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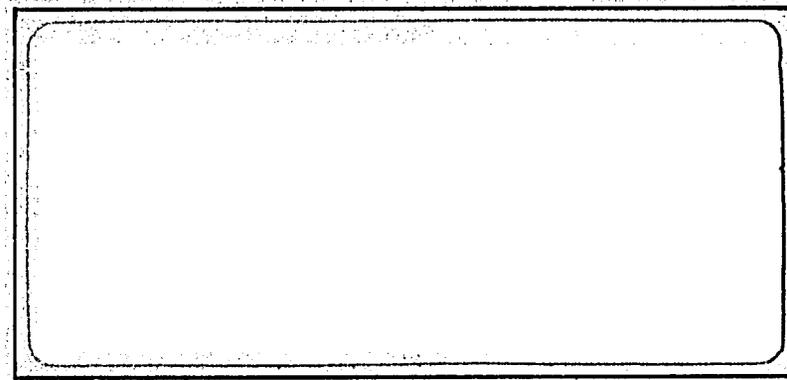
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**Unemployment and Underemployment  
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**INTERNATIONAL ECONOMIC DEVELOPMENT PROGRAM**



**Southern University and A & M College  
Post Office Box 9846  
Baton Rouge, LA 70813**

SERIES #125-76

THE RURAL DEVELOPMENT ACT OF 1972:  
IMPLICATIONS FOR EMPLOYMENT OPPORTUNITIES

BY

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FOREWORD

The Unemployment and Underemployment Institute was created to coordinate all international economic development activities of the 211(d) grant at Southern University.

In 1972, the Agency for International Development (AID) approved a five year grant to Southern University to strengthen and increase its capacity in economic/agricultural economics to enhance Southern's capabilities to contribute to the resolution of problems of rural unemployment and underemployment in developing countries.

The general objectives of the Institute are (a) to develop and coordinate the activities of the University for greater participation in international economic development programs; (b) to make available the capacities and expertise thus developed to public and private agencies involved in industrial development programs; and (c) to conduct research, seminars, and workshops on domestic and international development problems including cooperatives, manpower utilization, small farmers, housing, population, nutrition, leadership training, and community development.

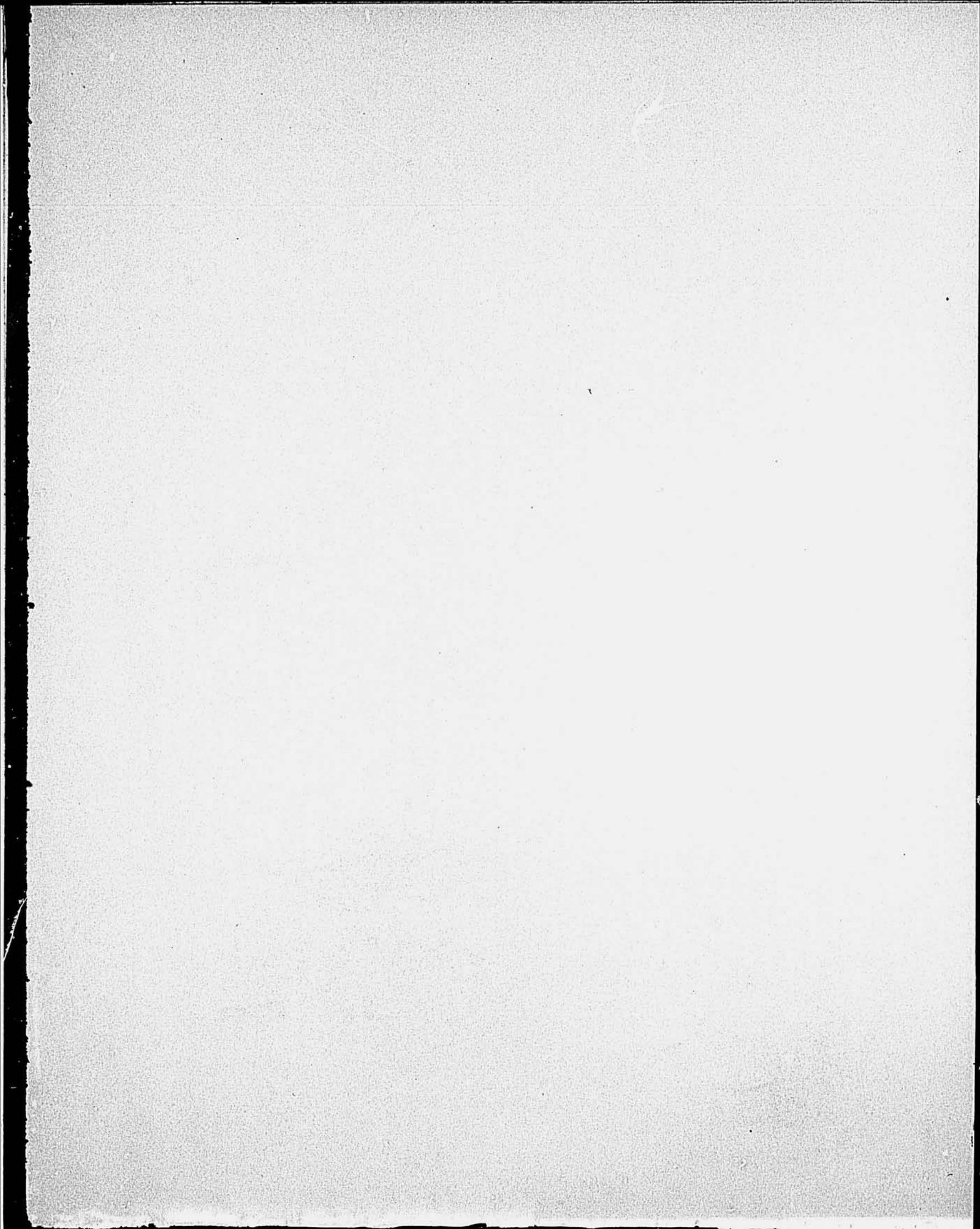
In keeping with objective (a), the University supports several faculty members working towards advanced degrees in the area of economic development and related disciplines, supports undergraduate scholarships to foreign and U. S. nationals in the Department of Agricultural Economics and Economics, provides travel to professional seminars for faculty, foreign exposure to development experiences, and special training on techniques of program design and evaluation.

In keeping with objective (b), the Institute sponsors an International Development Seminar Series, Student-Faculty & Staff Seminar Series, and hosts foreign individuals and groups interested in economic development programs at Southern University.

Results of research projects consistent with the objectives of this program are published under the Institute's Faculty-Staff Research Paper Series. Papers published under this series reflect the diversity of interests and specialties of our faculty and staff.

The above activities of the Institute demonstrate the capacities and expertise of Southern University developed through the 211(d) program. As a result of the 211(d) grant, the Unemployment-Underemployment Institute at Southern University is in a position to offer expert and technical personnel to private and public agencies involved in international economic development programs.

T. T. Williams  
Director



The Rural Development Act of 1972:  
implications for Employment Opportunities

by

Leroy Davis\*

The task given to me is to delineate or outline the Rural Development Act of 1972 as it relates to job and employment opportunities in rural Louisiana. As a "full employment" economist, I find this task most interesting. As an agricultural economist or rural economist, I accept the task with delight, zeal and even more interest.

I think it is appropriate here to give some historical background of the Rural Development Act of 1972 and to set the climate in which the Act was perceived and developed.

On September 29, 1969, a Task Force on Rural Development was appointed by the President of the United States, Richard M. Nixon. The Task Force was composed of twelve persons with various backgrounds from farmers to university professors. A female was appointed as Chairman, Mrs. Haven Smith, National Chairman, American Farm Bureau Women. At least one minority representative served on the committee, Dr. Emiel W. Owens, visiting professor of Agricultural Economics, University of Minnesota, on leave from Prairie View A & M College.

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The Task Force was given the expressed mission "to recommend what might be done in the private and public sectors to stimulate rural development." The Task Force defined the purpose of rural development as "to create job opportunities, community services, a better quality of living, and an improved social and physical environment in the small cities, towns, villages, and farm communities in rural America." In March 1970, the Task Force presented to the President a report entitled "A New Life For The Country." The document contained a set recommendation covering such areas as education, nutrition, welfare, housing, health, natural resources, transportation, environment, and job opportunities in rural communities.

On August 17, 1972, the Congress answered the pleas of the President, the Task Force on Rural Development and Rural America with the first comprehensive program on rural development in the history of this country. The Act was ratified almost exactly 15 years after a serious effort toward rural development began in America. Other countries such as Russia, Peru, Israel, and Malaysia had taken an interest in their rural people and their problems much earlier.

In the years before the current interest in rural development, America was embarking upon a program of urban fundamentalism. It was fashionable to move to the city, to become urbane, and cultured. Economists endorsed and advocated the rural-to-urban movement--it was good for development; in fact, it was characteristic and utterly essential for economic advancement. But the exodus from rural to urban areas occurred much too rapidly. In the 1960's, the problem of the cities came to the forefront of the nation's consciousness. It appeared that the alternative to pervasive rural poverty was concentrated urban poverty. For example, in 1970 there were 156,776 persons in Orleans Parish who lived in poverty.

I am not embracing a stay-down-on-the-farm policy. What I am saying, is that a controlled transition for rural to urban areas is desirable. If the movement occurs too rapidly, the economic and social systems of the cities will not be able to deliver the jobs and services that are necessary.

It was in this climate that the Rural Development Act was perceived and developed.

The Rural Development Act of 1972 is a multi-facet program that touches bases with most of the topic being discussed at this symposium. However, a primary purpose of the Act (as stated before) is the creation of jobs in rural communities. Rural Development is a cooperative program among several departments of the government. Since the meager beginning 15 years ago, appropriations for rural development have increased to \$20 billion. The Department of Agriculture gave \$2.7 billion to rural development in 1972.

When funding begins in 1974, the new Act will mean that additional billions of dollars will be spent in rural communities. This money will have a direct effect on the number of jobs available to rural people. For example, more funds will be available for housing; new housing starts will create additional jobs. The Small Business Association (SBA) will have more money available for small businesses. These funds will generate additional economic activity which will increase the numbers jobs. Low interest-rate loans will also be available to induce large firms and corporations to locate new plants in rural communities. Loans will be made to local governmental agencies to improve and enhance the social and physical services available to rural residents. Thus, the rural communities will become more attractive as places to live, to work, and to raise a family. Don Paalberg has described rural development as "a widening of the range of choice for rural people." It is believed that with additional funds flowing into rural communities: (1) more job

opportunities will be available, (2) a reduction in the out migration of young people will occur, (3) commercial district will be revitalized in small towns, and (4) an improvement in the economic base of rural communities will be realized.

I need not caution you that the Rural Development Act is not the total answer, it is only a beginning. The foundation has been laid, there is much building to be done.

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