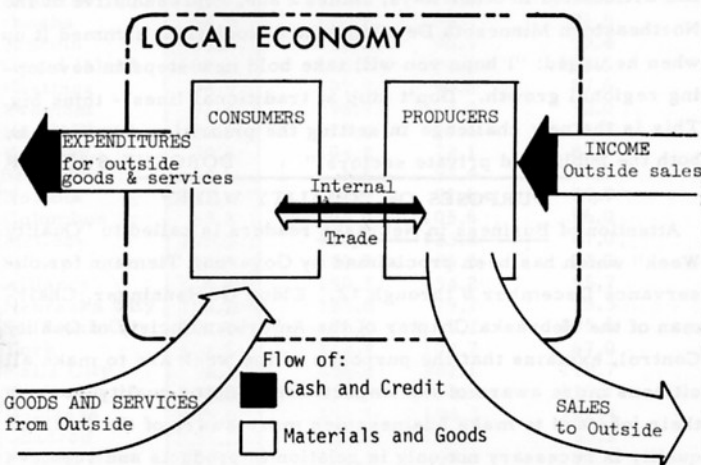
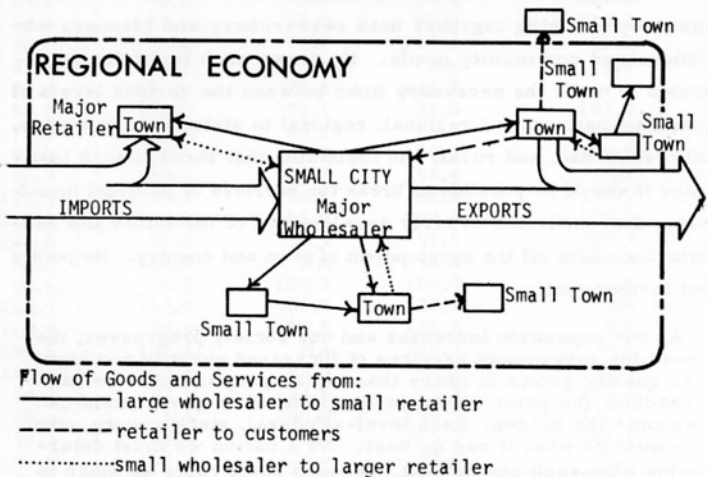


FIGURE 2



Business Summary

Nebraska's general level of business activity in August, 1969, was slightly above that recorded for the same month a year ago. The Physical Volume Index rose 0.7 percent above last year's index, while the Dollar Volume Index showed almost a 3 percent increase for the same period. Both of these gains fell short of those recorded for the U.S. for the same period. The U.S. Physical Volume Index was up 4 percent, while its Dollar Volume Index climbed by nearly 9 percent.

Nebraska's year-to-year growth reflected increases in Em-

ployment, Gasoline Sales, Life Insurance Sales, Electricity Produced, and Newspaper Advertising. A major gain of 7.4 percent was recorded in Manufacturing Employment.

The State's level of Retail Sales was 6.7 percent higher in September, 1969, than it was in the same month last year. As adjusted for seasonal changes, however, September's level was below that of the previous month. Equipment sales showed a notable increase in September, as did Automotive and Food sales.

Individual city indexes for September, 1969, indicate that Sidney, Beatrice, Columbus, Nebraska City, and Fairbury were among the principal gainers over the same month of last year.

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

II. PHYSICAL VOLUME OF BUSINESS Percentage of 1948 Average

AUG Business Indicators	Percent of 1948 Average		Percent of Same Month a Year Ago		Percent of Preceding Month	
	Nebraska	U.S.	Nebraska	U.S.	Nebraska	U.S.
	Dollar Volume of Business	325.9	398.1	102.9	108.8	96.9
Physical Volume of Business	218.2	240.1	100.7	104.1	99.6	98.5
Bank debits (checks, etc.)	244.4	420.9	97.6	113.1	93.2	98.7
Construction activity	229.5	171.6	89.9	101.4	101.5	100.9
Retail sales	154.5	184.7	99.1	96.4	101.6	100.7
Life insurance sales	401.2	454.4	105.7	99.5	96.1	92.8
Cash farm marketings	173.4	161.9	80.9	96.4	83.4	95.5
Electricity produced	476.9	519.9	104.6	108.4	101.3	96.7
Newspaper advertising	169.3	156.3	103.0	105.9	99.5	98.2
Manufacturing employment	179.5	132.8	107.4	102.9	101.7	100.8
Other employment	146.0	172.3	103.8	103.0	99.6	99.9
Gasoline sales	258.2	239.3	105.0	104.4	123.1	104.0

Month	Nebraska	U.S.
	1968-69	1968-69
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
June	225.0	243.3
July	219.1	243.7
August	218.2	240.1

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.

SEP City	No. of Reports	Percent of Same Month a Year Ago			Percent of Preceding Month	SEP City	No. of Reports	Percent of Same Month a Year Ago			Percent of Preceding Month	
		Total	Hard Goods	Soft Goods				Total	Total	Hard Goods		Soft Goods
		THE STATE	700	106.7				107.7	106.7	96.6		Fremont
Omaha	55	102.7	103.5	102.2	93.0	Fairbury	25	113.1	123.7	101.9	111.9	
Lincoln	66	103.1	105.9	100.9	99.8	Norfolk	27	107.0	119.7	95.6	90.9	
Grand Island	27	118.7	129.9	108.7	105.3	Scottsbluff	34	110.9	111.4	110.6	88.5	
Hastings	27	94.8	76.0	110.9	88.8	Columbus	25	109.6	112.2	106.4	97.4	
North Platte	16	107.4	114.3	100.6	70.7	McCook	17	102.3	99.7	106.2	88.1	
						York	23	97.1	95.0	98.5	67.3	

IV. RETAIL SALES, Other Cities and Rural Counties

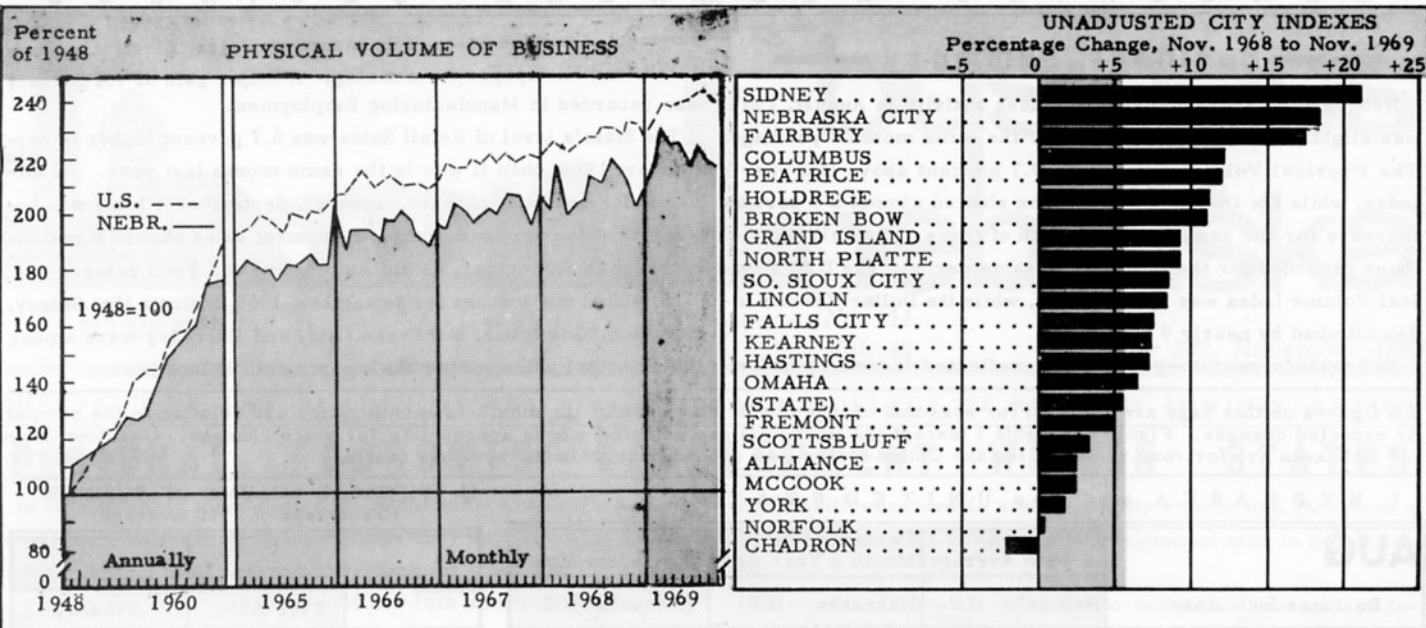
V. RETAIL SALES, by Subgroups, for the State and Major Divisions

SEP Locality	No. of Reports	Percent of Same Month A Year Ago	Percent of Preceding Month
Kearney	15	105.9	83.2
Alliance	26	104.5	96.9
Nebraska City	19	113.0	96.3
Broken Bow	14	123.0	93.8
Falls City	17	115.1	122.2
Holdrege	15	106.6	104.3
Chadron	20	102.2	94.1
Beatrice	18	114.6	97.2
Sidney	22	103.7	84.3
So. Sioux City	10	113.1	106.3
Antelope	8	114.2	120.2
Cass	18	115.1	98.1
Cuming	10	105.5	99.3
Sand Hills**	22	90.6	94.4
Dodge***	9	102.2	112.9
Franklin	8	107.2	98.6
Holt	13	123.4	104.8
Saunders	11	126.7	100.9
Thayer	8	121.6	94.4
Misc. Counties	51	123.6	106.8

SEP Type of Store	Percent of Same Month a Year Ago			
	Nebraska	Omaha and Lincoln	Other Cities	Rural Counties
ALL STORES****	106.7	100.7	109.0	110.5
Selected Services	108.5	107.1	110.8	107.6
Food stores	108.9	105.7	109.2	111.7
Groceries and meats	107.4	107.5	108.6	106.2
Eating and drinking pl.	107.2	100.2	105.5	116.0
Dairies and other foods	122.2	111.3	124.1	131.2
Equipment	115.1	127.5	110.7	107.7
Building material	110.9	111.3	112.1	109.3
Hardware dealers	113.6	92.4	115.2	133.1
Farm equipment	151.4	245.3	99.7	109.4
Home equipment	99.6	102.6	122.1	74.0
Automotive stores	112.8	100.5	114.1	123.8
Automotive dealers	115.2	101.1	117.0	127.6
Service stations	106.8	98.0	102.4	119.9
Miscellaneous stores	104.5	99.8	105.4	108.3
General merchandise	109.4	103.2	105.8	119.3
Variety stores	102.7	104.4	101.4	102.2
Apparel stores	91.3	94.7	101.2	77.9
Luxury goods stores	119.1	98.6	115.9	142.7
Drug stores	107.4	105.3	106.9	110.1
Other stores	100.5	91.2	104.5	105.8

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

****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

Percent of Same Month a Year Ago

City	City Index	Bank Debits	Building Activity	Retail Sales	Electricity Consumed	Gas Consumed	Water Pumped	Postal Receipts	Newspaper Advertising
The State	105.5	116.1	99.5	106.7	113.8	101.1	117.3	96.7	100.3
Beatrice	112.1	118.1	64.5	114.6	118.4	80.0	144.1	101.7	114.0
Omaha	106.6	122.9	91.3	102.7	115.7	100.5	107.5	117.5	92.1
Lincoln	108.4	114.7	116.5	103.1	109.6	106.3	129.6	89.4	98.6
Grand Island	109.3	104.6	64.1	118.7	114.4	107.4	113.8	106.7	--
Hastings	107.2	113.0	194.2	94.8	69.3	94.7	133.2	96.6	124.3
Fremont	104.9	115.5	55.6	112.7	98.5	NA	115.3	93.1	NA
North Platte	109.3	114.9	148.0	107.4	111.8	93.8	119.9	103.1	91.8
Kearney	107.4	110.8	185.9	105.9	146.4	105.5	86.6	105.2	NA
Scottsbluff	103.3	NA	73.3	110.9	118.3	90.0	120.9	89.9	109.1
Norfolk	100.4	127.1	56.2	107.0	116.0	87.7	78.1	107.8	99.2
Columbus	112.2	119.3	136.5	109.6	120.4	99.3	133.8	93.3	96.4
McCook	102.5	110.0	47.6	102.3	113.3	87.8	NA	100.7	104.4
Sidney	121.1	121.8	174.8	103.7	124.6	74.4	211.1	117.0	NA
Alliance	102.5	110.8	178.2	104.5	105.3	88.4	121.9	67.5	89.4
Nebraska City	118.5	97.4	139.9	113.0	151.3	104.2	112.0	130.5	NA
So. Sioux City	108.5	124.4	82.4	113.1	116.0	121.9	NA	83.0	NA
York	101.7	102.2	43.4	97.1	111.2	103.0	106.5	86.5	104.4
Falls City	107.5	99.5	382.7	115.1	118.6	103.0	112.5	80.4	93.8
Fairbury	117.6	108.9	122.1	113.1	108.4	NA	138.2	121.1	118.7
Holdrege	111.2	114.0	83.0	106.6	145.9	93.9	133.1	109.1	115.3
Chadron	97.8	NA	45.8	102.2	116.5	76.7	172.6	95.8	NA
Broken Bow	111.0	158.9	72.0	123.0	116.0	91.8	125.1	96.1	108.7

Percent of Preceding Month (Unadjusted)

City	City Index	Bank Debits	Building Activity	Retail Sales	Electricity Consumed	Gas Consumed	Water Pumped	Postal Receipts	Newspaper Advertising
The State	99.0	109.3	96.9	95.4	83.1	98.8	73.5	139.8	104.8
Beatrice	92.4	113.3	84.0	96.1	78.3	101.8	78.2	87.8	122.2
Omaha	97.5	112.7	106.7	91.5	78.1	95.4	77.7	107.3	96.3
Lincoln	97.5	98.8	96.3	98.4	87.4	97.7	73.3	NA	101.2
Grand Island	103.2	113.0	104.5	103.5	74.2	111.6	73.0	101.7	--
Hastings	94.9	107.9	93.6	87.6	51.2	106.7	72.7	91.6	107.0
Fremont	91.4	98.9	113.8	92.0	77.9	NA	63.1	96.6	NA
North Platte	97.6	118.4	97.5	71.1	92.0	96.1	58.9	107.3	104.6
Kearney	89.8	104.2	72.1	82.0	88.9	109.4	58.7	98.4	NA
Scottsbluff	94.6	NA	97.4	87.1	111.9	99.4	70.1	82.5	105.3
Norfolk	101.4	112.9	91.6	89.7	125.4	104.2	65.0	104.5	105.5
Columbus	99.8	108.0	105.6	96.0	108.8	91.2	57.3	91.5	105.9
McCook	105.3	110.0	123.6	87.0	93.8	124.6	NA	96.6	109.3
Sidney	98.5	101.0	86.3	83.3	98.6	95.9	109.7	100.9	NA
Alliance	114.2	150.7	154.2	95.7	104.3	113.0	56.7	125.3	NA
Nebraska City	104.2	135.5	75.7	95.3	112.9	98.9	100.8	126.8	NA
So. Sioux City	107.9	106.9	69.2	105.6	100.0	142.4	NA	119.3	NA
York	102.6	114.7	102.7	67.0	107.5	103.2	58.0	97.2	122.0
Falls City	98.4	106.8	282.1	119.7	74.2	92.5	74.5	73.3	124.1
Fairbury	105.3	104.9	104.5	110.1	76.3	NA	100.0	106.5	121.1
Holdrege	105.6	101.5	104.3	102.4	95.4	85.4	NA	114.7	114.1
Chadron	94.2	90.3	120.3	93.5	96.9	105.7	72.6	92.2	NA
Broken Bow	104.4	129.3	95.3	92.5	82.6	118.2	54.5	111.4	128.1

(Continued from page 3) as well as a legal staff to advise local officials and to take action to develop case law along the lines desired. It was also suggested that there is need for an "extension service" to work with local units of government to provide expert knowledge and furnish economic and social background data and analyses to help local governmental officials make decisions on a broad range of subjects.

It was pointed out as an example that careful consideration needs to be given to the effects of a new industrial plant on the local economy and local government. Studies have shown that if the plant brings in a substantial number of new workers, school costs rise and communities need help in planning to provide the supportive services and facilities required. A skilled extension service could provide this kind of help.

There was considerable emphasis on the fact that the regional economy should be concerned not only with broad economic goals, but also with broad social and physical goals to serve as a framework and guide within which short-range and intermediate-range policies of the region are formulated and activities undertaken. It was suggested that goals for a state might be conceived in a hierarchical fashion descending from general economic, social, and physical goals to functional goals, to program objectives, all intended to contribute to the regional economy, but also to the development of the state as a whole.

Conference leaders recognized that regional planning has been slowed due to the tradition of home rule and local independence, although it appears that local and county leaders and officials are becoming increasingly aware that methods must be developed to deal with current problems on a comprehensive basis. Professor Deines feels that development implies implementation, which implies government, and that if a new regional governmental unit is not feasible, then an alternative technique is needed, such as a council of local governments. As he sees it the council of governments would promote the recognition of the regional "community" with its common problems and interests. It could provide a forum in which local governments could come together to develop coordinated programs to solve their problems.

Proposal to Finance Regional Development

One of the more innovative proposals made at the conference was for a special Regional Development Bank of rural America, similar to the Urban Development Bank that has been suggested by many. This proposal, which came from Howard Peterson, Chairman, West Central Minnesota Resource Conservation and Development Projects, was prefaced by his plea for establishment of regional institutes to provide a focus for rural development by bringing together both researchers and planners who understand community needs. He views such institutes as vehicles to make the necessary links between the various levels of planning, national and regional, regional to state, state to county, city, suburban, and rural, and maintains that through such institutes it should be possible to break the barriers of political boundaries that stifle the orderly development of the cities and suburbs and choke off the development of town and country. He points out further that:

As our population increases and our society progresses, the need for government services of increased quantity and higher quality grows in more than equal proportion. We have reached the point where no single level of government can assume the burden. Each level--Federal, state, county, city --must do what it can do best. As a nation we must determine what each can do best. When it costs twice as much to put another person or automobile in a crowded metropolitan area as in a countryside, the simple arithmetic of the cost-

benefit ratio makes it vividly clear that everyone would be better off if both person and car could be located accordingly. The regional institutes will help us do that.

But plans and expertise are worth nothing without action. Action to develop rural America will require money. Therefore, a special financial institution which could, with the help of the Federal government, help develop non-urban town and country districts should be considered. Such a special bank....could be financed through subscription of private funds. Federal underwriting of the unusual risk elements which will be involved in meeting development challenges would provide such a bank with the borrowing and lending authority to do the job.

As envisioned by Mr. Peterson, it would take an appropriation of Federal funds to get the bank started, but the balance of the funds would come from bonds guaranteed by the Federal government to be sold to private investors. The bank funds would be available to both public and private borrowers for programs that cannot be financed by any other means but which are essential to community development. As proposed, the bank could: (1) fund nonprofit community development corporations, (2) make guaranteed loans through private lenders for community and regional development, (3) offer loans to small businessmen whose contribution to the economy of their communities is limited by lack of financing, (4) fund semi-public housing development corporations, and (5) provide technical management help in local planning and development.

Such banks with an assured source of funds would encourage long-range planning for area development, planning which is now discouraged because resources to carry out the plans are not available. Boards of these banks would include representatives from local, state, and Federal government and private citizens of the community who would be encouraged to invest in the banks. As Mr. Peterson sees it, essentially this would be a program of Federal underwriting of loans--a program that would "turn loose the powerful engine of credit which can stimulate private initiative to exciting and productive levels."

Conclusion

Although the conference encompassed other topics (including "new towns" and their possible role in regional development), the subjects deemed to be of most relevance to Nebraska have been herein discussed. Leaders and participants in the Mid-Continent Conference appeared to share the conviction that long-range planning for regional development is the most viable way to achieve for both rural and urban residents equality of opportunity to enjoy a good standard of living and the amenities of life. It was emphasized that local government, business, and industry must be prepared for change and adjustment if the objectives of regionalism are to be attained. Voicing what other speakers had articulated in other ways, James Faue, representative of the Northeastern Minnesota Development Association, summed it up when he urged: "I hope you will take bold new steps in developing regional growth. Don't stop at traditional lines - think big. This is the new challenge in setting the priorities demanded by both the public and private sectors." DOROTHY SWITZER

PURPOSES OF "QUALITY WEEK"

Attention of Business in Nebraska readers is called to "Quality Week" which has been proclaimed by Governor Tiemann for observance December 6 through 12. Eldon G. Henninger, Chairman of the Nebraska Chapter of the American Society of Quality Control, explains that the purposes of the week are to make all citizens more aware of the importance of doing quality work on their jobs and to make businessmen more aware of the fact that quality is necessary not only in relation to products and services but also to all other aspects of business.