

Chapter VIII

Agriculture in the War on Poverty

President Johnson declared an unconditional war on poverty in his first message on the State of the Union. He promised that the Nation would not rest until poverty could be prevented as well as cured. 1/ The President said:

This administration today, here and now, declares unconditional war on poverty in America. I urge this Congress and all Americans to join with me in that effort.

It will not be a short or easy struggle, no single weapon or strategy will suffice, but we shall not rest until that war is won. The richest Nation on earth can afford to win it. We cannot afford to lose it. One thousand dollars invested in salvaging an unemployable youth today can return \$40,000 or more in his lifetime.

Poverty is a national problem, requiring improved national organization and support. But this attack, to be effective, must also be organized at the State and local level and must be supported and directed by State and local efforts.

For the war against poverty will not be won here in Washington. It must be won in the field, in every private home, in every public office, from the courthouse to the White House.

The program I shall propose will emphasize this cooperative approach to help that one-fifth of all American families with incomes too small to even meet their basic needs.

Our chief weapons in a more pinpointed attack will be better schools, and better health, and better homes, and better training, and better job opportunities to help more Americans, especially young Americans, escape from squalor and misery and unemployment rolls where other citizens help to carry them.

1/ Public Papers of the President, Lyndon B. Johnson, 1963-64, Vol. I, pp. 114.

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Very often a lack of jobs and money is not the cause of poverty, but the symptom. The cause may lie deeper--in our failure to give our fellow citizens a fair chance to develop their own capacities, in a lack of education and training, in a lack of medical care and housing, in a lack of decent communities in which to live and bring up their children.

But whatever the cause, our joint Federal-local effort must pursue poverty, pursue it wherever it exists--in city slums and small towns, in sharecropper shacks or in migrant worker camps, on Indian Reservations, among whites as well as Negroes, among the young as well as the aged, in the boom towns and in the depressed areas.

Our aim is not only to relieve the symptom of poverty, but to cure it and, above all, to prevent it. No single piece of legislation, however, is going to suffice.

The Department of Agriculture had been waiting for a call to join the war on poverty. Officials were determined that rural poverty would not be ignored while the Nation's attention was focused on the more explosive urban ghettos.

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Secretary Freeman and Under Secretary Charles S. Murphy, in recommendations for the President's 1964 legislative program, had stressed the magnitude of the poverty problem in rural areas.

One and a half million farm families received less than \$2,500 a year from farming. These farm families contained more than 5 million people. More than 4 million families with incomes of less than \$3,000 lived in rural areas. These nonfarm families contained almost 10 million people. Together they included around 16 million people, more than 40 percent of the Nation's poor. 1/

More than half a million families tried to earn a good living from farming without success because their investments in farm land, farm equipment and other resources needed for production were inadequate.

Male adult farm workers averaged around \$1,300 a year compared with more than \$3,000 for nonfarm laborers. One-fifth of the million children born in rural America each year were born into poverty-ridden families.

Rural America had almost three times the proportion of dilapidated and substandard houses as urban America. One-fourth of rural homes lacked indoor plumbing.

1/ Memorandum to Walter W. Heller, Chairman, Council of Economic Advisers from Charles S. Murphy, Under Secretary of Agriculture, November 18, 1963. In: John A. Schnittker's Chronological Correspondence File, Lyndon Baines Johnson Library. Memorandum to Theodore C. Sorenson, Special Counsel to the President, from the Secretary of Agriculture, December 30, 1963. In: Orville L. Freeman, Chronological Correspondence File, Lyndon Baines Johnson Library.

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Over 14,000 rural communities had no central water supplies.

The average rural citizen had 1.4 years less of education than his urban counterpart.

Only 30 percent of rural young people went to college, compared to 50 percent of urban youth. In many rural communities, the high school graduate was still the exception rather than the rule.

Scores of rural communities, and whole counties, were composed predominantly of low-income people, who simply lacked the resources for providing adequate schools or other public services. Of those counties with the lowest median family incomes and the lowest rate of increase in incomes, 91 percent had no population center as large as 5,000 persons.

As out-migration continued, rural public meeting places were abandoned. Social services taken for granted in urban communities were not provided in small towns, or rural areas.

Children received one-third less medical service than those in and near cities in 1957-58.

The mortality rate of children from the ages of 5 to 14 was 50 percent higher in rural areas than in urban areas, and 100 percent higher for ages 14 to 24.

Forty-four percent of the rural handicapped children were out of school, compared to 31.5 percent of their urban counterparts.

Rural mental health clinics served only 2 percent of the children served in such clinics in the Nation.

Inadequate nutrition was a problem in both rural and urban areas. A task force report on nutrition estimated that 95 million people in the United States lacked an adequate diet. Large numbers had inadequate diets because of poor food habits. Twenty-six million had diets classified as deficient because they supplied less than two-thirds of the recommended allowance in one or more nutrients. Ten million of those with deficient diets were classified as falling below the "poverty line" income of \$3,700 a year.

The task force stated that of the 10 million in poor families, 1.5 million were children below the age of six. Seven hundred thousand were between the ages of six and twelve. One and a half million were teenagers. Six million were between the ages of twenty and seventy-five and seven hundred thousand were over seventy-five.

Of the 26 million who had less than an adequate diet in one or more nutrients, 5.2 million were under six years of age; 2.4 million were between the ages of six and twelve, and 2.5 million were over the age of seventy-five. 1/

The Department was well aware of the problem of rural poverty, as a result of continuing experience with programs for farmers with low incomes since the 1930's. The scope of the Department's work

1/ Statement, Task Force, Nutrition and Adequate Diet, undated; In: Files, Agricultural History Branch, Economic Research Service.

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had been widened in 1937 with the transfer of the Resettlement Administration to the Department. 1/ The Resettlement Administration was responsible for making supervised loans for low income farmers. Speaking about the Resettlement Administration, Secretary of Agriculture Henry A. Wallace stressed the need to reach the hard core poor. Department programs, he said, had largely by-passed the farmers at the bottom of the heap--"those whose poverty represented the result of a generation or more of limited opportunity and social handicap." Their condition, he said, "revealed the existence of long-time undermining forces in American agriculture, a corrosion of our rural life at its very roots." 2/

In addition to experience with programs for low income farmers initiated during the 1930's, the Department had retained the Farmers Home Administration, successor to the Resettlement and Farm Security Administrations. During the 1950's, through a combination of legislative changes and administrative rulings, the agency's objective had been shifted from one of helping to rescue poor farmers to that of providing credit for operators of family type farms who could become successfully established "in a sound well-balanced system of farming." An additional objective of the 1950's was to help farmers who needed credit to adjust to drought and similar emergency situations. Both funds and personnel had

1/ Executive Order 7530, December 31, 1936.

2/ U. S. Department of Agriculture, Press Release 1060-37, January 23, 1937. In: Files of the History Branch, Economic Research Service, U. S. Department of Agriculture.

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been severely curtailed by administrative and legislative action during this period. 1/

Orville Freeman, when he became Secretary in 1961, began reversing the policy of limiting credit to those farmers who were most likely to succeed. The Farmers Home Administration began to reorient its program toward reaching the low income farmers. Eligibility requirements were revised. The repayment period for operating loans was lengthened. Frozen funds were released; funds available for loans were doubled, and personnel were increased. Howard Bertsch, who had had experience in the Resettlement Administration, was appointed Administrator. Both the new Deputy Administrator and an Assistant Administrator had had experience with the Farm Security Administration during the 1930's. 2/

The lending authority of the Farmers Home Administration was also broadened during 1961, by legislation enabling it to make loans for rural as well as farm housing; to make housing loans for senior citizens, and to make loans to improve the housing of farm laborers. The agency was also authorized to make loans for recreational purposes during the first years of Freeman's period as Secretary. 3/

1/ Gladys L. Baker, and others, Century of Service: the first 100 years of the United States Department of Agriculture, p. 397. Howard Bertsch, "Strengthening the Farmers Home Administration," Statement at Farmers Home Administration Program Policy Meetings, September 1961; In: Historical Files, Agricultural History Branch, U. S. Department of Agriculture.

2/ U. S. Department of Agriculture, Press release 1351-61, May 1, 1961.

3/ Unpublished manuscript prepared by the Agricultural History Branch for the Food and Fiber Commission entitled, "New Administration Faces the Challenge," February 13, 1967, pp. 11 and 12; In: Files of the Agricultural History Branch.

During 1961, Secretary Freeman had [redacted] directed the Farmers Home Administration and other agencies to commit their resources to a nationwide rural development program. This program was essentially a coordinating effort to reorient and redirect the resources of the Department in an effort to eradicate the causes of rural poverty by sound economic development.

The Department of Agriculture's experience was not limited to programs for the rural poor. Programs to help needy families in urban and nonfarm rural areas had been initiated in 1933 with the distribution of surplus foods to families on relief. Surplus food distribution programs had been broadened to include school lunch, penny milk, and food stamp programs during the 1930's and early 1940's. A continuing source of funds authorizing surplus distribution and other surplus disposal programs had been provided by the enactment in 1935 of Section 32, which set aside 30 percent of the custom revenues for disposal of agricultural surpluses. 1/

The food stamp program had been suspended on March 1, 1943 because of wartime food shortages and relative full employment. The program was not reinstated during the 1950's although surpluses reached new highs and Congress authorized reinstatement. Direct distribution had continued on a restricted basis. In 1960, for example, approximately 3.5 million people were receiving five surplus commodities worth at retail about \$2.20 per person a month.

1/ Baker, Gladys, et al Century of Service: the first 100 years of the United States Department of Agriculture, pp. 152-153, 156, 181-188.

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Four days after he became Secretary, Orville L. Freeman took steps to expand and improve the food distribution program. Increases in the quality and quantity of food were made. The number of people reached almost doubled. A pilot food stamp program was established in 1961. The school lunch and special milk programs were also expanded.

In his first message on agriculture, January 31, 1964, President Lyndon B. Johnson cited enactment of legislation to place the food stamp program on a permanent basis as an important part of his agricultural program and of his war on poverty. 1/ A food stamp bill, introduced into the House on April 22, 1963, had not yet been reported by the House Committee on Agriculture. 2/

With strong leadership from President Johnson and continued negotiation between different political and regional interests in Congress, the Food Stamp Act became law on August 31, 1964. 3/ This became possible when urban representatives supporting the food stamp program agreed with southern and western advocates of a Cotton-Wheat bill that both bills should be passed.

1/ White House, Message on Agriculture, press release, January 31, 1964. This document is not included in Public Papers of the President.

2/ Congressional Quarterly, Congress and the Nation, 1945-1964, A Review of Government and Politics, p. 741.

3/ 78 Stat. 709.

President Johnson also included rural development programs in the measures recommended for "a relentless war on poverty." The Secretary of Agriculture was directed to increase rural development activities.

Legislation to continue and expand available housing for the rural elderly and to provide better housing for migratory workers and other farm laborers was recommended in the message on agriculture. The need for additional legislation on rural housing was also discussed in the President's special message of January 27, 1964, on housing and community development.

On March 16, 1964, President Johnson delivered his promised message on a "nationwide war on the sources of poverty." He recommended enactment of the Economic Opportunity Act of 1964 to give every American community the opportunity to develop a comprehensive plan to fight its own poverty.

The Economic Opportunity Act was not merely to expand and improve old programs but it was to chart a new course. The Act would strike at the causes as well as the consequences of poverty. The Act would also give many farmers the opportunity to break through "particular barriers which bar their escape from poverty." Funds were to be provided to purchase needed land, organize cooperatives, and create new and adequate family farms. Migrant farm workers and the elderly were among the vulnerable groups to be given special assistance. Food stamp and school lunch programs were to be expanded.

Stating that the poverty program was a lever to open the door for prosperity rather than an immediate solution, President Johnson said the program was well within the country's means. It was to cost \$970 million, only one percent of the national budget. The budget sent to Congress in January would not need to be increased. 1/ A special allowance of \$500 million had been included in the President's budget for the new poverty program. The remainder was to be secured from funds budgeted for other programs. 2/

James G. Patton, President of the National Farmers Union, immediately commented that the antipoverty program represented "only an infinitesimal fraction of what needs to be done to wipe out poverty in America." Mr. Patton said, "we should not be talking about several hundred million dollars of national effort--we should be talking about tens of billions of dollars." He also proposed that the nation should undertake a five year \$50 billion public works program that would include reforestation and the construction of dams, desalinization plants and plants to control stream pollution. Funds could be secured, Mr. Patton suggested, by reductions in the expenditures for defense and for space exploration. 3/

1/ Public Papers of the President, Lyndon B. Johnson 1963-64, Vol. I, pp. 375-380.

2/ Memorandum for the Secretaries of Agriculture, Commerce, Labor, Health, Education and Welfare, and Interior, and for the Administrator of the Housing and Home Finance Agency from the Director of the Bureau of the Budget and the Chairman of the Council of Economic Advisers, January 6, 1964. In John A. Baker Chronological Correspondence File, Lyndon Baines Johnson Library.

3/ March 16 address at St. Paul, Minnesota reported in the New York Times, March 17, 1964.

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A draft bill accompanied the President's March 16 message to Congress.^{1/} The bill was immediately introduced into both houses of Congress. Title III of the bill was entitled Special Programs to Combat Rural Poverty. It provided for grants not in excess of \$1,500 to low-income rural families where such grants had a reasonable chance of effecting a permanent increase in family income. The grants could be used to: (1) acquire or improve real estate; (2) operate or improve the operation of farms not larger than family-sized; (3) enable participation in cooperative associations and (4) finance nonagricultural enterprises to supplement other income. The bill authorized loans up to \$2,500 and with a maximum maturity of fifteen years to any family to be used for the same purposes authorized for grants. Grants and loans could, under some circumstances, be used in combination with or as supplements to loans under other Federal programs.

In addition to loans and grants for poverty-stricken rural families, Title III authorized government cooperation and assistance for public or private nonprofit corporations organized

^{1/} U. S. Congress, 88th, 2nd Sess., House of Representatives, Document 243; Public Papers of the President, Lyndon B. Johnson, 1963-64, Vol. I, p. 380.

to acquire real property in rural areas. The land was to be developed and subdivided into units no larger than family-sized farms. The farms with necessary buildings and facilities were to be sold at prices equal to their appraised value to low income farm families.

The Director of the Office of Economic Opportunity, established under the Act, was authorized to make grants to the corporations to make up the costs of the farms and net proceeds of the sale. He was also authorized to purchase the obligations of such corporations and to make loans to them.

The Director was also authorized to make loans to local cooperative associations furnishing essential production, processing, or marketing services, supplies, or facilities predominately to low income rural families.

Secretary Freeman, testifying on the bill, strongly endorsed Section III and indicated that plans provided for the administration of this Section by the Department of Agriculture under the general direction of Sargent Shriver, Director of the Office of Economic Opportunity. 1/

Mr. Freeman indicated that the Department had played "a considerable part" in drawing up Section III of the bill. 2/ He particularly

1/ U. S. Congress, 88th, 2nd Sess., House of Representatives, Committee on Education and Labor, Hearings on . . . Economic Opportunity Act of 1964, March 20, 1964, pp. 246-300.

2/ Ibid., p. 287.

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stressed the need for grants to rescue the "boxed-in" rural poor. Grants, he said, would not only help poverty-stricken people but would be beneficial to the taxpayers. It would also help to stem the migration of rural poor to the cities. 1/ The Secretary said: 2/

Public assistance payments in this country now total \$4.6 billion a year, and have been rising at the rate of \$1 billion each 3 years.

Families forced off the land, headed by men with no experience in anything but farming, often illiterate or barely literate, totally unprepared for city life, account for a large segment of this problem. If through small grants--and the bill limits any family to \$1,500--families can be kept on the land, the cost to the taxpayers will be only a fraction of what the movement off the land is costing.

It is far cheaper--and far better--to buy a farm family a cow than to buy milk, in bottles, day after day, for the children of that family in the city. That is the essential reasoning that underlies the grant program in title III. The farmer and his family benefit. The rural community benefits. The cities benefit. And the taxpayers benefit. . . .

We estimate that about 1 million of the 1.5 million farmers in the poverty group have no future anywhere but on the farm--because their lack of education, their lack of skill or experience in anything but farming, or their age, or a physical handicap, or a combination of these make them unlikely candidates for retraining or for success in city life. The young people in the poverty class can be retrained, and many of them may have to leave their home communities. But the 1 million farmers are "boxed in." The only opportunity for a better living for them and their families is right where they are--on their farms. . . .

1/ Ibid., p. 299.

2/ Ibid., pp. 253 and 257.

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Secretary Freeman also strongly supported the provision authorizing assistance to public or private nonprofit organizations formed to purchase and resell farm land and to poverty-stricken farm families. This approach, Mr. Freeman said, was analogous to the urban renewal approach where the difference between the market value of the land and subsequent use of the land was made available by a capital grant.

The program was needed because speculative pressure on the price of good farmland was driving it beyond the reach of all but the larger farmers, farmers with off-farm income, business and professional men, and large organizations. Thirty-four percent of all farm real estate sales in 1963 were to non-farmers.

The section authorizing credit and technical assistance for the organization and funding of small cooperatives or the strengthening of existing cooperatives to serve low income rural families was also needed to overcome and prevent poverty in rural areas.

Commenting on conditions in some rural areas, Secretary Freeman said, "And there are places and people living under conditions in this country that are comparable to those you can find in some of the developing countries around the world that we declare, and properly so, disgraceful, that shock our sensibilities, as we visit other countries. . . . And the great majority of people in this country do not even know that such hideous conditions exist."

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Secretary Freeman was asked why the programs authorized by Title III of the bill could not be better handled by an amendment to the Farmers Home Administration legislation to give the Administration authority to reach poverty stricken farmers. Mr. Freeman replied that the provisions to combat rural poverty in the Economic Opportunity Act interacted with the provisions for a job corps, for community development, and other sections of the poverty legislation which would also benefit rural people. He pointed out that the provision allowing grants would make it possible to use existing credit programs and facilities to reach the hard core rural poor. The grant would give the poor farmer the necessary capital resources to secure an operating or real estate loan. The Farmers Home Administration could provide the necessary supervision and technical assistance to give some of the lowest income farmers an opportunity to succeed.

Harry L. Brown, speaking for the Georgia and the American Farm Bureau Federation, opposed the Economic Opportunity Act. He stated that Title III would result in stabilized and Government-directed poverty. Hershel Newsom, Master of the National Grange, supported Title III, but suggested that the grant program should be used only in extreme cases. President James Patton, of the National Farmers Union, gave enthusiastic support to the legislation, but suggested that much more was needed to solve the problems of poverty. 1/

1/ U. S. Congress, 88th, 2nd Sess., House of Representatives, Committee on Education and Labor, Hearings on . . . Economic Opportunity Act of 1964, Part I, pp. 548-575, 576-582, April 13, 1964 and Part II, pp. 1014-1017, April 20, 1964.

In a minority report, eleven members of the Committee on Education and Labor stated that Title III was clearly in the province of the Committee on Agriculture. 1/ The proposals, the minority report stated, "impinge upon extremely important Federal agricultural programs and indeed our entire agricultural economy." Two members of the Education and Labor Committee were also members of the House Committee on Agriculture. Both expressed opposition to inclusion of Title III and voted against reporting the bill.

The spokesman for the American Farm Bureau Federation was quoted in the minority report. He had testified that the loan and grant program would operate to perpetuate subsistence farming and rural slums. The use of family farm development corporations was denounced as old, reactionary, and alien. 2/

The minority report called the poverty program a political project. The report stated:

Regardless of the exaggerated claims its proponents may make for it, the fact remains that this proposal does not and, as written, cannot deal effectively with the basic causes of poverty. It holds out extravagant promises to the unfortunate, but it contains no substance for their fulfillment.

The \$962.5 million which this bill authorizes will make a significant contribution to the already vexing Federal deficit, but will make no significant contribution to the established multibillion-dollar anti-poverty programs now being carried forward by the Federal Government.

1/ U. S. Congress, 88th, 2nd Sess., House of Representatives, Committee on Education and Labor, Report No. 1458, June 3, 1964, pp. 78-86.

2/ U. S. Congress, 88th, 2nd Sess., House of Representatives, Committee on Education and Labor, Hearings on . . . Economic Opportunity Act of 1964, Part I, April 13, 1964, pp. 548-575.

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. . . It will not prepare any substantial number of our unemployed for gainful employment in today's highly skilled labor market. Nor will this bill, despite its misleading title, contribute anything of substance to the expansion of economic opportunity.

Despite favorable majority reports from the Education and Labor Committees of the House and the Senate, attempts were made on the floor of the House and the Senate to kill the legislation by returning it to the Committees. In a key vote during August, twenty members of the House Committee on Agriculture voted to kill the legislation while only 14 voted for it. 1/

1/ Memorandum to Secretary Freeman from Kenneth Birkhead, August 10, 1964. In Orville L. Freeman, Chronological Correspondence File, Lyndon Baines Johnson Library.

The bill was also labeled in the Senate as a political measure.

Senator Aiken of Vermont commented: 1/

. . . I want to say, after reading the bill, that I have come to the conclusion that it is a political bill. . . . But compared to other handouts, this bill is not even a flea bite. It is nothing compared to the handouts being given to the big business interests of the United States every day and every year. . . .

It is nothing at all compared to the tax benefits which are given to the public utilities of this country. . . .

This is a small handout compared to that which the shipping industries have received over the years. . . .

It is terribly small compared to the \$11 billion benefits which were bestowed largely upon the well-to-do people of this country by the tax bill of 1964 and which will not be shared by any of those who qualify under this so-called poverty program. . . .

The question arises, Are these poor people a threat to the successful business interests of America or to the liberty of our people? I contend that they are not. I should like to know why a handout to a billion dollar industry is a great boon to America, while a handout to a poor family in need is a menace to our liberty.

Senator Prouty of Vermont commented: 2/

. . . I have serious reservations about the bill because I believe there is as much politics in it as there are considerations for eliminating poverty throughout the Nation.

I say politics because an examination of the bill reveals that while it speaks often of 'low-income families,' it does not very closely relate to the causes of poverty. Nor is it an attempt to alleviate those conditions which prior congressional studies have shown to be those toward which an antipoverty program should be directed.

1/ U. S. Congress, 88th, 2nd Sess., Congressional Record Vol. 110, p. 16616, July 22, 1964.

2/ U. S. Congress, 88th, 2nd Sess., Congressional Record Vol. 110, p. 19020, Aug. 11, 1964.

The bill does not regard the nature of America's poor in its effort to be helpful. It is not particularly related to the families with a female head of household.

It does not concern itself noticeably with the aged poor.

It passes lightly over deficiencies in education of the poor--a major problem of any poor family.

In short, attacking the causes of poverty is almost incidental to the present bill.

Although a number of Congressmen criticized the inadequacies of the bill in terms of limited funds and programs, major controversy centered around the argument that a "czar" would be created who would usurp the authority of State and local governments. An amendment, sponsored by Senator Prouty, requiring approval by State governors of all federal-local community action projects was defeated in the Senate by only one vote on July 23, 1964. 1/

Senator Yarborough of Texas, a co-author of the original Economic Opportunity Act of 1964, gave his view of the legislation agreed to by the Senate on August 11, 1964. 2/

. . . I am glad to see the bill as close to passage as it is today.

I regret the action of the House with respect to Title III, the section relating to combating poverty within rural areas. It was a vital part of the bill. I believe the action of the House has weakened the bill. Even though it has been weakened by reducing the means by which people of lower income would have an opportunity to earn better income in rural areas, it is still a good bill, worthy of passage. . . .

1/ U. S. Congress, 88th, 2nd Sess., Congressional Record Vol. 110, p. 16727, July 23, 1964 and Congressional Quarterly, Congress and the Nation, 1945-1964, pp. 1326-1327.

2/ Ibid., August 11, 1964, p. 19018.

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And so, Mr. President, I offer these observations as one Senator's reasons for believing in the wisdom of this kind of legislation. I do not contend that this bill provides all the answers to the problem of poverty. I am not completely satisfied with the bill. I would prefer the restoration of the parts which were deleted from Title III. I would like to have seen more attention paid to the problems of the aged. As with any major legislative proposal, the Economic Opportunity Act is a product of compromise. Moreover, it is only a beginning. But, Mr. President, this is the important point: it is a beginning. . . .

Daniel P. Moynihan, who was involved in the development of the poverty program, recently assessed the program sent to the Congress.

He wrote: 1/

Thus the poverty task force inherited a series of conflicting conceptions of the problem and how to deal with it. . . .

Time, moreover, was short--the group did its work in about eight weeks. But most importantly, the primary attention of all concerned was upon the problem and--as the nation's reaction to the assassination became clearer--upon the real prospect of getting a program through the Congress. For the grief and shock of the assassination was succeeded--rather like the euphoria, even merriment, that will break out at a reception following the return of a funeral cortege--by an atmosphere in Washington of opening possibilities and widening expectations. Far from assembling a massive, in a sense defiant, program designed to affront and indict the Congress with its own unwillingness to act, the task force increasingly submitted to the discipline of political realism as it became evident that this was a bill that was actually going to be passed. . . .

1/ Daniel P. Moynihan, "The Professors and the Poor," Commentary 46:22-23, August 1968.

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The resulting program, sent to the Congress on March 16, 1964, thus represented not a choice among policies so much as a collection of them. Nothing of consequence had been added to the congeries of proposals that had been, as it were, handed over to the Shriver group. The one element that might have been expected to be a central feature of any large-scale anti-poverty effort, but which was nonetheless absent from any of the departmental proposals, was an adult employment program. Within the Shriver task force the case for such a program was made with some vigor and little opposition, and the final package, which Shriver presented to a meeting of the cabinet early in March, provided for a special 5¢ tax on cigarettes (originally proposed by Senator Gaylord Nelson of Wisconsin), calculated to produce something like \$1.25 billion per year to be earmarked for adult employment. But the Council of Economic Advisors was anything but enthusiastic. The tax was a regressive one, the Council argued, that would destroy almost as many jobs as it would create, and with no guarantee that the newly created jobs would be "on" the poverty target. (The Council staff was at this time especially impressed by analyses of the Accelerated Public Works Program of the Kennedy administration which showed the various projects to have had only a minor effect on hard-core unemployment.) Even the most optimistic Labor Department analysis suggested a net increase of only 50,000 to 90,000 jobs. Shriver, however, believed that through various multiplier effects and other devices, a much higher number could be achieved, as many indeed as 500,000 jobs "on target." Even so, the President would have none of it. The Chairman of the House Ways and Means Committee, he explained, was against earmarking. Besides, 1964 was the year for cutting, not increasing, taxes--the great Revenue Act of 1964 proposed by Kennedy in the spring of 1963 was then on its way to enactment.

The matter ended there, without protest and with no public knowledge. Yet it was a truly crucial decision. Lacking any provision for the employment of adult men, the war on poverty from the start had to concentrate on services for women and children, marginal employment and some intensive training for late adolescents, and--to its eventual grief--community organization. This was to have consequences great or small throughout the society, but most fundamentally for Negro Americans.

In retrospect, it is possible to view the war on poverty as a device that enabled the federal government to launch a fairly wide range of programs designed primarily to aid Negro Americans without having to specify that such was their intent. . . .

The Economic Opportunity Act, called by President Johnson, the Nation's first commitment to eradicate poverty, was signed on August 20, 1964. ^{1/} President Johnson stated that the measure was not a proposal to exploit the poor with a promise of a dole--a remedy which provided no answer to poverty. The President said:

The measure before me this morning for signature offers the answer that its title implies--the answer of opportunity. . . .

For the million young men and women who are out of school and who are out of work, this program will permit us to take them off the streets, put them into work training programs, to prepare them for productive lives, not wasted lives. . . .

We will work with them through our communities all over the country to develop comprehensive community action programs--with remedial education, with job training, retraining, with health and employment counseling, with neighborhood improvement. We will strike at poverty's roots.

This is by no means a program confined just to our cities. Rural America is afflicted deeply by rural poverty, and this program will help poor farmers get back on their feet and help poor farmers stay on their farms.

President Johnson called the program both prudent and practical. Every dollar authorized in the bill had been contained in the January budget request.

^{1/} 78 Stat. 508; Public Papers of the President, Lyndon B. Johnson, 1963-64, Vol. II, pp. 988-990.

Title I of the Economic Opportunity Act established a Job Corps in which young men and women between the ages of 16 and 21 could enroll for two years. The Corps would be located in conservation camps and training centers in rural and urban residential centers.

Title I required that at least 40 percent of Job Corps enrollees be assigned to camps for work conserving natural resources and developing recreational areas. They were to serve in the Youth Conservation Corps which was to be directed by such Federal agencies as the Forest and Park Services.

Title II authorized grants and assistance to States and public or private nonprofit agencies for urban and rural communities to combat poverty through community action programs. Community action programs were to conduct programs to increase employment, job training and counseling, health, vocational rehabilitation, housing, home management, welfare, and special remedial and other noncurricular educational assistance for the benefit of low-income individuals and families.

Title III of the Act authorized loans with a maximum maturity of 15 years in amounts not exceeding \$2500 to any low income rural family where such loans had a reasonable prospect of increasing the income of such families by assisting or permitting them to acquire or improve real estate, operate or improve the operation of farms not larger than family-sized, participate in cooperative associations and/or to finance nonagricultural enterprises to supplement their income. Eligibility for the loans was conditioned upon the inability of a family to obtain loans under any other Federal program.

Secretary Freeman, backed by Sargent Shriver, attempted to persuade Congress to retain the provision for grants for the lowest income families and for corporations to purchase and subdivide land into family-sized farms that had been deleted in the interest of securing enactment.

The section directing development of a program to assist the States, public and nonprofit agencies, institutions, organizations, farm associations, or individuals in establishing and operating programs of assistance for migrant agricultural employees and their families in housing, sanitation, education, and day care of children had been retained.

An unrelated section was added, directing the Secretary of Agriculture to make payments at a fair market value to dairy farmers ordered since January 1, 1964, to remove their milk from the market because it contained pesticides approved by the Government at the time of their use. This section had not been a part of the Administration's draft of the legislation.

Appropriation of \$35 million was authorized to carry out the special programs to combat poverty in rural areas authorized under Title III. In addition, up to \$15 million of funds appropriated under other titles could be used for assistance to migrant workers.

Title IV authorized loans, repayable in 15 years, to establish and strengthen small businesses and to help them to employ the long-term unemployed.

Title V authorized funds for pilot projects to employ and train heads of families receiving help under the Aid to Families with Dependent Children Program.

Title VI established the Office of Economic Opportunity in the Executive Office of the President. An Economic Opportunity Council was established to consult and advise the Director. The Secretary of Agriculture was included in the membership of the Council.

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Title VII granted exemptions of payments to individuals under the poverty program from certain provisions of the Social Security Act.

The authority to make loans to the rural poor was delegated by the Director of Economic Opportunity to the Secretary of Agriculture on October 23, 1964. 1/ Secretary Freeman assigned the function to the Farmers Home Administration on December 3, 1964. 2/

The need for new authority for the Farmers Home Administration to help poverty-stricken farmers was raised in discussions of the Economic Opportunity Bill during hearings of the House Committee on Education and Labor and during discussion on the floor of the House of Representatives. 3/ The question also came up during Farmers Home Administrator Bertsch's testimony on the agricultural aspects of the Economic Opportunity Act before ^{the} House Committee on Agriculture. 4/

In his March 20, 1964, testimony on the Economic Opportunity Act, Secretary Freeman stated that the Farmers Home Administration's objective was to combat rural poverty. He said:

The Farmers Home Administration exists for the specific purpose of combating rural poverty, by providing supervised credit on reasonable terms to low-income families who otherwise could not get credit on any terms. Its entire field organization, which extends into nearly every rural county in the United States, is available to provide both leadership and expertise.

1/ 29 F.R. 14764.

2/ 29 F.R. 16840

3/ U. S. Congress, 88th, 2nd Sess., House of Representatives, Committee on Education and Labor, Hearings on . . . Economic Opportunity Act of 1964, March 20, 1964, pp. 265-300 and U. S. Congress, 88th, 2nd Sess., Congressional Record, pp. 12528-12530, June 3, 1964.

4/ U. S. Congress, 88th, 2nd Sess., House of Representatives, Committee on Agriculture, Hearings on . . . Agricultural Aspects of the Economic Opportunity Act of 1964, April 27, 1964, pp. 10, 22-40.

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When Congressman Pucinski questioned why grants for the lowest income farmers were needed if the objective of the Farmers Home Administration was to combat poverty, Secretary Freeman answered that only after receiving a grant could the lowest income farmers qualify for credit for regular loans. 1/

Administrator Bertsch explained that Farmers Home Administration loans kept people from falling into the "boxed in" category, but the Administration was not able to rescue those already in the lowest income group without new authority. He said: 2/

At present, we in Farmers Home Administration can do little to help such families finance a more productive, rewarding farming operation.

FHA makes loans that must be repaid. It is prohibited by law from extending credit to families that have no repayment base or prospects. Thus most of the 1 million families are outside the responsibility of the one Government agency that is most experienced, most diligent, and most active in helping low-income family farmers. FHA now cannot deal with hard-core rural poverty. It is helpless to provide services to farm families at the very bottom of the ladder, the 1 million or so who are boxed in are immobile and cannot avoid poverty's sharp teeth. . . .

. . . We are satisfied from examinations we have made in spot checking many of these families through our county supervisors that the \$1,500 grant, when combined, let us say, with a \$3,000 or \$4,000 loan, will give them the resources which will let them retire their indebtedness--the part of the total capital resources which are not granted--and live better than they would be able to live anywhere else. . . .

1/ Ibid., pp. 248, 274-276.

2/ U. S. Congress, 88th, 2nd Sess., House of Representatives, Committee on Agriculture, Hearings on . . . Agricultural Aspects of the Economic Opportunity Act of 1964, April 27, 1964, pp. 3, 5, 11, 12 and 29.

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I think that we must say over and over again that much of what the Farmers Home Administration does under the programs authorized by legislation cleared by this committee has prevented a great many people from slipping into poverty. I like preventive medicine better than I do curative medicine. . . .

We would expect most of the grant recipients also, to be recipients of the Farmers Home Administration operating loans.

Despite the relationship between the continuing loan programs of the Farmers Home Administration and the projected rural poverty program, the President's economy budget recommended a reduction of \$35 million in the authorization for the direct loan account for farm ownership loans in 1965, as compared with the funds available for fiscal 1964. The Department recommendation had been reduced by \$35 million in the budget process. The budget recommended an increase of \$1.5 million to provide rental housing and related facilities for senior citizens in rural areas, but it did not recommend an increase in direct operating loan funds for fiscal 1965 over 1964. 1/ The cut in direct loan funds for farm ownership was to be offset by a recommended increase in authorization to insure private credit for the farm ownership and rural housing programs of the Farmers Home Administration.

President Johnson had announced his intention to provide funds for new programs such as the poverty program through savings made possible by strict economy measures and by an exhaustive screening of existing programs.

1/ Papers of the Presidents, Lyndon B. Johnson 1963-64, Vol. I, p. 187; U. S. Congress, 88th, 2nd Sess., House of Representatives, Committee on Appropriations, House Report No. 1387.

The reduction in authorization for direct loan funds for farm ownership funds were a part of the cut in the \$1.3 billion in Federal payments for the Department of Agriculture recommended by the Bureau of the Budget. 1/

Commenting on the cuts recommended by the Bureau of the Budget for the Department of Agriculture, Congressman Whitten, Chairman of the House Appropriation's Subcommittee, said:

"A review of the President's Budget for 1965 indicates that the Department of Agriculture has received a greater reduction in appropriated funds for the coming fiscal year than the sum total for all other departments of the Federal Government. The amount requested for all activities of the Department is about the same as requested for the National Space Agency. It is nearly \$1 billion less than requested for the Department of Health, Education, and Welfare and is approximately one-tenth of the request for the Department of Defense. It is only twice what we propose to spend for the Atomic Energy Commission next year. In making these comparisons, we in no way mean to pass judgement on the needs of these departments or agencies."

The largest reductions were to be made in the programs for farm commodities.

Substantial reductions in expenditures for commodity programs, which would primarily affect commercial farmers, were not offset by substantial increases in expenditures for poverty stricken farmers and poverty-stricken consumers helped by school lunch, food stamp and other programs.

1/ Ibid., p. 2.

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At the same time, the Bureau of the Budget began to question whether the farm ownership program of the Farmers Home Administration might not be contributing to the cost of the price support program by increasing the number of commercial farmers.

Congress restored the authorization for the direct farm ownership loans to the amount provided for 1964, the original request of the Department of Agriculture to the Bureau of the Budget.

However, the Department of Agriculture was still faced with questions raised by the Bureau of the Budget and the Council of Economic Advisers concerning the contribution of farm ownership loans to the problem of overproduction. 1/

In a May 21, 1964, memorandum, Administrator Bertsch replied to the charge that the farm ownership loan program contributed to the problem of farm surpluses. 2/ He answered that it did not contribute to the overproduction problem. Even if it did, the program would be needed because the urban economy was not able to absorb the workers currently leaving the farm. Mr. Bertsch stated the case for the farm ownership program as follows:

The Farm ownership loan program does not contribute to the problem of surpluses in agriculture. If farm ownership borrowers did not farm the land they own, someone else would. Such farms would be operated by people who find principal credit sources outside of the FHA program. Generally, this group with greater financial

1/ Memorandum to Assistant Secretary John Baker from Secretary Orville Freeman, December 26, 1964. In: Orville Freeman Chronological Correspondence File in Lyndon Baines Johnson Library.

2/ Howard Bertsch, Administrator Farmers Home Administration to the Secretary of Agriculture, May 21, 1964. In: Files of the Agricultural History Branch, U. S. Department of Agriculture.

resources has a history of producing crops in long supply. On the other hand, the farm ownership loan program encourages long range adjustment in farming enterprises that take into account the problem of supply management.

We would also point out that the majority of farm ownership loans go to young farmers. This is absolutely essential to the solving of the problem of transferring farms from retiring farmers to young farmers. Without this assistance the land would fall into the hands of the larger operator.

The family farms that the Farmers Home Administration finances through its farm ownership loans produce a very small part of the marketed farm products and an even smaller part of the crops that are in long supply. These loans account for only four percent of the total farm mortgage debt outstanding as of January 1, 1963.

Even if the farm ownership program did contribute to supply management problems, the program would have to be strengthened to serve the national interests because (1) the urban economy is not capable of absorbing all of the workers that are currently leaving the farm, and (2) the Nation as a whole is strong only when all of its segments are strong.

The supply management program must function independently from the supervised credit program. Diminishing the number of farm ownership loans will not solve the supply management problem. Approximately $8\frac{1}{2}$ percent of the farmers now produce over one-half of the marketed products and these farms are not all operating at their maximum capacity. Farm ownership borrowers are not in this group.

A number of conferences were held with representatives of the Bureau of the Budget and the Council of Economic Advisers. On May 27, 1964, Kermit Gordon, Director of the Budget, requested that a study in depth be made of the role of the Farmers Home Administration relative

to the problem of overproduction in agriculture with the consequent costs of the price support program. Mr. Gordon suggested that the study might be made by the Economic Research Service and that an outside consultant group might be asked to make an objective evaluation. 1/

A task force of officials from the Bureau of the Budget, the Council of Economic Advisers and the Department of Agriculture was established to outline and guide the study in depth. The study was undertaken with John Brewster of the Economic Research Service as leader. He died before completion of the study. The study has not been completed. 2/

President Johnson's Great Society address to the graduates of the University of Michigan on May 22, 1964, challenged Secretary Freeman to emphasize the need for development and renewal in rural America. Secretary Freeman called Rural Areas Development a "peoples program" in a July 20 address. 3/ He said that leadership to put outstanding human resources to work was rapidly coming to the front in rural communities across the Nation. Mr. Freeman indicated that local

1/ Memorandum from Kermit Gordon to Orville Freeman, May 27, 1964; In: Files of the History Branch, U. S. Department of Agriculture; James Sundquist, Deputy Under Secretary to the Secretary of Agriculture, June 18, 1964; In Files of the History Branch.

2/ Memorandum to Nathan Koffsky, Director of the Economic Research Service from John Schnittker, Director of Agricultural Economics, November 18, 1964; In: Files of the History Branch, U. S. Department of Agriculture; Memorandum to John Baker, Assistant Secretary from John A. Schnittker, October 5, 1964; In: John A. Schnittker, Chronological Correspondence File, Lyndon Baines Johnson Library.

3/ Orville L. Freeman, Address at Jackson's Mill, West Virginia, U. S. Department of Agriculture, Press release 2406-64, July 20, 1964.

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committees had completed 8,000 income and job-producing projects in the previous three years and that more than 125,000 jobs had been created.

On November 11, 1964, Secretary Freeman sent a memorandum to the President on the Great Society in rural America. He wrote that the greatest need and the greatest opportunity for achieving the Great Society in rural America was not in farm programs but in nonfarm programs. Only one-tenth of the rural people and only three percent of the total population could be expected to achieve the Great Society through farming. New approaches were essential. Rural Area Development Committees supported by Technical Action Panels were making progress. Their efforts had resulted in 365,000 new jobs. Recreation enterprises had been stimulated by nearly 400 loans. Over 2,000 small watershed projects were underway, but much more needed to be done. Rural America should be given access to credit on the same terms as urban America. To maintain momentum and vitality and to achieve results, rural development groups needed an organizational means to carry existing Federal programs and new programs "of the Great Society beyond the city limits to the poorest and most remote rural reaches of the land." The job should be assigned, Mr. Freeman wrote, to the Department of Agriculture and the Department's name should be changed to Department of Food, Agriculture, and Rural Affairs. 1/

1/ Memorandum to the President from Orville L. Freeman, November 11, 1964; In: Records of the Secretary of Agriculture's Office in Lyndon Baines Johnson Library.

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Earlier, Secretary Freeman had written to Mike Feldman of the White House staff that the availability of funds for industrial development was important to rural America. 1/

President Johnson did not approve the proposal to change the name of the Department of Agriculture to indicate its widening role in rural areas, but in his February 4, 1965, message on agriculture he stated parity of opportunity for rural America as a national goal. 2/ All Departments and agencies administering programs which could be of benefit to rural America had been asked to see that ^{their} / benefits were distributed equitably. The President had asked the Secretary of Agriculture and the Director of the Budget to review carefully with the head of each Department or agency the administrative obstacles which might stand in way of equitable distribution of agency services.

President Johnson announced also that the Department of Agriculture was creating a Rural Community Development Service which would devote all its energies to assist other agencies to extend their services to rural people. The message recommended that Congress increase the annual limit upon the Department of Agriculture's loan insurance program for farm ownership loans, and loans for community water systems and recreation development.

1/ Memorandum to Mike Feldman, the White House, from Orville L. Freeman, October 27, 1964; In: Orville L. Freeman Chronological Correspondence File in Lyndon Baines Johnson Library.

2/ Public Papers of the Presidents, Lyndon B. Johnson, 1965, Vol. I, pp. 139-148.

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On February 24, 1965, Secretary Freeman established the Rural Community Development Service under the general direction and supervision of the Assistant Secretary for Rural Development and Conservation. 1/ The new agency superseded the Office of Rural Areas Development. The Rural Community Development Service was to provide general staff coordination of Department of Agriculture activities directed to rural areas development. The new Service was to be responsible for assisting local organizations and leaders in helping them to locate and use the facilities of private, State and Federal agencies in building up the agricultural and related resources to strengthen the economy of rural areas.

Robert Lewis, Director of the new Service, explained that one of the primary responsibilities of RCDS would be the formulation of plans and procedures for the operating agencies of the Department to enable them, in conjunction with their regular programs, to assist agencies outside the Department to reach people in rural communities as effectively as people were reached in urban areas. Department of Agriculture representatives would give rural people full and explicit information about all programs of the Federal Government which could provide services for them. Department of Agriculture representatives would also see that convenient and practicable procedures for utilizing these services would be available to rural people and that their applications would receive equitable treatment.

1/ U. S. Department of Agriculture, Secretary's Memorandum No. 1570, February 24, 1965.

In addition, the Service would provide leadership within the Department in formulating plans and evaluating operations of the Department pertaining to the development of natural and human resources in rural communities.

The budget request provided for the opening of twenty field offices in addition to the three which had been established. 1/

The Department of Agriculture established working relations through the cabinet level Rural Development Committee, created October 17, 1963, by Executive Order 11122. 2/ Secretary Freeman, as Chairman of the Committee, called a meeting of the Committee the first week in December to consider how to effectively coordinate the services of agency programs reaching rural areas. Sargent Shriver was asked to attend the meeting 3/ and became an ex-officio member of the Committee. 4/

The Department hoped to work out close working relationships with the Office of Economic Opportunity in establishing an effective field operation to stimulate rural community action programs.

1/ U. S. Congress, 89th, 1st Sess., House of Representatives, Committee on Appropriations, Hearings on . . . Department of Agriculture Appropriations for 1966, Part 4, pp. 304-322, March 26, 1965.

2/ 28 F.R. 11171.

3/ Letter to Sargent Shriver, Director of Peace Corps, November 25, 1964 from Orville Freeman. In: Chronological Correspondence File of Orville Freeman in Lyndon Baines Johnson Library; Unsigned Memorandum entitled Participation of USDA in Economic Opportunity Act Programs in Files of the History Branch, U. S. Department of Agriculture; and Memorandum to R. Sargent Shriver from Orville Freeman, June 3, 1965. In: Orville L. Freeman Chronological Correspondence File in Lyndon Baines Johnson Library.

4/ U. S. Congress, 89th, 2nd Sess., House, Committee on Appropriations, Hearings on . . . Department of Agriculture Appropriations for 1967, Part 4, p. 80.

By May 10, 1965, Department officials began to feel that proposals for close cooperative relations had been rebuffed except in the case of the authority for loans under Title III and the authority for job corps operations carried on under a January 15 memorandum of agreement between the Office of Economic Opportunity and the Forest Service. 1/ One area of dissatisfaction was the small number of positions allotted to the Department of Agriculture on reimbursable detail for work in community development. An estimated 50 professional people in the Department were doing OEO work without reimbursement on any given day while only 9 were on temporary detail to OEO. A second area of dissatisfaction was the absence of personnel with rural background and interest in the Office of Economic Opportunity. 2/

Some questions arose over the respective zones of authority of the Office of Economic Opportunity and the Forest Service in the operation of the Job Corps under the first memorandum of Agreement signed on January 15, 1965. 3/ This agreement was revised to clarify responsibility of the two agencies effective July 1, 1967. 4/ The first Job Corps Center

1/ Memorandum of Agreement between R. Sargent Shriver, Director of the Job Corps and Edward P. Cliff, Chief of the Forest Service, January 15, 1965.

2/ Memorandum to Secretary Freeman, Relations with the Office of Economic Opportunity, May 10, 1965; In: Chronological Files of John A. Schnittker in Lyndon Baines Johnson Library.

3/ Memorandum to Otis A. Singletary, Director, Job Corps, OEO from Clare Hendee, Deputy Chief of the Forest Service, in Files of the Agricultural History Branch of the U. S. Department of Agriculture.

4/ Agreement between the Office of Economic Opportunity and U.S. Department of Agriculture, May 11, 1967. In: Files of Agricultural History Branch of U.S. Department of Agriculture.

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directed by the Forest Service was opened at Camp Catoctin, Maryland, on January 15, 1965. The number of centers were expanded to 47 in 1967, but were cut back to 45 in 1968 due to decreasing funds available for the Centers. A separate paper is attached to this chapter on Job Corps Centers under the jurisdiction of the Forest Service.

Secretary Freeman, in a letter to Director Shriver, wrote that he had been trying for four years "to turn the current operating agencies of the Department around" so they could provide resources in the local communities for the "outreach goal," but had met with mixed success. To get operating agencies into new fields, both stronger staff control from the Secretary's office in Washington and people in the field were needed. 1/

1/ Letter to R. Sargent Shriver, Director of the Peace Corps, June 3, 1965, from Orville L. Freeman; In: Chronological Correspondence Files of Orville L. Freeman in Lyndon Baines Johnson Library. See also memorandum to John A. Baker from Orville L. Freeman, August 3, 1965.

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The Secretary of Agriculture's responsibility for coordinating rural poverty programs through the cabinet level Rural Development Committee and the Rural Community Development Service seemed challenged by suggestions that the Economic Opportunity Council take an increased role in the coordination of antipoverty programs.

Robert Lewis, in an August 11, 1965, letter, called the attention of the Assistant Director of the Office for Interagency Relations of the Office of Economic Opportunity to the President's specific directions to the Secretary of Agriculture and the Director of the Budget to review with other agencies the administrative obstacles standing in the way of equitable distribution of the benefits of poverty programs to rural people. He also pointed out that President Johnson had directed the Secretary to put the facilities of Department field agencies at the disposal of other Federal agencies. 1/

Authorization for rural poverty programs as a part of broader programs for housing, health protection, and economic development were extended during 1965.

1/ Letter to Robert G. Lewis, Administrator of Rural Community Development Service from Lisle C. Carter, Jr., Assistant Director of Office for Interagency Relations of the Office of Economic Opportunity, July 30, 1965, and a letter to Lisle C. Carter from Robert G. Lewis, August 11, 1965; In: Files of the Agricultural History Branch of the U. S. Department of Agriculture. Memo. to Secretary Freeman from Robert G. Lewis, August 23, 1965; In: Files of John A. Baker. Letter to Leroy Collins, Under Secretary of Commerce from Secretary Freeman, Undated; In: Filed in Secretary Freeman Files. Attached to Letter dated August 19, 1965 from Secretary Freeman to LeRoy Collins.

The Appalachian Regional Development Act of 1965, approved March 9, 1965, authorized the Secretary of Agriculture to make grants to land-owners to assist in the improvement and development of land and erosion control in the region under agreements not to exceed 10 years. The Act also authorized the Secretary to make loans and provide technical assistance in the organization and operation of timber development organizations. 1/

Expiration date of the Area Redevelopment Act of 1961 was changed from June 30, 1965 to August 31, 1965. 2/ The act was extended until the Public Works and Economic Development Act of 1965 could be enacted. This Act was signed by President Johnson on August 26, 1965. 3/

On August 5, 1965, the Community Health Service Extension Amendments of 1965 were approved. 4/ The Act provided \$24 million to the health services program for migratory workers. The Act extended the provisions relating to grants for intensive vaccination programs and for health service clinics. The scope of services for which grants could be offered was expanded to cover necessary hospital care.

1/ 79 Stat. 5.
2/ 79 Stat. 195.
3/ 79 Stat. 552.
4/ 79 Stat. 435.

The Housing and Urban Development Act of 1965 was approved on August 10, 1965. 1/ The Act authorized the Farmers Home Administration to make loans to persons in any age group to buy previously occupied dwellings, farm service buildings and adequate farm land. It provided for a new loan program authorizing the Secretary of Agriculture to make and to insure loans for rural home improvement. For loan purposes, a rural area was defined as one not associated with an urban area and having a population not in excess of 2,500, or a population between 2,500 and 5,500 if rural in character. Authorization for grants to provide low rent housing for domestic labor was increased from \$10 million to \$50 million. Authorizations for rural housing programs were extended for four years to October 1969. The Housing Act of September 2, 1964, had extended the previous expiration date from June 30, 1965, to September 30, 1965, and had broadened the rural housing provisions. 2/

Authorizations for extension of authority in the areas of housing, health insurance, and conservation and economic development in the Appalachian area provided some help for the rural poor but they fell far short of the needs.

1/ 79 Stat. 451.

2/ 78 Stat. 769.

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The Department was given an opportunity to develop plans to meet these needs in relation to the goals of the Great Society during September 1965. 1/ Secretary Freeman was designated as chairman of a Task Force on Agriculture and Rural Life for the fiscal year 1967 legislative program. The Task Force was to be composed of representatives from the Department of Health, Education, and Welfare; the Department of Labor; the Office of Economic Opportunity; the Housing and Home Finance Agency; the Bureau of the Budget; and ~~some~~ individuals whom the Secretary might want to include. A vigorous and imaginative program was to be developed and estimates of the magnitude of the costs were to be included. The following proposals were to be among those subject to staff studies:

1. Develop a 'Homestead Opportunity' program to stem farm migration to the cities and encourage a return to rural communities, with emphasis on the 'whole rural man and his family.' The estimated costs of such a program should be analyzed, its benefits to the American people should be specified, and a study made to determine whether new legislation will be needed.

2. Develop a program to improve health, and welfare services for both adults and children in rural areas.

3. Develop a program to improve rural education and training opportunities, through such measures as improved and expanded Manpower development and Training Act Programs, or stimulating the consolidation of rural school districts.

4. Develop a program for improving and enriching the quality of life on farms and in small agricultural towns.

5. Develop proposals for amending Farmers Home Administration, Small Business Administration, or other authority to

1/ Memorandums to Orville Freeman from Joseph A. Califano, Jr., Special Assistant to the President, August 30, 1965 and August 31, 1965. In: John A. Schnittker Chronological file in Lyndon Baines Johnson Library.

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enable making loans to low-income family farmers without significant assets for farm improvements or for small non-farm businesses or other non-agricultural purposes.

6. Develop a comprehensive low-income farmer retirement program through appropriate amendment of existing public programs.

7. Consider amendment of current feeding programs of the Agriculture Department--school lunch, school milk and food stamp--to fit them better into the objectives of the Great Society.

8. Develop a forest development and soil and water conservation work program to utilize the labor of rural family members in such projects as the beautification of the countryside, reforestation and the construction of outdoor recreation facilities.

On September 8, 1965, Harry C. McPherson, Jr., Special Assistant to the President, suggested that the Task Force could add a consolidated and improved School Breakfast Program to the programs to be studied and endorsed. 1/ Mr. McPherson suggested that limited school breakfast programs conducted by a number of agencies, including the Office of Economic Opportunity, should be drawn together into one national program.

The Task Force Report on Agriculture and Rural Life was submitted to Mr. Califano, Special Assistant to President Johnson, on October 4, 1965. Drafts of the report had been reviewed by ^{representatives of} the appropriate Government agencies and by James L. Sundquist of the Brookings Institution, Willard W. Cochrane of the University of Minnesota and Charles E. Bishop of North Carolina State University. 2/

1/ Memorandum for Orville L. Freeman from Harry C. McPherson, Jr., September 8, 1965; In: Files of Agricultural History Branch. See also Memorandum for Mr. McPherson from Phillip S. Hughes, Assistant Director for Legislative Reference, Bureau of the Budget.

2/ Memorandum, Joseph A. Califano, Jr. from Orville L. Freeman, October 4, 1965; In: John A. Schnittker, Chronological File in Lyndon Baines Johnson Library.

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To achieve the goal of parity of opportunity for all rural people, social, economic and cultural programs were to be coordinated through a planning framework of community development districts. Program goals were outlined in the areas of education and training, health and medical services, job and environment improvement, state-local fire protection, and rural credit for rural businessmen. Special program goals were drawn up for the elderly, for trapped rural families, and for hired farm workers.

The Task Force recommended improvements and extensions of food and nutrition programs. 1/ Food assistance and technical aid was to be provided for all group feeding activities involving children. Free school lunches were to be provided for 1.4 million children in low income families not receiving free lunches. Over 9 million children attended schools without lunch programs. Most of these schools were in the central low-income core of large cities and in isolated rural areas. Free milk and free breakfast programs for needy children in certain areas were to be developed. A food program for children in Head Start Centers, and in summer camps and playgrounds was to be provided. Over 1.2 million needy children in rural and urban areas needed and would have been receiving free milk if funds had been available. A survey of the 50 State

1/ Agriculture and Rural Life: The Decade Ahead, A Task Force Report on Programs and Policies, attached to Memorandum to Joseph A. Califano, Jr. from Orville L. Freeman, October 4, 1965; In: John A. Schnittker Chronological File in Lyndon Baines Johnson Library.

school lunch agencies disclosed that only a few scattered schools across the country provided breakfast for children who come to school without breakfast.

The Task Force recommended expansion of the Food Stamp Program to reach 4 million persons in the next three years. Only 645,000 were being reached on October 7, 1965. The goal was one million by the end of the fiscal year. 1/ An extension of the Direct Food Distribution program to the areas where local resources were not adequate to pay all operating costs was also recommended.

Neither the food stamp program nor the direct food distribution program reached all areas of serious need. At least 400 counties with more than a million needy persons were not reached by either program. These people were able to spend for food no more than one-half to two-thirds of the amount required for a low-cost adequate diet.

To speed up expansion of the Food Stamp Program, appropriation authority would need to be amended to provide \$375 million for the third year of operation. A pilot effort to stimulate group food service for the aged through nonprofit organizations was included in the program. Two million dollars would be needed to initiate pilot group food service programs for the aging. The food service would be undertaken by non-profit organizations. The Government would furnish surplus foods and cash assistance to stimulate food service.

1/ U. S. Department of Agriculture Press release 3118-65, October 7, 1965.

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The legislation needed to implement the food and nutrition programs included a Child Nutrition Act incorporating the School Lunch Act and the Special School Milk Program with new proposals to establish a breakfast program and a summer feeding program for children. Legislation was also needed to establish a group feeding program for the aged, and to authorize the Department to defray the operating costs of the direct food distribution program in those areas where local resources were not adequate to support the program. The Department also needed authority to purchase food commodities in the open market if necessary to maintain the program.

The cost of providing free school lunches to 1.4 million needy children not receiving lunches was estimated at \$37.8 million to the Federal Government to cover the cost of reimbursing schools at the rate of 15 cents for each lunch. An additional 5 cents a meal would be needed to pay the costs for non-needy children in those schools initiating school lunch programs. Reimbursement for 1.6 million non-needy children would raise the total cost to \$52.2 million.

The cost of providing milk for an estimated 1.2 million needy children in rural and urban areas not receiving free milk was estimated at \$25.9 million per year.

Twelve major legislative proposals were made to improve the quality of rural life:

1. Legislation to authorize planning staffs and development grants for Community Development Districts.
2. An Amendment to the Cropland Adjustment Legislation to allow payments for participating landowners 65 and over to be made at the discretion of the Secretary of Agriculture and to authorize payments to farmers for granting easement on all lands in the farm.
3. Legislation authorizing a Rural Senior Citizens Corps.
4. Extension of the Social Security Act to cover all persons 65 and over.
5. Legislation authorizing an Income Security Dividend plan to provide a minimum annual income to all families of \$1,500 and to unrelated individuals of \$1,200.
6. Authorizing legislation for an Opportunity Homestead program and for long-term 'homestead' loans and grants.
7. An amendment to the Manpower Development and Training Act to provide occupational and basic literacy training which might be needed to 'prove up' a homestead.
8. Authorization for a cooperative program with the States to provide for prevention and suppression of structural and wild fires in rural areas.
9. Authorization for increased loans and expenditures for natural resource development, housing, public services and community facilities, job opportunities and training and education.
10. Extension of medicare benefits to all age groups.
11. Authorization for funds for the development of a comprehensive education and training program for use by Community Development districts as a part of the overall development plan and authorization for Federal funding of training and education programs for districts with severe unemployment problems. Legislation necessary to require planned consolidation of schools as a condition for Federal grants. Funds should also be provided for: expansion of the use of mobile employment service units in rural areas; for research and experimental programs to determine the most effective way of providing quality education in sparsely settled areas; for scholarships, loans, grants and other methods of improving the quality of the teaching staff in rural areas; for permitting payment of travel and subsistence allowances to rural students attending consolidated schools and vocational and occupational training courses where long distances were involved.

12. Authority for the establishment of a rural health program to be administered by the Department of Health, Education and Welfare with cooperation of the Department of Agriculture on research and outreach.

The Task Force recommended that the Administration support pending legislation to extend minimum wage coverage to all seasonal and temporary hired farm workers and to regular laborers on farms which used more than 300 man-days of regular hired labor in a peak quarter, and to legislation to broaden the Employment Security Act to make a higher proportion of hired farm workers eligible for unemployment insurance benefits. Legislation to give farm workers collective bargaining rights, to develop a voluntary farm employment service program, and to alleviate oppressive child labor conditions should also be supported. A National Council on Migratory Labor or on farm labor in general should be established.

Community Development Districts were considered basic mechanisms for enabling rural people to improve the quality of rural life. The Districts were to conform to the commuting patterns established by the voluntary choice of residents and the democratic structure of cooperating elected governments.

Legislation was recommended to authorize grants to help provide professional staffs for Community Development Districts to enable them to develop coordinated plans for public programs; and for local rural government of adequate size, or in cooperating groups, which were cooperating in a Community Development District planning activity.

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An integrated community of sufficient size could attract businessmen and provide dependable transportation and communication links with markets in other centers or larger cities. The advantages of scenery, freedom from congestion, and easy access to the countryside could make such communities competitive with metropolitan centers. The population of the Community Development Districts would be large enough to justify employing competent full-time residents in medical services, schools and the like. In some sections, where towns of even 10,000 were scarce, mobile facilities might be used.

The Rural Community Development Service of the Department of Agriculture would help other Departments and agencies to plan effective measures for reaching rural residents. The Rural Community Development Service would need about \$4 million a year to provide this outreach function.

The Task Force recommended that farmers of retirement age be helped to establish a more adequate base for Social Security by receiving cropland adjustment payments in lump sum or at accelerated rates, or by retiring their farms from agricultural production when they retired. Farms would be diverted for permanent use for recreation, woodlands, public parks and green spaces. Total cost of the programs for ten years was estimated to be at \$1,558 million. It was anticipated that 5,600 farmers would enroll annually.

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The rural elderly would also be assisted by a Senior Citizens Service Corps made up of VISTA personnel supervised by professional personnel. The volunteers would provide assistance in home tasks, aid in personnel business and generate interests and activities to overcome boredom, isolation, and premature senility. The cost for reaching 100,000 elderly people was estimated to be \$5 million.

The elderly would also be the chief beneficiaries of the recommended Income Security Dividend Plan. Under this plan a minimum annual income of \$1,500 would be provided to all families and of \$1,200 to unrelated individuals. The estimated cost of this plan for the rural elderly would be \$1,236 million.

The Task Force estimated that loan funds required to repair and modernize 1,117,000 homes for the elderly would amount to \$2,170 million. An additional \$1,451 million would be needed to replace housing not suitable for repair.

The cost of a land purchase program to encourage farm retirement was to total \$1,330 million. An alternative program for a 10-year diversion program was estimated to total \$704 million.

Authorizing legislation for Opportunity Homesteads would have included provisions for long-term loans to homesteaders for real estate, building construction, construction materials and services, real estate improvements, water systems, food production stock and equipment, supplies, and home preservation equipment and facilities. Funds would have been needed for advances for medical, dental, hospital, and related services and for insurance premiums for such services, and for membership investments in self-help cooperative associations. An estimated \$110,937,000

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for the first year and \$1,775,004,000 for ten years would be needed for occupational and literacy training for homesteaders and their families. The projected cost of the program for the first year was \$450 million for loans and \$90 million for conditional grants.

The basic thesis of the Opportunity Homesteads program was stated in the Task Force Report:

Many rural people who lack basic education and job skills can be prepared in rural communities in useful roles in our national life more effectively and more economically than by following the millions from similar backgrounds who already crowd the slums of our great cities.

The program would utilize resources that otherwise would be needed for 'welfare' expenditures and which all too often merely sustain such individuals and their families in continuing poverty. Instead, these families would be given a chance to obtain an 'Opportunity Homestead' by agreeing to a program of self-help to make improvements in their own living conditions and completing specified educational and training programs to increase their income-earning capability.

The report of the Task Force included a number of recommendations to raise the standard of living of hired farm workers. These included: extension of minimum wage workers, extension of right to bargain collectively, extension of unemployment insurance to cover hired farm workers, and promotion of the extension of Workmen's Compensation protection to hired farm workers.

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In his October 9, 1965 weekly report to the President, Secretary Freeman expressed the hope that Mr. Johnson would have time to consider the report. 1/ Carrying out the recommendations would, he said, be very costly. He wrote: "To win the War on Poverty and elevate the quality of life in rural America to that of the urban areas will require a massive sustained investment over an extended period. There is no other way to do the job."

The costly plans to win the war on poverty in rural America were sharply pruned in the application of President Johnson's strict policies of "priority and frugality." In his annual Budget Message of January 25, 1965, the President had said: 2/

"It is a budget of priorities. It provides for what we must do, but not for all we would like to do.

It is a budget of both opportunity and sacrifice. It begins to grasp the opportunities of the Great Society. It is restrained by the sacrifices we must continue to make in order to keep our defenses strong and flexible."

In a memorandum to Under Secretary Schnittker and Assistant Secretary Baker, Secretary Freeman reported that the Rural Life Program submitted by the Task Force had been "significantly pared down because of current budget pressures." He still felt ~~there was~~ an excellent prospect that some of it would be launched.

1/ Memorandum to the President Weekly Report, from Orville L. Freeman, October 9, 1965; In: Orville L. Freeman Chronological File in Lyndon Baines Johnson Library.

2/ Public Papers of the Presidents, Lyndon B. Johnson, 1965, Vol. I, pp. 83-85.

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Pared down proposals had been submitted to Joseph A. Califano, Jr. on December 8, 1965. 1/ The proposals included: Community development planning in rural areas; pilot projects to upgrade health and education facilities; a special program to meet retirement needs of older farmers with low incomes; a program of environmental improvement that could be initiated on a pilot basis, or enlarged to full scale; an Opportunity Homestead program; and a Child Nutrition program.

The budget of "priorities and frugality" for the Department submitted to the Congress during March 1965 recommended a major budget reduction for the second straight year. 2/ Total new obligations recommended for all Federal agencies were approximately the same as 1965 while budget requests for the Department of Agriculture were \$1 billion less than the appropriations for fiscal 1965.

Some cuts were included in the programs for low income rural and urban consumers. For example, the fiscal year 1966 appropriation recommended by the Bureau of the Budget for the Special Milk Program was \$3 million below the amount appropriated for 1965, and \$6 million below the amount requested by the Department in its submission of needs to the Bureau of the Budget. Congress appropriated \$103 million, the amount appropriated in 1965. 3/ The Bureau of the Budget recommended

1/ Memorandum to Joseph A. Califano, Jr. from Orville L. Freeman, December 8, 1965; In: Orville L. Freeman Chronological File in Lyndon Baines Johnson Library.

2/ U. S. Congress, 89th, 1st Sess., House of Representatives, Department of Agriculture and Related Agencies Appropriation Bill, 1966, House Report No. 364, May 20, 1965.

3/ 79 Stat. 1165.

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that the authorization for direct farm ownership loans be reduced from \$45 million to \$10 million, but Congress appropriated \$45 million.

The Budget recommended an increase of \$10.6 million over the funds available for 1965 for the School Lunch Program. Two million dollars of this fund was to be used for initiating on a limited basis special cash assistance to needy schools. Congress provided the funds requested, including the special appropriation of \$2 million.

The Budget recommended an increase of \$40 million for the Food Stamp Program to allow its extension to 41 States and the District of Columbia during fiscal 1966. Congress provided the funds requested.

For rural housing grants and loans for domestic farm labor, the Bureau of the Budget recommended \$5 million. Congress reduced the amount to \$3 million.

The Budget recommendation for Rural Community Development Service was \$750,000. Congress appropriated \$650,000. The adequacy of the funds budgeted had been protested by 16 Senators in a letter to Vice President Humphrey, September 9, 1965. The Senators, led by Gaylord Nelson of Wisconsin, urged the Vice President to use his influence to persuade the Office of Economic Opportunity to transfer administrative funds to the Department of Agriculture. The Senators wrote: 1/

1/ Letter to Vice President Hubert H. Humphrey from Senator Gaylord Nelson and 13 other Senators, September 9, 1965; In: Files of Agricultural History Branch.

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However, we are informed by the Department of Agriculture that the appropriations provided in the Agriculture Department's budget for RCDS is too small to provide for an office in each state with rural poverty problems. Present plans call for only a token operation by RCDS in the year ahead. This is completely inadequate for the need we are up against. We suggest that the RCDS operation be gotten underway at once by having some of the other agencies of the federal government transfer administrative funds to RCDS. . . .

It seems to us that the Office of Economic Opportunity should proceed immediately to transfer sufficient administrative funds to the Rural Community Development Service to enable that agency to operate with full effectiveness in rural areas beginning immediately.

The recommendations of Secretary Freeman and the public statement of fourteen Senators concerning the need to transfer administrative funds from the Office of Economic Opportunity to the Department of Agriculture for the Rural Community Development Service failed to persuade Sargent Shriver that the funds should be released. Secretary Freeman reported to the Vice President on October 4, 1965, that he didn't think anything could be gained by further meetings with Shriver on the subject.

Expressing his disappointment and his intention to continue assistance to OEO, Secretary Freeman wrote Vice President Humphrey: 1/

It has been our feeling, as you know, that the Department's facilities could be used effectively by the OEO. A little seed money to get more people out in the field, using resources already there, will bring more results I'm confident than the OEO setting up a whole new field staff for that purpose. Nonetheless, Shriver does not see it that way. He told me that he could not make any money available because (1) the Congress would not permit it, (2) the Bureau of the Budget wouldn't permit it, and (3) the law wouldn't permit it. I told him that he seemed to have made up his mind, I didn't think his reasons were very good, but I wouldn't argue about it, and if he should change his mind we would be happy to be of service.

1/ Letter to the Vice President, United States Senate, from Orville L. Freeman, October 4, 1965, In: Orville L. Freeman Chronological File in Lyndon Baines Johnson Library.

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In the meantime we will be of service within our current resources as best we can. This means that we will with a limited staff that can concentrate on mobilizing the rest of our folks try and further the community action plan drive. At the same time we will continue to give service on special projects, such as Head Start. Frankly, we are going to concern ourselves less with trying to develop overall plans and more with the specific outreach function seeking to perform a service function for not only OEO but also the other Departments of Government.

Failure to secure a transfer of administrative funds from the Office of Economic Opportunity left the future of the Rural Community Development Administration up to the appropriations decisions of the Bureau of the Budget and of the Congress.

Before the appropriation act for fiscal 1966 had been passed, controversy began over the adequacy of budget requests for fiscal 1967 for the programs of the Department of Agriculture concerned with rural poverty and development. Budget requests for the special milk program were a center of controversy. The budget request of the Consumer and Marketing Service for \$105 million, submitted on July 9, 1965, was cut to \$21 million when it was submitted to the Bureau of the Budget on September 30, 1965. 1/

Assistant Secretary Mehren testified on March 4, 1966, in defense of the drastic cut in the special milk program, that the Department had to assign priorities under constraints of the budget targets set for the

1/ U. S. Congress, 89th, 2nd Sess., Senate Committee on Appropriations, Hearings on . . . Agricultural Appropriations for Fiscal Year 1965, Part 1, pp. 470-471.

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entire Department. Since cuts had to be made, the decision was made to ask for funds to subsidize milk for children who could not participate in the school lunch program and to children who were too poor to buy milk. 1/

Congress was flooded with requests and demands from individuals and organizations urging that appropriations be maintained or raised above the 1966 levels. 2/ More than sixty-five Senators sponsored bills to continue the special milk program and to increase spending above \$100 million a year. 3/

In line with President Johnson's instructions, Secretary Freeman set out to contact over 50 members of both Houses of Congress to explain cuts in budget requests for the school lunch and food stamp programs. In addition to the sharp cut in budget requests for 1967, Congressmen were protesting the decision to cut back spending in fiscal year 1966 from \$103 million to \$100 million on the special milk program. 4/

Secretary Freeman gave the following explanation of the cuts recommended in the special milk and school lunch programs: 5/

1/ U. S. Congress, 89th, 2nd Sess., Senate, Committee on Appropriations, Hearings on . . . Agricultural Appropriations for Fiscal Year 1967, Part 1, p. 481.

2/ Ibid., pp. 496-506.

3/ Letter to Harry McPherson from John A. Schnittker, February 16, 1966; In: John A. Schnittker Chronological File in Lyndon Baines Johnson Library; Congressional Record Vol. 112, pp. 2913, 4645, 4907, and 5103.

4/ Memorandum to the President from Orville L. Freeman, February 1, 1966; In: Orville L. Freeman Chronological File in Lyndon Baines Johnson Library.

5/ Letter to Spark Matsanaga, House of Representatives from Orville Freeman, January 24, 1966; In: Orville L. Freeman, Chronological File in Lyndon Baines Johnson Library.

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We continue to take major steps in reorienting our food and feeding programs to provide greater assistance to low-income families and to their children.

First, we shall provide surplus commodities to needy families, schools and institutions just as we have done in preceding years.

Second, this year there will be a substantial increase in available funds to provide more lunches for schools with many children from low-income families.

Further, we shall reorient the Special Milk Program, through which schools have been able to sell milk at reduced prices, so that such milk will be aimed more directly toward helping needy children in 1967. Through these procedures we will achieve a reduction of some \$52 million in expenditures.

We are taking specific steps to enhance the impact of the school lunch program upon the diets of children in needy schools. This year the Congress provided a special appropriation of \$2 million for this purpose. For next year, we are requesting \$6.5 million. We believe that cooperating state agencies could also take further steps to redirect available school lunch funds to areas of greater need, and we shall urge them to do so.

These actions have been taken in support of two major purposes of the Department. First, it remains our aim to operate as efficiently as possible. Secondly, we are trying to use available funds wherever possible to provide special benefit to those Americans whose needs are greatest.

Today, with prosperity and employment at the highest levels of history and with the levels of family income generally higher than ever before, far more families are able to provide milk for their children in schools. Also, most families are far better able themselves to finance nutritious lunches for their children in school. Given these facts, it is appropriate that the resources now available to us be directed as best possible to serve with special consideration the needs of those families and their children, who have not fully participated in this high-level prosperity.

Thus, these redirections of program have been made in order to serve a good purpose.

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In addition to these affirmative actions on school lunch and milk, food stamp and food distribution, the Administration will submit legislation to improve child nutrition through school breakfast and summer feeding programs for children of needy families throughout the United States.

The Administration is determined that every one of our people, young and old alike, who needs food help will be helped.

Cuts in budget estimates for the school lunch program were not so sharp as those for ^{the} special milk program. But they were bitterly criticized and demands were made for full restoration of funds. The original budget request submitted by the Consumer and Marketing Service was for a direct appropriation of \$176,175,000 and a transfer of \$45 million from section 32 funds. ^{1/} The budget estimate submitted to Congress was for a direct appropriation of \$138,000,000, an amount \$19,000,000 below the appropriation for 1966. The budget cut proposed by the Bureau of the Budget would have meant a reduction in the Federal reimbursement rate from 5 cents to 4 cents per meal. The budget proposal would have reduced the funds for purchase of commodities by \$14,325,000 and would have limited the purchases to the \$45,000,000 transfer from Section 32 funds. Since Section 32 funds were restricted to the purchase of surplus commodities, the limitation would have reduced the quantity of beef and poultry purchased for the school lunch program.

The amount available for needy schools was to be increased from the \$2 million appropriated for the fiscal year 1966 to \$6.5 million for the fiscal year 1967. Administrator/Smith, of the Consumer and Marketing

^{1/} U. S. Congress, 89th, 2nd Sess., Senate, Committee on Appropriations, Hearings on . . . Agricultural Appropriations for Fiscal Year 1967, Part 1, pp. 487-508.

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Service, stated that reductions in funds for cash reimbursements and in commodity purchases were proposed to "permit increased emphasis and assistance to schools serving needy children." The favorable economic conditions in prospect would allow a decrease in the Federal contribution rate without adversely affecting program participation. He also stated that participation in the school lunch program was four times above what it was in 1946.

Congress appropriated \$165,855,000, almost \$9 million more than the amount appropriated for 1966. 1/ The increase of \$4.5 million in the amount for needy schools was not provided as recommended by the Bureau of the Budget. However, the amount of \$2 million, which had been provided in 1966, was appropriated for 1967 but no part of the appropriation was to be used for nonfood assistance.

The Senate Committee on Appropriations made the following comment on the cut in school lunch funds proposed by the Bureau of the Budget: 2/

It is obvious that the budget request calling for a net reduction of the Federal payments to the School Lunch Program is in contradiction with the growing need and demand for assistance to school children, including assistance to needy children as authorized under Section 11 of the amended authorization act.

The expenditures for the School Lunch Program constitute a useful but minimal outlet for agricultural commodities. The principal objective served by the programs is the development of sound nutritional eating habits in our school children who within a few years will constitute the adult population of tomorrow.

1/ 80 Stat. 689.

2/ U. S. Congress, 2nd Sess., Senate, Department of Agriculture and Related Agencies Appropriation Bill, 1967, Report No. 1370, July 12, 1966, p. 36.

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The budget estimates would have ignored the needs of our school children while at the same time they propose the expansion of aid and assistance in the development of school lunch programs in other lands. The Committee is not opposed to school lunch programs in other areas, but insists that such programs not be developed at the expense of or to the detriment of American school children.

The decision of the Congress to hold appropriations for special assistance to schools furnishing a high proportion of school lunches to needy children to the 1966 level of \$2 million made it difficult for the Department to reach its goal of extending free lunches to the 1.4 million children not reached by the program. The United States Commission on Civil Rights had called the attention of the President to the need to correct inequities in the school lunch program. 1/ The predominately Negro schools in the inner cities were frequently unable to provide a school lunch program. Those with programs were able to provide free school lunches for only a small percentage of the needy children.

Decentralized administration of the school lunch program had resulted in a dependence upon each individual school building within a system to support its own free lunches through the sale of lunches to other children in most areas.

1/ Letter to Harry C. McPherson, Jr., Special Assistant to the President, October 8, 1965 from Orville L. Freeman; In: Orville L. Freeman Chronological File in Lyndon B. Johnson Library; Memorandum to Hazel W. Guffey, Bureau of the Budget from Walter B. Lewis, U. S. Commission on Civil Rights, February 23, 1966. In: Agricultural History Branch Files.

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The Department hoped that adequate funds could be secured to make the free school lunches available to all needy children through Section 11 funds.

The Department had also tried to encourage the States to provide greater resources for schools serving needy children but had met with little success.

The Subcommittees on Appropriations for the Department of Agriculture were more concerned with encouraging increased consumption and of surplus food commodities, with developing "sound nutritional habits" in all school children. Consequently, the general appropriation for school lunch programs was raised above the budget requests for fiscal 1967 and the 1966 appropriation, while the special funds for schools serving needy children was held to the 1966 level.

The Department continued to press Congress for additional authority and for funds to provide food for needy children. On October 11, 1966, Congress provided additional authority by enacting the Child Nutrition Act of 1966. This Act authorized a two-year pilot program to provide breakfast in school. A program to provide equipment for food service in schools in low-income areas was also authorized. In addition, funds could be provided to State educational agencies to assist them in the administration of the new provision and section 11 of the National School Lunch Act. Extension of all Federally aided food service programs for children to pre-school children enrolled in activities administered through the school system was also authorized. The Child Nutrition Act also extended the special milk program for a three-year period with an increase in the limit on expenditures from \$110,000,000 to \$120,000,000,

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and centralized authority in the Department of Agriculture for the conduct and supervision of all Federally aided food service programs for children in school. 1/

The Child Nutrition Act represented an important landmark in the War on Poverty. President Johnson made the following statement when he signed it:

This Child Nutrition Act of 1966 will make it possible to close the nutrition gap among children in school.

I know what it is to teach children who are listless and tired because they are hungry--and realize the difference a decent meal can make in the lives and attitudes of school children. It can be a heartbreaking and a frustrating experience, if there is nowhere to turn for help when your child is hungry.

This was just one more situation that I saw when I was a very young man, and that I have been trying to do something about, and have determined to do something about ever since. 2/

On October 27, 1966, appropriations were provided for the Child Nutrition Act by the Supplemental Appropriation Act of 1967. The school breakfast program received \$2,000,000, and an appropriation of \$750,000 was provided for food service equipment for needy schools. 3/

The Bureau of the Budget fiscal year 1967, estimates for the food stamp program provided for a transfer of \$150,000,000 of Section 32 customs funds, providing an increase of \$50,000,000 over the amount available for 1966.

1/ 80 Stat. 885.

2/ Public Papers of the Presidents, Lyndon Baines Johnson, 1966, Vol. II, pp. 1140-1141.

3/ 80 Stat. 1057.

Congress cut this amount down to \$140,000,000--which included an authorized reappropriation of \$30 million of prior year's funds. 1/ The Senate Committee on Appropriations had recommended a reduction of \$25,000,000, stating that \$125,000,000 "would be adequate in view of generally improved economic conditions." The Senate Committee stated its opposition to the use of Section 32 funds for a "welfare program" and succeeded in including in the appropriation law a section restricting the use of Section 32 funds while transferring additional funds for the food stamp program one more fiscal year.

In the meantime, the plight of unemployed and displaced people in Alabama, Mississippi, and other States of the deep South was attracting nationwide attention. Civil rights organizations charged that many Negroes were displaced, without jobs and food, as a reprisal for taking part in voter registration drives. The National Council of Churches Delta Ministry, the National Student Association, the Alabama Council on Human Relations, the Southern Christian Leadership Conference, the Student Non-violent Coordinating Committee and other organizations appealed to the Federal Government for assistance.

Bishop Paul Moore, Jr., Suffragan Bishop of the Episcopal Diocese of Washington, told reporters that the economic plight of Delta farm workers had been growing worse for years and that it had reached "an acute state of deprivation" with some people "literally starving." He estimated that at least 100,000 men, women and children were in serious want.

1/ 80 Stat. 695.

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He said the only hope for these people was for the Federal Government to come to their assistance. 1/

The protesting organizations were critical of local county governments for refusing to participate in the Federal food programs, and of the Department of Agriculture's regulation requiring local government initiative and administration of the food programs. 2/

Secretary Freeman expressed great concern over the problem. He wrote in a February 1, 1966, memorandum to Assistant Secretary Baker, Under Secretary Schnittker and others that "continued displacement of people who have no homes, no jobs, and no prospects is grave, brutal and potentially overwhelming."3/ Somehow we must get a program into effect in these areas to meet this great human need occasioned by changes these folks neither understand nor can control. The Task Force Report we filed last summer has the potential of a solution. Its magnitude nationwide is so great that budget problems are for the moment insuperable. Nevertheless, we ought to develop a limited program to meet needs in the greatest area of hardship. . . . We can't just sit here and let this go on. We need to know where it's worst, what's now being done, what we can do with what we have, and what we need to go after to be able to meet the greatest need as we can effectively identify it and before it explodes."

1/ Washington Post, February 12, 1966. Clipping in Files of Agricultural History Branch, U. S. Department of Agriculture.

2/ Washington Post, April 25, 1965.

3/ Memorandum to John Schnittker, John Baker, Ken Birkhead, and Bob Lewis from the Secretary, February 1, 1966; In: Orville L. Freeman Chronological File in Lyndon B. Johnson Library.

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Secretary Freeman discussed the problem with Harry McPherson of the White House staff. The Secretary asked Assistant Secretary John Baker to take the leadership in bringing into focus the best information on the subject.

On February 14, 1966, Acting Secretary Schnittker was able to report to Attorney General Katzenbach that all 82 counties in the State of Mississippi were or would be within the next two weeks feeding the needy. 1/ Six of the counties would have the food stamp program while the remaining counties would have a direct food distribution program. The State welfare agency, working with the Office of Economic Opportunity and Department of Agriculture officials, would approve the hiring of some 470 people under an OEO financed "Operation HELP" project to expand the food distribution programs.

Contact was being initiated with civil rights, religious and other groups to alert them to the probability of meetings later in the week. The meetings would be held to inform as many Negroes as possible of the new developments, of how they could participate and to find out what assistance they might need to enable them to participate. The Department was contacting private groups to see whether they had funds to assist potential food stamp users in covering the minimum funds required for participation in the program.

1/ Memorandum to Nicholas deB Katzenbach from John A. Schnittker, Mississippi Project, February 14, 1966; In: John A. Schnittker Chronological File in Lyndon B. Johnson Library.

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Deputy Assistant Secretary Leonard reported on June 23, 1966, that Operation HELP was providing foods to the poor counties in Mississippi other than the seven counties with the food stamp program. 1/ Almost 500,000 people were receiving food.

Mr. Leonard reported that OEO agreed with the Department on the need to continue financing the program but favored channeling the funds through Community Action Projects where these were organized. The Department of Agriculture strongly supported a single grant to the State Department of Welfare. This type of grant would assure continuity and would form a base for Community Action Agencies to develop related programs in such areas as homemaking and health. The Department of Agriculture had declined to provide government food to private agencies. Private agencies had offered to operate a donation program for 60 to 90 days on a pilot basis for a segment of the needy population in one of the larger Delta counties. Mr. Leonard stated that there was no indication that the use of these agencies would have resulted in any meaningful and lasting program expansion. The Department, Mr. Leonard said, would continue to press OEO for a single purpose grant to the State Department of Welfare.

1/ Memorandum to Secretary Freeman, OEO Assistance to Family Feeding in Mississippi, June 23, 1966; In: History Branch, U. S. Department of Agriculture, June 23, 1966.

On September 27, 1966, Mr. Leonard reported to Secretary Freeman on the accomplishments during the period since Mr. Freeman became Secretary. 1/ He listed Section 11 to the National School Lunch Act authorizing the appropriation of funds to provide free or low cost school lunches in low income school districts and initiation of the Food Stamp Program. He anticipated enactment of the Child Nutrition Act.

Mr. Leonard wrote, "We have developed a thorough and comprehensive system which, with only a few additional parts, can be used effectively to insure that any person or family in the United States will have access to an adequate food supply." With a few additions, Mr. Leonard, stated as his hope that a more comprehensive system could be developed. He proposed: a feeding program for children engaged in non-school activities so that all children could be reached; a feeding program to provide group food service for elderly people; and an intensive direct distribution program in low income areas where the food stamp program was not in operation using Section 32 or OEO funds to pay for administrative and distribution costs.

Mr. Leonard noted, however, that "the effectiveness of the nutrition program will depend on the financial support it is given. We can reach a universe of the needy as small or as large as we want."

1/ Memorandum to the Secretary from Rod Leonard, September 27, 1966;
In: Files of History Branch, U. S. Department of Agriculture.

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The Bureau of the Budget asked for large increases in appropriations for one agency of the Department concerned with rural poverty, the Rural Community Development Service. This agency of the Department had also been given special attention by the President on January 25, 1966, in a Special Message to the Congress Proposing a Program for Rural America. 1/ Legislation already enacted, the President said, provided "the means for a massive attack on poverty in America." However, too few rural communities were able "to marshal sufficient physical, human, and financial resources to achieve a satisfactory level of social and economic development." President Johnson stated that broad-based planning could inspire the people of rural America to unite the resources of rural governments and small cities. Legislation was recommended to provide grants for District-wide planning of public services and District-wide coordination of local planning activities. The Rural Community Development Service was charged with the responsibility of seeing that the field offices of the Department of Agriculture assisted other Federal agencies in making their programs effective in rural areas.

Robert Lewis, Director of the Rural Community Development Service, testified on March 3, 1966 that field representatives of his agency "would provide technical/^{guidance} and help on rural community development problems to community development district boards" if the proposed

1/ Public Papers of the President, Lyndon B. Johnson, 1966, Vol. 1,
pp. 77-81.

legislation authorizing the districts were enacted. 1/

To make it possible for the Rural Community Development Service to help "bring parity of opportunity" to rural people, the Bureau of the Budget recommended appropriations be increased more than five times the amount appropriated for fiscal year 1966. The amount recommended was \$3,468,000 compared with a 1966 appropriation of \$637,000. Although Secretary Freeman testified that this was "a top priority program" Congress appropriated only \$637,000 for the fiscal year 1967. 2/

The House Committee on Appropriations made the following comment on the proposal to expand the Rural Community Development Service: 3/

. . . Last year it was proposed to expand it to 20 field offices. The request of \$3,468,000 for fiscal year 1967 contemplates 40 field offices and a total of 221 man-years in Washington and the field.

The Committee does not agree with the tremendous expansion in personnel proposed for this agency next year. As outlined earlier in this report, it feels that the existing agencies of the Department which have established programs in operation, and which have the technical personnel and loan funds for use throughout rural America, are best equipped to provide needed assistance and guidance to rural areas through their existing field offices.

The Committee agrees that a small staff in the Washington office to coordinate and expedite rural programs may be worthwhile. An appropriation of \$637,000 is included for the Washington office of the Rural Community Development Service in fiscal year 1967. In addition, \$400,000 is provided to the Farmers Home Administration for rural area development work to be handled through its existing field organization.

1/ U. S. Congress, 89th, 2nd Sess., House of Representatives, Committee on Appropriations, Hearings on . . . Department of Agriculture Appropriations for 1967, Part 4, p. 92.

2/ U. S. Congress, 89th, 2nd Sess., House of Representatives, Committee on Appropriations, Hearings on . . . Department of Agriculture Appropriations for 1967, Part 1, pp. 25-26 and 80 Stat. 689.

3/ U. S. Congress, 89th, 2nd Sess., House of Representatives, Committee on Appropriations, Department of Agriculture and Related Agencies Appropriation Bill, 1967, April 22, 1966, p. 41-42.

As indicated earlier in this report, the Committee was surprised and disturbed to learn during the hearings that 36 employees had been recruited into positions created in various agencies of the Department and assigned to the Rural Community Development Service without notice or approval of the Congress.

Representative Whitten of Mississippi, Chairman of the House Appropriations Subcommittee on Agriculture, was critical of the proposal to markedly increase the appropriation and the number of personnel for the Rural Community Development Service when decreases in funds were being recommended for other Department agencies. He said:

Having the kindest feelings toward the President does not cause us to accept his views. I just read you some of his recommendations with which I do not agree.

The budget would cut, school lunch and school milk, county agents, land-grant colleges, soil conservation, watershed treatment, and watershed planning. And now you want us to turn over responsibility here to an agency without any money to go out and duplicate or at least discharge the responsibility of these other agencies who have the money to lend and money to pay, with the people whose job it is to do it.

I just can't follow the President on a whole lot of these things as you know. 1/

Representative Whitten was particularly critical of the assignment of personnel by other agencies of the Department to the Rural Community Development Service under direction from the Office of the Secretary. In a March 3, 1966 statement, Mr. Whitten commented: 2/

1/ U. S. Congress, 89th, 2nd Sess., House of Representatives, Committee on Appropriations, Hearings on . . . Department of Agriculture Appropriations for 1967, Part 4, p. 55.

2/ U. S. Congress, 89th, 2nd Sess., House of Representatives, Committee on Appropriations, Hearings on . . . Department of Agriculture Appropriations for 1967, Part 4, p. 42.

I have been on this committee a good many years. This is the first time that I recall this has ever happened. This appropriation bill, as I recall, was signed in October or November, which was many, many months after the President's message. For the Department or the Secretary or Assistant Secretary, to direct old-line agencies to hire people, particular people by name, and attempt to have the record show they were just regular personnel assigned to a particular job, I never have seen the likes of that.

Now we had an official from your Department the other day who reported that he has done some of those kind of things before, but I have never dealt with that kind of operation in my experience here. . . .

Well, I need not charge any wrongful intent. The act speaks for itself, when one does not follow the regular course, but goes around the house crawls in under it and comes out at the doorstep as has been done here: the way it was done speaks for itself.

When it became apparent that funds would not be appropriated for an expansion of the Rural Community Development Service, Secretary Freeman concentrated on attempting to secure authorization for Community Development Districts. President Johnson and his staff made it clear that this was a measure to be actively promoted by the Department. 1/

The Community Development Districts bill passed the Senate on April 25, 1966, but failed to pass the House. The charge that it was an attempt to socialize agriculture/^{probably} kept the bill from being placed on the House calendar for discussion. 2/

1/ Memorandum to the Secretary from John A. Schnittker, August 26, 1966; Memorandum to the President from John A. Schnittker, August 26, 1966; In: John A. Schnittker, Chronological File in Lyndon B. Johnson Library.

2/ Memorandum to the President from Orville L. Freeman, October 24, 1966; In: Orville L. Freeman Chronological File in Lyndon B. Johnson Library.

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In an October 24 memorandum to the President, Secretary Freeman called the failure to successfully carry the Community Development Districts Act through Congress the most frustrating experience he had had as Secretary. 1/

Secretary Freeman decided to reorganize the Community Development Service partly because of "harsh treatment in the Congress" but also because of the need to firm it up. The Washington operation was to be strengthened and the Farmers Home Administration was to be given field responsibility for the outreach function of rural development. 2/ He also decided to strengthen coordination at the Washington level by naming Ken Birkhead to head the Rural Community Development Service. 3/

Assignment of the field "outreach function" to the Farmers Home Administration was announced on November 4, 1966. 4/ In discussing this assignment, Secretary Freeman said, "We are determined to revitalize and recapitalize rural America, to give people a choice between living in the country and living in the city. . . . We must stop the migration from the rural countryside to urban areas."

Assignment and clarification of responsibilities of various Department agencies was formalized on February 27, 1967, with the issuance of a Secretary's memorandum. 5/

1/ Ibid.

2/ Letter M. J. McCarty from Orville L. Freeman, October 21, 1966; In: Orville L. Freeman Chronological File in Lyndon B. Johnson Library.

3/ Memorandum to the President from Orville L. Freeman, November 1, 1966; In: Orville L. Freeman Chronological File in Lyndon B. Johnson Library.

4/ U. S. Department of Agriculture Press Release 3517-66, November 4, 1966 in Files of Agricultural History Branch of the U. S. Department of Agriculture.

5/ Secretary's Memorandum No. 1610, February 27, 1967 in Files of Agricultural History Branch of the U. S. Department of Agriculture.

The agency scheduled to carry responsibility in the field for the "outreach" function was subject to cuts in appropriations for direct loans for the fiscal year 1967. On September 16, 1965, it appealed to the Under Secretary for reconsideration of 1967 budget cuts applied by the Department to the estimates submitted. A request of \$50,000,000 for farm ownership loans had been cut to \$5,000,000. The Farmers Home Administration estimate for direct soil and water loans for individuals was reduced from \$10,000,000 to \$5,000,000 and an estimate of \$100,000,000 for soil and water loans for associations had been eliminated. An estimate for operating loans had been cut from \$500,000,000 to \$300,000,000.

An estimate of \$75,000,000 for direct housing loans had been reduced to \$5,000,000. The estimate submitted by the Farmers Home Administration had included \$25,000,000 for building loans for the elderly. Grants for rural housing for domestic labor had been reduced from \$25,000,000 to \$5,000,000 and the allowance for insured loans had been reduced from \$25,000,000 to \$10,000,000. 1/

Farmers Home Administration estimated that \$89,667,000 would be needed for salaries and expenses. The estimate was cut by the Department budget office to \$51,700,000.

1/ Memorandum to the Under Secretary, Request for Reconsideration of 1967 Budget Allowances, from Acting Administrator, Farmers Home Administration, September 16, 1965; In: Files of Agricultural History Branch, U. S. Department of Agriculture.

In his justification for restoration of \$45,000,000 for farm ownership loans, the Acting Administrator pointed out that the allowance of \$5,000,000 would represent the lowest program level since the fiscal year 1938 when the program was initiated. Much of the need could be met by insured funds, but insured loans could not be used for many applicants because: (1) deferment on loan repayments would be essential; (2) insured lenders or investors were not always available; (3) interest charges on forestry loans were below the going rate; lenders were not interested in small loans.

The Acting Administrator of the Farmers Home Administration requested restoration of at least \$100,000,000 of the operating loan funds requested. He pointed out that family farmers were continuing to encounter increasing operating costs and a greater need for capital inputs to improve their farming operations. Credit would have to be available for family farmers if they were to compete successfully with large farmers. Increased demands for operating loans were being made by very low income families attempting to lift themselves out of poverty.

The appeals of the Farmers Home Administration for reconsideration of budget estimates were not successful. Administrator Bertsch defended the budget estimates to the House Committee on Appropriations on February 10, 1966. He explained that the decrease in direct farm ownership loans would be made up by insured loans and estimated that total loans would for the fiscal year 1967 amount to \$235,000,000, the sum loaned during fiscal 1966.

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Representative Langen questioned the advisability of shifting from government financing for Farmers Home Administration loans at a time of rapidly rising interest rates in the private market. He said: 1/

. . . it is already evident that the available private money to individuals has gone up, and, so, individuals are paying a higher rate of interest today than they were. Then it just kind of seems to me that it wouldn't be the better part of wisdom on the part of the Government to place even further demands on that same money having the effect of further aggravating the interest rates.

So there could be even another increase. It would rather seem that the Government's concern might be one of moving in the direction that would ease that demand in order to bring the interest rate down. . . .

One of the reasons I raise this, and I realize it is a little beside the subject, but at the same time your entire program is fundamentally based on being of assistance to rural areas in their growth and development--

And this increase in interest rate disturbs me in that regard, because when you get to the rural area you come to the end of the line moneywise. A farmer, for example, has no way in the world of conveying to somebody else the extra costs that he has. The farm is the end of the road. So any increase in interest rate, he is going to have to carry; he will have to take it out of whatever income he has got.

So, in view of what has happened, I see just an extra burden that has to be carried by rural areas.

1/ U. S. Congress, 89th, 2nd Sess., House of Representatives, Committee on Appropriations, Hearings on . . . Department of Agriculture Appropriations for 1967, pp. 228-229.

Administrator Bertsch discussed the reasons for making the recommendation to shift to private credit. Considerations were of two types. 1/

First of all, there are always overall budget limitations, budget obstacles to doing all you would like to do with Federal funds.

There is also a strong conviction on the part of most people in this country, I believe, that the Government ought to operate in partnership with private enterprise.

Well, the best way a credit agency of the Federal establishment can cooperate with private enterprise is to find a device for utilizing some of the resources of private enterprise and some of the resources of the Government, and this has grown, I would say, rather than thrusting into it at this particular time....

I do not minimize, I assure you, the hazard at this moment of total reliance upon private investment, or 60-percent reliance on private investment. But I believe that we could adjust our legislative authorization so as to keep pace, because we have had now a good body of experience in this area.

The expenditure of \$5,000,000 for direct farm ownership loans and of \$85,000,000 for soil and water loans was authorized. The amount for soil and water loans was increased \$55,000,000 over the amount for 1966. The increase was made primarily for rural community and water systems.

Legislation enacted on October 7, 1965, had authorized the making or insuring of loans for facilities for the collection, treatment, or disposal of waste and for the development of recreational facilities without the necessity for a shift in land use. 2/ The Act also authorized

1/ Ibid., p. 228.

2/ 79 Stat. 931.

grants not to exceed \$50 million in any fiscal year to assist associations to finance specific projects for works for the development, storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste. Rural areas were defined as those not including any area in any city or town with a population in excess of 5,500 inhabitants. The authorization had first been used in January 1966, when a \$73,000 grant and a \$79,000 loan was committed for a waste disposal system. 1/

The budget estimate for operating loans presented to the Congress on February 10, 1966, remained at \$300,000,000, despite the appeal of the Farmers Home Administration for restoration of \$100,000,000 of the \$200,000,000 cut in the Department budget process.

In connection with the budget estimate for 1967, Congressman Natcher asked about the \$50,000,000 placed in reserve, by order of the Bureau of the Budget, of the \$300,000,000 appropriated for 1966. Administrator Bertsch stated that State directors had reported within the last ten days that \$100 million above the \$250 million available for 1966 was needed to fulfill operating requirements. Assistant Secretary Baker told the committee that the need for operating loan funds would have to be balanced against other needs within the Department of Agriculture and other needs within the Federal government.

1/ Ibid, p. 214.

Congressional interest in release of the contingency reserve fund for the fiscal year 1966 continued to build up. On March 4, 1966, the Acting Administrator of the Farmers Home Administration reported that 24 members of the House of Representatives and 23 Senators had called to inquire about the fund. Some had informed constituents that the funds had been released. 1/ This situation was causing difficulty for State and county offices which had processed loans for approval if the contingency fund was released. Half of the \$50 million contingency reserve was released for operating loans during the fiscal year 1966. 2/

For the fiscal year 1967, Congress appropriated \$350,000,000 with the stipulation that \$25,000,000 should be placed in reserve to be used only to the extent required during the fiscal year for the orderly conduct of the loan program. The Farmers Home Administration was only permitted to obligate \$300,000,000 during the fiscal year 1967. 3/

1/ Floyd F. Higbee, Acting Administrator of the Farmers Home Administration, March 4, 1966; In: Files of the Agricultural History Branch, U. S. Department of Agriculture.

2/ U. S. Congress, 90th, 2nd Sess., Senate Committee on Appropriations, Hearings on . . . Department of Agriculture and Related Agencies Appropriations, Part 1, p. 978.

3/ Ibid and 80 Stat. 689.

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In addition to regular funds of the Farmers Home Administration for operating loans, \$28,159,747 funds transferred from the Office of Economic Opportunity was obligated for family loans for fiscal year 1967. A total of \$4,086,382 transferred from the Office of Economic Opportunity was obligated for loans to cooperatives. The number of family loans made was 16,453. Loans were made from these funds to 387 cooperatives. 1/

Although loans were made to families which presumably had demonstrated little or no debt-paying ability, the Farmers Home Administration reported that as of June 30, 1966, of the individual loans made both for farm and non-farm purposes, only 12 percent of the principle outstanding and 10 percent of the borrowers were delinquent. Because of prepayments, the agency had collected \$3.9 million when only \$3 million was due.

Operating loans made from funds transferred to the Farmers Home Administration from the Office of Economic Opportunity continued to increase in importance as pressure continued to build up to restrict the use of direct funds for operating loans by the Farmers Home Administration. Increasing percentages of funds authorized by the Congress were placed in reserve by the Bureau of the Budget.

In response to a September 9, 1966, memorandum from President Johnson, Under Secretary Schnittker reported to the Secretary on reductions in the lending program of the Farmers Home Administration. 1/

1/ Memorandum to The Secretary from John A. Schnittker, October 21, 1966;
In: John A. Schnittker Chronological File in Lyndon B. Johnson Library .

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A reduction of \$75 million below the authorized level for operating loans was to be made. A decrease of \$25 million was to be made in loans for housing in lending "above modest sized category."

Serious problems were again encountered in administration of the programs. Assistant Secretary Baker reported on March 13, 1967, that 23 States were out of funds for initial operating loans. 1/ As of January 31, 1967, 8,029 applications for initial operating loans were on hand in county offices. Farm ownership loan funds had been exhausted in all States except for hardship cases since January 15, 1967. The number of applications on file for farm ownership loans on January 31 was 15,284.

On May 4, 1967, Chairman Whitten of the House Subcommittee on Appropriations for the Department of Agriculture commented on the freezing of funds by the Bureau of the Budget. Mr. Whitten said: 2/

In recent years you have been telling us about the increasing need for crop production loans. Yet each year the Bureau of the Budget reduces it.

The Budget Bureau won't send us a budget request for what is needed. We increase it to meet the real need and they freeze part of the increase. The best that we can do is to make the Budget Bureau go along, and support what they themselves decide we must do.

1/ Memorandum to The Under Secretary from John A. Baker, March 13, 1967; In: Files of the Agricultural History Branch, U. S. Department of Agriculture.

2/ U. S. Congress, 90th, 1st Sess., House of Representatives, Committee on Appropriations, Hearings on . . . Department of Agriculture and Related Agencies Appropriations for 1968, Part 3, p. 467.

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When questioned if funds had been held up for 1967, Farmers Home Administrator Bertsch replied that originally \$275 million of the \$350 million appropriated was all that was apportioned by the Budget Bureau. Later the Bureau released \$25 million of the reserve. As a result, initial operating loans were essentially suspended in at least half the States during the first half of February. The original estimate had been \$515 million.

Mr. Bertsch reported to the Committee that the repayment record on operating loans was 95.7 percent. 1/

The scope of programs administered by the Farmers Home Administration had widened since fiscal year 1965. The total amount of funds loaned increased from \$798,155,276 to \$1,361,409,645 from fiscal year 1965 through fiscal year 1967. 2/ During this period, government funds loaned for farm ownership programs declined from almost \$45 million in 1965 to \$5 million in 1967. Government funds were more than replaced by insured loans amounting to almost \$255 million in 1967 compared with \$78 million in 1965.

Loans for operating purposes remained at \$300,000,000 through 1967, despite greatly increased demand due to increased operating costs and the decreasing availability of private credit. The funds obligated for operating loans decreased to approximately \$276 million for 1968. 3/

1/ Ibid., p. 468.

2/ Farmers Home Administration 1969 Budget Estimates in Files of Agricultural History Branch, U. S. Department of Agriculture.

3/ Memorandum to Loyd Hackler, Associate Press Secretary, Weekly Progress Report from John Obert, Assistant to the Secretary, July 31, 1968; In: Selected Files from Secretary's Records in Lyndon B. Johnson Library and U. S. Congress, 90th, 2nd Sess., Senate, Committee on Appropriations, Hearings on . . . Department of Agriculture and Related Agency Appropriations for Fiscal Year 1969, Part 1, p. 978.

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During the period from fiscal year 1965 through fiscal year 1967 direct loans for soil and water associations increased from \$13 million to almost \$84 million. Funds available for rural renewal loans during this period increased from \$920,000 to more than \$1 million.

Despite the greatly increased administrative burden of the Farmers Home Administration since 1961, a relatively small increase was made in funds for administration. Administrator Bertsch reported to the Senate Committee on Appropriations that the Bureau of the Budget estimate for administrative funds for fiscal year 1969 would only promise an increase of 41 percent of the number of man-years of people employed over 1961. 1/ During this period the amount of funds advanced would increase 248 percent. The number of loans outstanding would increase 304 percent and the number of people benefitted would increase 338 percent. The estimates of the Budget Bureau for direct appropriations for administrative funds of \$59,132,000 was one million over the amount appropriated. 2/ An amount up to \$2,250,000 of charges collected for the insurance of loans could also be used, and not more than \$500,000 of funds available for various programs administered for other agencies by the Farmers Home Administration could be transferred. Approximately \$2,500,000 was transferred from the Office of Economic Opportunity during

1/ U. S. Congress, 90th, 2nd Sess., Senate, Committee on Appropriations, Hearings on . . . Department of Agriculture and Related Agencies Appropriations for Fiscal Year 1969, Part 1, p. 1031.

2/ Public Law 463 of 90th Congress, August 8, 1968.

1968 to cover the cost of administration of OEO programs for rural people. Administrator Bertsch reported that the funds did not cover the costs as established by cost-measurement studies. 1/ Additional funds were also transferred for rural renewal, watershed protection, flood prevention, resource conservation and development.

The Economic Opportunity Act Amendments of 1967, approved December 23, 1967, liberalized rural-loan provisions in several minor ways and authorized a new position as assistant Community Action Program director for rural areas. 2/ The legislation required the director to take steps to further extend benefits to residents of rural areas and to establish criteria so there would be equitable distribution of aid between urban and rural areas within the States,

Administrator Bertsch testified that the statistics on increase in administrative funds did not take into account the work that employees of the Farmers Home Administration performed as chairmen of the Department of Agriculture's technical action panels. Except for one man in the 41 State offices, the same people responsible for administering loan and grant programs generally served as leaders of technical action panels.

1/ Ibid., pp. 1037 and 1041.

2/ 81 Stat. 672.

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During the first 6 months of fiscal 1968, State and county technical action panels provided assistance to local groups in initiating more than 15,000, and completing more than 4,400 rural development projects. The panels referred nearly 90,000 individuals and more than 4,000 groups to agencies outside the Department of Agriculture. The panels also provided assistance in organizing more than 2,200 rural area development groups. 1/

1/ Ibid., p. 1031.

Assistant Secretary Baker stressed the importance of TAP and rural community development in a series of personnel training workshops during September-October 1968. He said: 1/

TAP is not an activity justified or conducted for itself. TAP has been organized and put into operation because the Nation needs and wants a better balanced geographic distribution of people, jobs and economic opportunity--to reverse the trend of outmigration from town and country America--to revitalize and strengthen the people, the institutions and the national resources of rural America and to support, facilitate and assist the effort of local and state governments, private groups and citizens in their efforts to bring about a better rural-urban balance.

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The purpose in view of community development in rural areas is to enable rural Americans and indeed all Americans to step up to the higher plane of a new era of history.

Our people are surging toward a rural renaissance -- unwilling to accept rural decline as inevitable--striving to move into the new age of history whose abundance has put a new kind of creative living well within the threshold of probability.

The developed democratic nations of the world are thrusting into a rural renaissance of creative living because their peoples demand it. To move with the grain of history, when it is moving in the right direction, is certainly more constructive than moving against it.

Assistant Secretary Baker called attention to the new responsibility for rural community development district planning, which the Department of Housing and Urban Development would share with the Department of Agriculture. Although an agreement had not been worked out between the

1/ John A. Baker, Background Statement, Some Basic Principles of Rural Community Development for Reference Use in Regional TAP In-Service Personnel Training Workshops--September-October 1968; In: John A. Baker Chronological File in Lyndon B. Johnson Library.

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Departments, it seemed certain that TAP's would have an important role in rural planning under the Housing and Urban Development Act of 1968. 1/ The Act passed on August 1, 1968 stated that the Secretary of Housing and Urban Development should consult with the Secretary of Agriculture prior to approval of district planning grants. The Secretary of Agriculture was also authorized to provide technical assistance in connection with the establishments of districts.

Mr. Baker indicated that the Farmers Home Administration would have an important role to play in implementing the new legislation.

Another provision in the new Act which would need assistance from TAP's authorized a guaranteed line of credit and technical assistance to the development of new towns in rural areas.

Although guidelines have not yet been set up or formal agreements reached, it seems certain that challenging new responsibility will be assigned to the Department and that the Farmers Home Administration will play a leading role in carrying it out in the field.

The Act also authorized loans for occupant-owned, rental and cooperative housing for moderate income persons and families in rural areas. Secretary Freeman predicted that interest-supplement loans authorized by the Act will allow the Farmers Home Administration to increase its rural housing program to assist almost 50 percent more families. Actual interest rates, he said, can be reduced to as little as one percent for low income rural families. 2/

1/ Public Law 448, 90th Congress, August 1, 1968 and John Baker, Some Basic Principles of Rural Community Development cited above. See also John A. Baker, Statement before the Senate Select Committee on Small Business, Subcommittee on Financing and Investment, June 27, 1968. U. S. Department of Agriculture Press release 2071-68.

2/ U. S. Department of Agriculture Press release 2688-68, August 21, 1968.

In his March 14, 1967, message entitled "America's Unfinished Business: Urban and Rural **Poverty**," President Johnson commented on the poverty program: 1/

Few undertakings in our time have generated as much hope, produced as many immediate and beneficial results, or excited as much controversy, as the anti-poverty program I first submitted to the Congress on March 16, 1964.

The controversy was inevitable: What is being attempted is a fundamental change in the way government responds to the needs of the poor.

The Department of Agriculture was a center of increasing controversy over the adequacy of its food programs for the poor and over the effectiveness and fairness of administration of the programs in local areas. The controversy divided committees of the Congress as well as individual congressmen, civic organizations, church groups, news media, prominent individuals, and health specialists.

The Subcommittee on Employment, Manpower, and Poverty of the Senate Committee on Labor and Public Welfare in its eight month study of the war on poverty became concerned over hunger and malnutrition in the United States. 2/ Committee members began field hearings in Mississippi on April 12. Senator Clark, chairman of the Subcommittee described conditions as reported by eye witnesses as "shocking" and constituting a "national emergency".

1/ 3 Week. Comp. Pres. Doc. (11), March 20, 1967, p. 455.

2/ U. S. Congress, 90th, 1st Sess., Senate Committee on Labor and Public Welfare, Subcommittee on Employment, Manpower, and Poverty, Hearings on Hunger and Malnutrition in America, July 11 and 12, 1967, pages 1-3.

Among the background materials placed in a committee print of July 1, 1967, entitled "Poverty: Hunger and Federal Programs," was an April 21, 1967, memorandum prepared by the Director of the Federal Programs Division, U. S. Commission on Civil Rights, on Federal Food Distribution Programs. 1/ The Civil Rights Commission memorandum pointed out that the shift from free distribution of commodities to food stamps which required minimum purchases had resulted in a sharp decline in participation. In Harrison County, Mississippi, for example, participation had dropped from more than 9,940 in October 1964 to 4,700 in October 1966, a decrease of more than 5,000 participants. In Coahoma County, the decrease was almost 6,700 from March 1965 under commodities to March 1966 under food stamps. Comparable decreases occurred in other counties.

The Director of Federal Programs for the U. S. Civil Rights Commission suggested as the reason for the decline in participation the inability of needy families to afford the charge for food stamps. He also pointed out that many areas with the severest need did not have commodity distribution or the food stamp program.

1/ U. S. Congress, 90th, 1st Sess., Senate, Committee on Labor and Public Welfare, Subcommittee on Employment, Manpower, and Poverty, Poverty: Hunger and Federal Food Programs, Background Information. Committee Print, July 1, 1967, pp. 87-88.

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The memorandum suggested that alternatives might be taken to improve the situation. These were:

1. Minimum charges for food stamps could be reduced.
2. Food stamps could be provided free of charge for particularly needy families.
3. The Commodity Distribution Program could be reinstated in areas desiring it, even if they already have a Food Stamp program.
4. The Department of Agriculture could apply standards related to need in approving applications from additional counties to enter the Food Stamp program, thus eliminating the 'first come, first served' basis on which the program is currently expanding.

The memorandum also stated that during October 1966, only 11.6 percent of the 17.5 million people in the South who were estimated by the Office of Economic Opportunity to be poverty stricken, were participating in either the food stamp or commodity distribution program. The percentage varied from 42.3 percent in Mississippi where special assistance had been given by the Office of Economic Opportunity to 1.6 percent in South Carolina. Race was a factor in participation which could not be discounted. The Director of Federal Programs wrote that a pattern of discrimination appeared in certain states. He gave Alabama as an example, where 26 of the 35 counties having no programs had nonwhite populations above the State average. Only 7 of the 32 counties with programs had nonwhite populations above the State average.

The Citizens' Crusade Against Poverty, made up of members from numerous religious and labor organizations **and chaired by Walter Reuther**, expressed concern over rural poverty in the South and charged that the Secretary of Agriculture had legal power to do more to help. In a statement issued before April 17, 1967, the Crusade said: 1/

Under the law, the Secretary of Agriculture is clearly responsible for issuing realistic payment scales so that the poorest families will not be required to pay more for food stamps than the amount that they have normally spent for food in the past. In southern rural communities, the amount actually spent on food is nothing at all: people grow their own, take gifts, borrow, get surplus commodities. It is, therefore, clear that when a family of four with no income must pay \$8 a month to obtain desperately needed food, the Department of Agriculture has not developed a realistic scale of payment. Food stamps obviously should be free to those who cannot afford to purchase them.

The Secretary also has legal power to distribute free surplus foods during "emergency" situations, even in communities with Food Stamp programs.

On April 26, 1967, Secretary Freeman reported to the Senate Subcommittee on Employment, Manpower, and Poverty on a **field inspection** trip made by two experts from the Department of Agriculture. 2/ The Secretary reported that the experts found:

- (1) Evidence of malnutrition and unmet hunger.
- (2) Families without jobs and with no discernible income who have difficulty making the minimum Food Stamp purchases.
- (3) Need in some instances for better certification of participants.

1/ Undated resolution attached to Memorandum (Resolution Passed by Citizens' Crusade Against Poverty) to George L. Mehren from William Seabron, April 17, 1967. In: Files of Agricultural History Branch, U. S. Department of Agriculture.

2/ Letter to Joseph S. Clark from Orville L. Freeman, April 26, 1967. In: Committee Print, Poverty: Hunger and Federal Food Programs, July 1, 1967, p. 23; and, Hearings on Hunger and Malnutrition in America, July 11 and 12, 1967, p. 130.

- (4) Some participants who believe they are being asked to pay more of their income for Food Stamps than they can afford.
- (5) The majority of the needy favoring the Food Stamp program in place of the free distribution of surplus commodities.

The Secretary stated that the Food Stamp program worked well in those areas of the country with a good public assistance program. He also wrote that the Department had had a survey team in Mississippi looking into individual cases on the day the Subcommittee had opened hearings.

Secretary Freeman reported that the Department was considering a move toward a lower minimum payment for persons having limited or "zero" income. The proposal would lower the requirement to 50 cents a person or \$3.00 for a family of six or more for economic needy, replacing the \$2.00 a person and \$12.00 for a family of six requirement. Procedures were being tightened to assure that counties shifting from commodity distribution to food stamps would not have a period of waiting for recertification for food stamps. He also pointed out that the Food Stamp program was not designed or developed as a welfare program.

Following receipt of Secretary Freeman's letter, the Subcommittee wrote to President Johnson stating that in its judgment the situation had reached emergency proportions. The Subcommittee recommended immediate action "in areas where the Food Stamp program was in operation:

First, the Secretary of Agriculture should make food stamps available without cost to people who have no cash income. Our study of this law and the regulations convinces us that such action is within the Secretary's authority.

Second, we believe that the coupon purchase requirements for families which have very low cash incomes are in many cases excessive and should be lowered to reflect more realistic standards.

Third, we have been informed that recipients of food stamps have been required to pay more for food stamps than departmental regulations require for families of their income level. We believe such incidents should be investigated immediately and corrected.

Fourth, the Secretary should find that an emergency situation (as defined by the Food Stamp Act) exists so that he may distribute federally owned foods under the authority of other applicable federal laws. In making such distributions the Secretary should use private as well as public agencies.

We also recommend that other appropriate federal agencies be requested to use their authority under applicable federal laws to take immediate action to alleviate this emergency situation wherever it is found, regardless of whether a federal food program is presently in operation.

The letter to President Johnson was referred to the Office of Economic Opportunity and to the Department of Agriculture. The Office of Economic Opportunity expressed appreciation for the concern of the Committee ~~which~~ pointed out that funds requested for poverty programs had been cut by the Congress. 1/ Recommendations made in the letter were planned or executed with two exceptions involving the Department of Agriculture. The Department of Agriculture stated it would be unlawful to distribute food stamps without cost to recipients and that it could not authorize the emergency action suggested under provisions of the Food Stamp Act.

1/ Ibid., pp. 31 and 35.

The Department of Agriculture replied that it was considering a number of steps, including lowering the coupon purchase requirement, and that it was studying with the Office of Economic Opportunity ways in which the OEO could help to expand the reach of ^{the} Food Stamp Program. 1/

On May 3, 1967, the Office of Economic Opportunity announced that thousands of poverty stricken families living in twenty counties in seven Southern States would be able to buy needed food through an emergency one-million-dollar, four-month Food Stamp loan program. 2/

On May 9, 1967, the Counsel to the Subcommittee on Employment, Manpower and Poverty submitted a memorandum to the Secretary of Agriculture, which concluded that the Secretary had authority and that Congress intended for him to issue free food stamps to persons without cash income. The memorandum also concluded that Congress intended the Secretary to declare an emergency situation and distribute free federally owned food concurrently with the operation of a food stamp program where a substantial number of households without cash income to meet minimum purchase requirements for food stamps existed. 3/

1/ Ibid., p. 33.

2/ Ibid., p. 36.

3/ Ibid., p. 37.

Senator Clark stated that he and Senator Kennedy had come to the empirical conclusion that if the downpayment was eliminated on food stamps large numbers of hungry people could get food which they couldn't get for lack of the \$2.00 a person downpayment. He doubted if cutting the downpayment to 50 cents would solve the situation. 1/

Secretary Freeman replied that for all practical purposes no one would be deprived of the opportunity to participate in the program because he couldn't meet the 50 cent requirement. He also said that authorities in the State of Mississippi had committed themselves to see that people who didn't spend 50 cents per person for food would have it available.

Secretary Freeman agreed with Senator Clark that if an individual could prove he had been spending nothing for food, it would be possible under the law to give him free food stamps. However, proving the case would be very burdensome for the individual and for the Department.

Senator Clark asked if the Secretary didn't have authority to operate the Food Stamp and Commodity Distribution programs in the same county, and Javits asked why a national emergency couldn't be declared immediately in areas like Mississippi to make this action possible.

1/ U.S. Congress, 90th, 1st Sess., Senate Subcommittee on Employment, Manpower, and Poverty of the Committee on Labor and Public Welfare, Hearings on Hunger and Malnutrition in America, pp. 128-133.

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Secretary Freeman replied that this action would not help because the distribution of food was limited in terms of its availability as a surplus. He stated that the only powers he had which he was not using was for the Federal Government to take over distribution of surplus commodities. He had considered the action inadvisable because he felt local governments should pay the administrative costs and assume responsibility. The Department was pressing the local governments which had no food distribution programs to take action.

Senators Eastland and Stennis testified, before the Clark Subcommittee, that the conditions were good in Mississippi. 1/ Senator Eastland called statements made by the medical experts on hunger in Mississippi fantastic. The Executive Officer and Secretary of the Mississippi State Board of Public Health, the Executive Secretary of the Mississippi State Medical Association, and two representatives of Mississippi State Medical Association testified concerning the good public health programs, and that relatively few doctors reported nutritional deficiencies among patients.

The Subcommittee introduced testimony of a number of medical authorities on the seriousness of the malnutrition problems in Mississippi. 2/ For example, Dr. Sem, a consultant to the World Health Organization

1/ Ibid., pp. 67-102.

2/ Ibid., pp. 5-63.

and Professor of Pediatrics at Yale, testified that he had been shocked, "made literally sick, by the crowded, unsanitary, and unsafe conditions in the schools and that the children appeared uniformly thin" Dr. Wheeler, of Charlotte, North Carolina, testified "Mississippi is not simply a medical emergency, it is a national disaster". Others testified about specific medical findings. Dr. Mermann of the Yale Medical School testified that a survey of Negro children for the Medical Committee on Human Rights in 1966 showed 80% of children were anemic.

A six man medical team reported: 1/ "We do not want to quibble over words, but 'malnutrition' is not quite what we found; the boys and girls we saw were hungry--weak, in pain, sick; their lives are being shortened; they are, in fact, visibly and predicably losing their health, their energy, their spirits. They are suffering from hunger and disease and directly or indirectly they are dying from them-- which is exactly what 'starvation' means".

1/ New York Times, July 23, 1967.

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Senator John Stennis, responding to the reports of a food and health crisis in Mississippi, introduced a bill on July 21 to authorize \$10 million for food and medical services needed in any of the States and in the District of Columbia.^{1/} He commented that if people were really suffering they needed help - not talk and publicity. The bill authorized the Secretary of Agriculture and the Surgeon General to provide food and medical service on an emergency basis to prevent suffering and loss of life.

On July 24, the Clark Subcommittee of the Senate approved the Stennis bill raising the authorization from \$10 million to \$25 million and referred the bill to the Labor and Public Welfare Committee.

The amended Stennis bill, S2138, was passed by the Senate on August 2, 1967. ^{2/} Senate Bill 2138 was referred to the House of Representatives, where it was referred to the House Agriculture

^{1/} U. S. Congress, 90th, 1st Sess., July 21, 1967.

^{2/} U. S. Congress, 90th, 1st Sess., July 24, 1967, (D625).

Committee. The Committee held the bill until October 5, when it held closed door hearings. However, the hearings were published.^{1/} Charles J. Zwick, Assistant Director of the Bureau of the Budget, testified that the administration strongly supported the intent of the bill. He saw some problems in administration, which directed that regulations and procedures for carrying out the legislation in any State should be jointly issued by the Secretary of Health, Education, and Welfare, and the Secretary of Agriculture, and the Governor of each State. Adoption was to be on the affirmative vote of any two of the three. The provision, he testified, might be inconsistent with the **intent** for quick decisive reaction in an emergency situation.

One of the groups pressing the House Committee to act favorably on the bill was the Citizens' Board of Inquiry into Hunger and Malnutrition in the United States, set up at the request of the Citizens' Crusade against Poverty. Walter Reuther, President of the Citizens' Crusade, announced that the Board of Inquiry would look into conditions all over the United States.^{2/} The co-chairmen were Leslie Dunbar, executive director of the Field Foundation of New York, and Dr. Benjamin Mays, recently retired from the position of president of Morehouse College in Atlanta.

The House Agriculture Committee voted 27 to 7 to set the bill aside.^{3/}

^{1/} U.S. Congress, 90th, 1st Sess., House of Representatives, Committee on Agriculture, Hearings onProvide Food and Medical Services on an Emergency Basis, October 5, 1967.

^{2/} New York Times, July 9, 1967.

^{3/} Washington Evening Star, October 9, 1967, reprinted in Congressional Record, October 12, 1967.

Representative Quie of Minnesota stated that there had been criticism of the Republican members of the House Agriculture Committee for voting against the Stennis bill. 1/ Representative Quie said he did not know the extent of malnutrition and hunger but felt that more information as well as help was needed. He felt that the Office of Economic Opportunity, as well as the Department of Agriculture and Department of Health, Education and Welfare, were at fault. Consequently, he intended to offer an amendment to the Economic Opportunity legislation to require the Office of Economic Opportunity to take the emergency action required to provide nutritious food and medical services. There is, he said "no excuse for hunger existing in America today."

The Economic Opportunity Amendments of 1967, approved December 23, 1967, authorized a program known as "Emergency Food and Medical Services" to counteract on a temporary emergency basis conditions of starvation or malnutrition among the poor. 2/ The Director of the Office of Economic Opportunity was directed to carry out his functions through the Secretary of Agriculture and the Secretary of Health, Education and Welfare. The Director was to reserve or make available from funds at his disposal not less than \$25,000,000 for the fiscal year ending June 30, 1968, and not less than \$50,000,000 for the fiscal year ending June 30, 1969.

1/ Congressional Record, October 11, 1967.

2/ 81 Stat. 700.

On March 23, 1968, a joint program to attack starvation and malnutrition was announced jointly by the three agencies under authority of "Emergency Food and Medical Services" authorization. Two and one half million dollars were transferred to the USDA's Consumer and Marketing Service, where it was to be used on a temporary emergency basis for the Food Stamp program until July 1 when regular funds would be available from either Federal, State or local sources. 1/

Secretary Freeman had requested a supplemental appropriation for openings for the Food Stamp program, but the Bureau of the Budget was unwilling to approve the proposal. The Office of Economic Opportunity was willing to assist with the \$2.5 million needed for the scheduled April openings, but did not want to commit any of the \$10 million emergency funds to the regular Food Stamp program. The Office of Economic Opportunity preferred that the Bureau of the Budget transfer regular spending authority to it which could be transferred to the Department of Agriculture. 2/ The Bureau of the Budget ruled that emergency funds should be used.

1/ U. S. Department of Agriculture Press release no. 969-68, March 23, 1968.

2/ Memorandum to the Secretary from Rodney E. Leonard, Administrator of the Consumer and Marketing Service, March 19, 1968; In: Files of Agricultural History Branch.

Senator Javits of New York criticized what he called the diversion of funds for a food stamp program. He said that the diversion of funds for a routine expansion did not give him hope that the Department or the Administration seriously meant to increase efforts to attack hunger and malnutrition. 1/

In the meantime, the President's Commission on Rural Poverty had issued its report entitled The People Left Behind which indicted current programs for rural poverty. 2/

This Nation has been largely oblivious to these 14 million impoverished people left behind in rural America. Our programs for rural America are woefully out of date.

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Hunger, even among children, does exist among the rural poor, as a group of physicians discovered recently in a visit to the rural South. They found Negro children not getting enough food to sustain life, and so disease ridden as to be beyond cure. Malnutrition is even more widespread. The evidence appears in bad diets and in diseases which often are a product of bad diets.

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In some rural areas of the United States there is not only malnutrition but hunger. Existing public programs for food distribution to those in need have failed to meet the need. The Commission recommends that the food stamp program be expanded nationwide and that eligibility be based upon per capita income. Food stamps should be given to the poorest of the poor without cost.

1/ Washington Post, March 23, 1968.

2/ President's National Advisory Commission on Rural Poverty. The People Left Behind, 160 pp. Washington, Government Printing Office, September 1967, pp. ix - xi.

The advisability of giving food stamps to the "poorest of the poor" was to become a central issue facing the Department during 1968. The Department was caught between the pressures of the Congressional committees concerned with substantive legislation and with appropriations for the Department, and the Congressional committees concerned with health, education and welfare. Plans for major changes in the poverty programs could not be put into effect because of budget pressures. Civic, church, and civil rights organizations pressed for more costly programs while conservative organizations pressed for decreased federal expenditures.

The School Lunch as well as the Food Stamp program was the subject of study and criticism by civil and religious organizations. Church Women United, the National Board of the Y.W.C.A., the National Council of Catholic Women, the National Council of Jewish Women, and the National Council of Negro Women sponsored a study of the school lunch program. The study entitled Their Daily Bread was published during April 1968. 1/

The study stated that only about 18 million of 50 million public elementary and secondary school children participate in the school **lunch program**. Two out of three school children did not participate.

1/ Committee on School Lunch Participation. Their Daily Bread, Atlanta, Georgia, McNelley-Rudd Printing Services.

Fewer than 2 million of the 50 million school children received free or a reduced price school lunch. Whether a child was eligible for a free lunch was determined by local decisions which might or might not have anything to do with the need of the child. And, generally speaking, the greater the need of children from a poor neighborhood, the less the community was able to meet it.

The committee concluded that the National School Lunch Program was inadequately financed on the Federal level, and that ^{the gap} between Federal funds and program needs had been increasing every year.

The formula for State and local financing, which allowed the substitution of payments for the lunches for State and local contributions, was both unjust and harmful. Childrens' payments for lunches covered administrative costs and the cost of free and reduced lunches in many States.

Lack of a uniform method of determining who should be eligible for a free or reduced price lunch resulted in unequal and unfair decisions on the local level.

Older schools built without kitchens or cafeterias did not participate in the school lunch program. Some schools did not participate because childrens' payments could not cover the costs.

Schools not participating were almost invariably located in slum areas.

The Committee made the following recommendations: 1/

1. Reduce the maximum price of the school lunch to 20¢ and provide free lunches for all children who cannot afford to pay.
2. Raise the federal contribution to keep pace with the growing needs of the National School Lunch Program.
3. Create a new matching formula for the States to insure that they bear some of the financial burden relieving the children of paying for salaries, administration, food handling, and the cost of the free and reduced price lunch program.
4. Set uniform standards of eligibility for free and reduced price lunches to end the haphazard and inequitable present system.

While critical of the operations of the School Lunch Program, the Committee on School Lunch Participation did not concentrate its attack on the Department of Agriculture.

This report was followed in April 1968 by a report by the Citizens' Board of Inquiry into Hunger and Malnutrition in the United States, which demanded that responsibility for food programs be removed from the Department of Agriculture. 2/ The Board stated: 3/

To date the USDA has shown concern for the hungry largely as a result of external pressures: from congressional committees other than the agriculture committees; from other agencies such as the Office of Economic Opportunity and the Civil Rights Commission; from public scrutiny and public attack; and from countervailing political considerations, both domestic and international.

1/ Ibid., p. 6.

2/ Citizens' Board of Inquiry into Hunger and Malnutrition in the United States. Hunger U.S.A., 100 pp., Washington, D. C., New Community Press, 1968.

3/ Ibid., pp. 80-81.

1. The composition of the Agricultural Committees of Congress-- which pass upon major food assistance legislation-- dictates that inevitably the needs of the poor and hungry will be subordinated to the interests of large agricultural producers.
2. The relationship between these agricultural committees and the Department of Agriculture--which administers all major food assistance legislation--dictates that inevitably the Department's priorities will place the interests of agricultural producers first, the needs of the poor and hungry second.

Stating that only 18 percent of the Nation's poor were receiving surplus commodities or food stamps, the Board called the commodity distribution program a failure.

The Board concluded that the Food Stamp Program had failed to fulfill its promise, and the School Lunch Program had not been used to combat malnutrition and hunger among the poor.

The Board insisted that the Secretary of Agriculture's statement before the Clark Subcommittee, that he was doing all that was legally permissible, was incorrect. He had, the Board said, the power to start programs where need was evident without waiting for initiative from local governments.

The principal recommendation of the Board was a free food stamp program keyed to need and to the objective of a completely adequate diet. The free food stamp program would be administered by the Internal Revenue Service.

Describing a number of individual cases found by its inquiry,
the Board stated: 1/

Stories like these are all but unbelievable, and one wants to dismiss them as aberrations. They are not.

If you will go look, you will find America a shocking place.

No other Western country permits such a large proportion of its people to endure the lives we press on our poor. To make four-fifths of a nation more affluent than any people in history, we have degraded one-fifth mercilessly.

Senator George McGovern of South Dakota, who had served as Director of the Office of Food for Peace, disagreed with the Board's blanket indictment of the Department of Agriculture. He said: 2/

... the Department of Agriculture is not a welfare agency in the sense of immediate and direct aid to the poor. Its mission is the welfare of agriculture.

I am personally very proud of the fact that out of the compassion of farm-oriented policymakers, administrators, and citizens there has developed a Federal effort to provide our disadvantaged people with food. I am proud that recognition that food is essential to successful education, and that the school milk and school lunch programs to provide that essential originated in the agricultural sector. I am proud that an agricultural economist in the Department of Agriculture, Frederick V. Waugh, and an agricultural administrator, Milo Perkins, conceived and promoted the food stamp program....

I feel that "Hunger, U.S.A." is a little long on criticism of the adequacy of the human welfare job agriculture has not done and short on praise of the agricultural sector for doing all that it has done.

1/ Ibid., p. 4.

2/ Congressional Record, April 22, 1968. See also Washington Post May 9, 1968.

He agreed on the existence of a serious food gap and introduced a resolution to provide for a select committee to study existing programs, the needs, and the jurisdictional problems.

Senator McGovern's proposal for a study of the food problem, was only one of the Congressional proposals on the subject. A bipartisan group of 13 Congressmen, on May 9, 1968, urged establishment of a Commission on Hunger to act with the same urgency as the President's Riot Commission had moved in making its report. 1/ Chairman Carl Perkins of the House Education and Labor Committee, William Ayers of Ohio, Charles Goodell of New York, and Thomas Foley were among the members of the group which urged that public hearings be held.

The Senate Subcommittee on Employment, Manpower, and Poverty continued its field hearings into 1968. 2/

Secretary Freeman became concerned over "misinformation" and "misunderstanding" resulting from recent studies of hunger and malnutrition. He sent a 17-page statement, entitled "Food-Hunger: 1968," to members of the news media and asked that its contents be reported to the reading, viewing and listening public. 3/

1/ Washington Post, May 9, 1968.

2/ Letter to Orville L. Freeman from Joseph S. Clark in Files of Agricultural History Branch of the U. S. Department of Agriculture.

3/ Food - Hunger: 1968, May 21, 1968. In Files of the Agricultural History Branch of the U. S. Department of Agriculture.

Secretary Freeman called the years of **the 1960's a decade of revolutionary change**. He said: 1/

The unchanging element is that change has not come fast enough. No better illustration of this explosive condition can be found than in the programs to insure better diets for low income families and for their children when they are away from home.

The vigorous effort to improve the techniques of distributing the nation's food abundance has been exceeded only by the insistence for many groups and individuals that even more needs to be done.

In the span of this decade:

- * The concept of family food assistance programs has shifted from distributing a few surplus food items to increasing food purchasing power through the use of food stamps; and from supplementing the families food supply to providing a more nearly adequate diet.
- * The administration of these food assistance efforts has changed from a passive offering to State and local government --"food is available if you are willing to distribute it"-- to active encouragement, and the promise that Federal authority will intervene if necessary to make food available to families.

Yet, only as recently as 1964, when it was necessary to gain support in the Congress for passage of the Food Stamp Act, the House of Representatives was told by the Agriculture Committee that the program is voluntary and "is instituted only where the Governor, based on recommendations of the appropriate State agency, has requested the program."

- * The concept of child feeding programs has been enlarged from the narrow view of providing school lunches, to include school breakfasts and feeding programs for child care activities outside the school system.

These advances can be charted in legislative action. But they also must be measured in the context of victories -- and battles yet to be won-- to overcome the indifference, active opposition and lack of public confidence in programs; all of which affect the level of funds and the degree of State and local support necessary to transform legal authority into calories and protein.

1/ Ibid., p. 1 and 2.

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On the day Secretary Freeman issued his appeal to the press, The Columbia Broadcasting System broadcast CBS REPORTS: "Hunger in America." CBS broadcast a series of dramatic interviews with the poor, and linked inadequate food programs for the poor with large expenditures, particularly individual payments, for commercial agriculture.

On May 27, Secretary Freeman asked for network time to correct the program's "distorted, oversimplified and misleading picture of domestic hunger and what is being done to combat it." 1/ President of CBS Frank Stanton wired a denial on May 29, stating that unless it was "established that the report was in significant respects erroneous" he intended to stand by those who researched and produced it.

On June 12, Secretary Freeman sent a second letter repeating his request for network time and attached "additional documentation of errors." Mr. Freeman stated he was asking **for time not to defend the** Department of Agriculture and its programs but for the poor themselves, the thousands of people working in food programs throughout the country, and for America's family farmers. He wrote: 2/

(1) The poor themselves. There is no doubt your program succeeded in focusing new public attention on the problem of hunger. I welcome that as one who has spent much of his public life deploring the paradox of need in the midst of plenty. But while you jarred the consciences of affluent Americans, you also undermined the hopes of the poor and hungry by implying that no one cares, least of all their Government. "Hunger in America" told the poor that little worthwhile was being done for them and sharply discredited the very Department of Agriculture machinery that today is reaching six million people with food.

1/ Letter to Dr. Frank Stanton from Orville L. Freeman, May 27, 1968.
In: Orville L. Freeman Chronological File in Lyndon Baines Johnson Library.

2/ Ibid. June 12, 1968.

(2) The thousands of people working in food programs throughout the country. The Food Stamp Program is the best way we know to help the hungry, but CBS discredited it and the people who seek to administer it. Of course the programs can be improved.... There was no evidence of those many instances of success in your program. This omission, too, can only serve to disillusion, disappoint and discourage not only the beneficiaries of the program, but those who administer it on the local level.

(3) America's family farmers. The calculated thrust of "Hunger in America" was an affront to America's farmers. There is no relationship between the commodity programs that were attacked and ridiculed and food for the poor. We are blessed with an abundance of food in this country. The problem is developing the will and the machinery to reach all of the hungry with our abundance.

One of the prime reasons why we have an abundance of food, indeed, why we are a prosperous country, is the existence of those very farm programs CBS maligned, programs wherein payments are made to farmers, big and small, who respond to their Government's request to retire land from production and receive in return a rent roughly commensurate with what that land in production would have earned.

It is only in this way, Dr. Stanton, that we can prevent serious overproduction that would have grave economic consequences, and leave in its wake even more poverty and hunger. I might point out that 87.2 percent of the farmers participating in our programs receive less than \$500 a year in farm payments.

Secretary Freeman was not granted the network time he had requested.

On the day of the CBS broadcast, Secretary Freeman was testifying before the House Committee on Education and Labor on the problem of hunger and malnutrition in the United States. He told the Committee that no other single subject had occupied more of his time nor gained more of his personal commitment. 1/

1/ Statement by the Honorable Orville L. Freeman before the House Committee on Education and Labor, May 22, 1968. In Files of the Agricultural History Branch of the U. S. Department of Agriculture.

During the discussion, Secretary Freeman disagreed with members of the House Committee who argued that the Secretary had authority to spend \$227 million of Section 32 funds on the Food Stamp Program. 1/ Mr. Freeman replied that the House Agriculture Committee had specified that only the amount specifically appropriated for that program could be spent. Secretary Freeman said he was theoretically free to use Section 32 funds for free distribution of surplus commodities and for commodities for the School Lunch Program but the Agriculture Appropriations Committee has indicated that Section 32 funds should be used for pilot programs. The Secretary disagreed with a suggestion that the programs might better be under the jurisdiction of the Department of Health, Education, and Welfare, so that it would not be dependent upon Congressional committees concerned with agriculture. He said he would endorse specific legislation to free him of restrictions on the expenditure of Section 32 funds.

On May 23, 1968, Secretary Freeman submitted the Department's response to the Poor Peoples' demands which had been submitted on April 29, 1968. 2/

1/ Washington Evening Star, May 22, 1968.

2/ Orville L. Freeman to Dr. Abernathy, May 23, 1968, in Files of Agricultural History Branch, U. S. Department of Agriculture.

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In this reply, Secretary Freeman said:

We, too, are concerned that our food programs do not reach as many people as they should, but today, they are reaching 5.9 million people.

We, too, are concerned that even the 50¢ minimum payment may keep some poor people from participating in the food stamp program, though 200,000 people were benefited when this minimum requirement was reduced from \$2 last year.

We, too, would like to broaden the variety and increase the nutritional value of the foods available under the commodity distribution program and we have taken action to add canned chicken, dried eggs, fruit juice, instant hot cereal, and vitamin-enriched instant mashed potatoes to the items already distributed.

And, we, too, worry that there are needy school children who do not have equal access to school lunch or breakfast programs, even though more than 2 million needy children now receive a free or reduced price lunch and over 100,000 participate in the breakfast program.

We are committed to placing food programs into all the hard core poverty counties. We are troubled by the harsh lot of so many farm laborers. We are determined to eliminate discrimination from employment practices within the Department of Agriculture and from the full range of services afforded by this Department.

If our goals were easily reached, they would have been reached long ago. There are real obstacles on the path of their accomplishment.

The programs we administer are framed by laws enacted by the Congress. For each program, the Congress has prescribed certain standards of operation.

In addition to the legal limits, there are resource limitations. We can spend only what the Congress appropriates and authorizes. We cannot expand food stamp programs into additional counties until the start of the next fiscal year, July 1, because we have committed all the money available. Further, we will not have the resources to expand into additional counties after July 1, unless Congress raises or eliminates the \$225 million ceiling on funds authorized for the Food Stamp Program, and appropriates additional money.

In closing, I would like to emphasize my belief that it would be a tragic mistake for those who share our hope for a better life for the poor to use farm programs as a scapegoat.

The Poor People had charged:

1. Some 300 of the 800 poorest counties have no food program for needy families.
2. USDA turned back \$220 million to the Treasury that could have been used to put food programs where there are none.
3. USDA used \$2.7 million of Emergency Food and Medical Program funds to pay for administrative costs in existing food stamp counties.

The Poor People demanded:

1. Use Section 32 funds for a food program in the 256 counties listed by the Citizens Board as being without programs.
2. Provide free food stamps for those that can't afford them or start a donation program for those who can't afford food stamps.
3. More and better commodities; stepped-up consumer education; more community aides from among the poor.
4. Implement recommendations of Citizen's Board of Inquiry.
5. Immediately provide free and reduced price lunches for every needy child and implement recommendations in "Their Daily Bread."

On the specific demands, Secretary Freeman reported that of the 256 counties without a program identified by the Citizens Board of Inquiry, 194 had either a Food Stamp or Direct Distribution Program. Action was planned in 26 additional counties. Twenty-two of the remaining 30 counties would be committed to a food assistance program by July 1. The Department would work with the remaining 8 counties to arrange for a program as soon as possible.

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The decision not to use some of the Section 32 funds, the Secretary said, was a judgment of priorities based on the following factors:

- * The funds could not be used for Food Stamps.

- * Administrative problems -- in many cases local resistance-- precluded expansion of the food program to additional counties, not lack of funds.

- * The only way in which the Section 32 funds could have been used would have been to add to the variety of commodities being distributed in counties which had programs. While this would have been desirable, it was not judged to be crucial to the food program. This proposal was weighed during the budgetary process against the worth of and the need for other programs for the rural poor -- food stamps, housing, educational assistance, manpower training, economic opportunity -- all of which must be fit into a finite budget to get the best total effort against poverty.

To the demand for free food stamps for those unable to buy stamps or starting a donation program for those unable to buy, Secretary Freeman replied that the cost of food stamps was reduced from \$2.00 to 50 cents per month per person with the maximum reduced from \$12.00 to \$3.00 for a family of six or more in the lowest income groups. The first month's purchase requirement was reduced by one half.

Legislation banned use of donation programs in food stamp counties except on an emergency basis. The Food Stamp Act required households to pay an amount for their food stamp allotments equivalent to their regular expenditures for food. Additional funds would be required to change either of these restrictions, Mr. Freeman said.

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On the demand for more and better commodities, stepped up consumer education, and more community aides from among the poor, Secretary Freeman listed a number of items being added to the commodity programs and indicated the percentage of full daily allowances recommended which the commodities in the distribution program provided.

Response to the questions raised, and solutions proposed by the Citizen's Board of Inquiry would be forthcoming, Mr. Freeman said.

The Department was working with the Committee on School Lunch Participation to implement key recommendations of the study. The Department was working on the preparation of national guidelines to help States and communities decide which children were entitled to free or reduced price lunches. The Department, the Secretary said, was powerless to set minimum standards because the responsibility of establishing programs to give the poor priority rested with State and local agencies. He pointed out that the House of Representatives had reduced funds requested by the President which would have made more free food available for poor children.

The Poor People remained at "Resurrection City" for nine weeks. 1/ Action to end hunger was called the most critical issue of the Poor Peoples' campaign. The Department of Agriculture was the prime target among government agencies. The Department was frequently picketed, and arrests were made when pickets tried to block entrances and exits to the building. 2/

1/ Washington Post, July 17, 1968.

2/ Washington Post, June 21, 1968.

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During this period the Department announced it was setting up food distribution programs for the poor in 42 counties that had refused to operate programs. 1/ These were among the 64 counties warned by the Department to take action on a food program by May 29 or have the Federal Government come in and take charge.

The House Committee on Education and Labor and the Senate Committee on Labor and Public Welfare continued to press the Department to provide more help for the poor. 2/ Attempts were made to amend the appropriation bills for the Department of Agriculture to increase funds for poverty programs and to free the Secretary from restrictions in appropriation legislation on the use of Section 32 funds. 3/

Legislation to extend the Food Stamp Act, introduced by Representative Sullivan, without any ceiling on expenditures, was supported by the Department. The Sullivan proposal was offered as an amendment to a bill sponsored by W. R. Poage, Chairman of the House Committee on Agriculture. The Poage bill raised the ceiling from \$225 million to \$245 million. 4/

1/ Washington Post, June 4, 1968.

2/ See U. S. Congress, 90th, 2nd. Sess., Senate Subcommittee on Employment, Manpower, and Poverty of Committee on Labor and Public Welfare, Hearings on . . . Hunger and Malnutrition in the United States, May 23, 29 and June 12 and 14, pp. 203-225; U. S. Congress, 90th, 2nd Sess., Senate Report . . . Establishing a Select Committee on Nutrition and Human Needs, Report No. 1416; Washington Evening Star, May 22 and July 16, 1968; and Washington Post, July 31, 1968.

3/ Ibid.

4/ U. S. Congress, 90th, 2nd Sess., House of Representatives, Committee on Agriculture, Hearings on. . . Amend the Food Stamp Act of 1964, June 11-13, 1968, p. 2.

Secretary Freeman testified on June 12 before the House Committee on Agriculture. He said:

I strongly urge this committee to accept the identical bills H.R. 17721 through 17725 introduced by Congresswoman Sullivan and 107 other Members of the House.

These bills provide for a 4-year authorization with no specific monetary limitations specified in advance. But to assist and guide the Congress in its annual funding decisions, the bills require specific rules for such an indepth congressional review prior to each annual appropriation.

Mrs. Sullivan's bill provides for effective congressional direction, leadership, and program review. But it will permit the Congress to make its decision each year in the light of the then-current situation. The national need to make a full commitment to eliminate hunger dictates the need for such action.

Chairman Poage pointed out that Secretary Freeman had endorsed a bill identical to his as having the approval of the Bureau of the Budget in February. He asked if the Sullivan bill was consonant with the program of the President. 1/ Freeman replied, "I must say that I honestly do not know, because the action that has gone forward since that letter was sent, particularly pertaining to tax increases and to the \$6 billion of budget decreases, have resulted in a confused situation." 2/

On June 14, 1968, Joseph Califano, of the White House staff, called to say the President directed that the Secretary "should say the following in your own words, of course:"

1/ Ibid., p. 76.

2/ Ibid., p. 76.

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I support the \$245 million authorization and not more than that.

If the Secretary felt he must go further, Mr. Califano said that he could say: 1/

I personally would not object if the Congress were to provide an open end authorization, but I am not testifying in support of that at this time.

On June 14, Secretary Freeman testified as follows: 2/

This is the food program we need to operate and fund. There is no other approach now available which gives the promise of eliminating hunger and severe malnutrition.

We cannot develop, fund or place into nationwide operation this food stamp goal this fiscal year, or even in the coming fiscal year. But we must continue the momentum we have built up.

I urged the House Agriculture Committee earlier this week to support authorization legislation which would place no specific monetary limitation on the program. Sufficient authorization is necessary so the Executive branch of the government and the Congress can have adequate authority to make the wisest decision in the appropriations process.

Let me make it clear that I was not in making this recommendation nor am I now advocating expenditures in excess of the budget the President has sent to the Congress. Currently Congress is considering a tax increase-appropriation cut bill. When Congress has worked its will on this matter, the Executive branch of the government will make the necessary budget adjustments. I hope that the judgments made as to expenditure levels for the Food Stamp Program will not be limited by inadequate authorization.

1/ Memorandum to the Secretary from John A. Schnittker, June 14, 1968;
In: John A. Schnittker Chronological File in Lyndon B. Johnson Library.

2/ Orville L. Freeman, Statement before the Senate Subcommittee on Employment, Manpower, and Poverty, Committee on Labor and Public Welfare, U. S. Department of Agriculture Press release, June 14, 1968.

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In the meantime, on June 11, 1968, Chairman Poage of the House Committee on Agriculture issued a 79-page report entitled Hunger Study. 1/ The study was a compilation of letters from health officers reporting on conditions in 181 of 256 counties classified as "emergency hunger counties" by the Citizen's Board of Inquiry into Hunger and Malnutrition in the United States. Representative Poage made the following observation on the letters:

In not one single county of those responding were there current cases of starvation reported and few instances of hunger as a result of inability to buy food or receive public assistance, but in many there were stories of people, especially children, suffering malnutrition. The few reported cases of starvation which had occurred in the past were believed to have resulted from deliberate negligence by parents. Almost all of the hunger and malnutrition cases were blamed on ignorance by parents as to what constituted a balanced diet. Several instances were reported of welfare clients throwing to the dogs food which they themselves should be eating but were not eating because they simply had no knowledge of nutritional requirements and did not like the particular food which had been provided them.

While some criticism may be raised to the effect that these responses came from officials who are "part of the establishment" and therefore might not be expected to fully disclose conditions over which they had a responsibility, the question may be voiced as to where can be found citizens of greater responsibility, who can speak more knowledgeably as to the conditions into which we are looking.

Most of these replies came from medical doctors, many from registered nurses and county judges. Some replies were brief, others ran at length and in many there was evidence of a warm glow of love and feeling on the part of these county health officers for the deprived people they were trying to help.

1/ U. S. Congress, 90th, 2nd Sess., House of Representatives, Committee on Agriculture, Hunger Study, Committee Print, June 11, 1968.

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Constructive comments were contained in many of the responses, a great many observing that but for the food stamp and commodity distribution programs administered by the U. S. Department of Agriculture, there most likely would be a great deal of suffering. Several reported that conditions have improved over the past few years. There were some recommendations that the food stamp program should be further expanded and liberalized so as to eliminate required financial participation by those receiving the stamps.

On June 21, 1968, Secretary Freeman recommended large increases in expenditures for the food program to President Johnson. 1/ In his February 27, 1968, message relating to agriculture, President Johnson had recommended that the 1969 appropriation authorization be increased from \$225 million to \$245 million. 2/ He wrote that \$300-400 million would be needed in the following 12 months to meet the highest priority needs.

The Secretary reported that he had taken some actions, after consultation with the Budget Bureau, to improve the commodity programs. These actions would require \$145 million above the Budget.

However, the Secretary recommended that action be taken which would require \$410 million above the Budget.

1/ Memorandum to The President, Financing the Food Programs, June 21, 1968; In: Secretary's Files in Lyndon Baines Johnson Library.

2/ Pres. Doc. 4 (9), March 4, 1968, p. 364.

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In addition, Secretary Freeman suggested that the President recommend to the Congress a three-year program to end hunger in the United States. This would involve an increase of funding of food programs up to \$2 billion a year by 1972, free food stamps, and Federal standards for eligibility to bring in more people and reduce inequities in food distribution.

In a June 29 memorandum to the President, Secretary Freeman discussed the food situation and the Department's problems with the programs and the critics. 1/ He wrote:

The current attack on the Administration alleging callousness and incompetence in the face of widespread hunger and malnutrition is the most difficult problem to handle for me since the Billie Sol Estes case. In both cases the struggle is primarily public relations in nature -- facts are secondary, publicity and emotional appeals primary.

In the Billie Sol Estes^{case} the effort was solely to destroy the Administration. This is part of the current pattern, but also the present attackers hope to capture public attention and support so that the other objectives they have in the war on poverty can be accomplished.

Hunger and malnutrition are simple, understandable, dramatic and, therefore, provide a convenient channel for effective attack. They are assisted in this by the fact that there is much truth in the allegations that malnutrition, hunger and misery exist. I know; I have seen it first hand. Jane and I have toured widely the last year throughout the country as part of our Rural Development Program, and have visited dozens of miserable hovels, South and North, where families live in shocking poverty.

1/ Memorandum to The President, Food, Hunger and Malnutrition, from Orville L. Freeman. In: Orville L. Freeman Chronological File in Lyndon Baines Johnson Library.

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You are well aware of this. It matches in some instances the worst I have seen in less developed countries around the world. The fact that the real cause is poverty, and that food is only a part of the picture, is, of course, ignored by the current attackers.

Further, by coincidence as nearly as I can determine, three major public attention getting documents have been issued very recently. Two are written; the third, the CBS documentary film.

'Hunger USA' was put out by Walter Reuther's front group and the Field Foundation. 'Your Daily Bread' was put out by a group of women's organizations critically reviewing the child feeding programs, particularly school lunch. The CBS documentary you are familiar with.

Each of these contains some truth. Each of them contains a lot of misstatements and, in some cases, outright distortion. 'Your Daily Bread' is by all odds the most accurate and constructive. The CBS film is shockingly irresponsible. There are at least a dozen direct factual errors in that presentation. These could have been checked by merely phoning the Department or any knowledgeable source. Instead, an all-out attack on the Administration and the Department of Agriculture on an emotional basis was made. There was virtually no recognition of accomplishments, of the very real progress we have made in developing programs and in reaching needy people in recent years. All three of these documents had considerable impact and the CBS documentary, since replayed, has brought thousands of letters.

I need not recount the tactics and efforts of the so-called 'Poor People' recently.

All of this has resulted in a strong, emotional focus of attention by the public, where hunger and malnutrition is concerned, at the Administration and particularly the Department of Agriculture.

Accusations have been especially hard to meet where the Section 32 fund availability question has arisen. You are familiar with that. I have found it extraordinarily difficult to break through and reach public understanding on this point. I can assure you in making some concessions where the use of the Section 32 funds are concerned, I was not acting counter to the President's intentions as I understood them at that time. At the same time as I have made some concessions in the programs where we were most vulnerable if we had stood hard and yielded not at all, I have stood fast on other points. I won't relate them all. Free food stamps for the lowest income group is an example. There are many others where I have simply said no. This firmness has come through to the public....

I hopefully recommend that you decide on a generous food package and send a special message to the Congress soon. Mr. President, clearly there is real need. There is widespread public awareness of that need. I believe Congress will approve your recommendations.

On October 16, 1968, Secretary Freeman told a conference on hunger that his Department was seeking a \$400 million **boost** to \$1.6 billion in Federal funds for food programs. 1/ The increase would allow expenditures for food stamps and direct food distribution programs to increase from \$550 to \$857 million. The number of participants would increase from 7 million to 9 million persons.

Child nutrition programs would reach 20 million children with costs increasing from \$600 million to \$700 million.

Costs for an adequate job of reaching 10 million hungry adults and children would move from \$2.1 billion to \$3 billion a year.

1/ U. S. Department of Agriculture Press release no. 3253-68, October 16, 1968.

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Conclusion

Significant progress has been made during the Johnson Administration in waging the War on Poverty. When the campaign began in 1964, the lack of a clear definition of the scope and intensity of poverty was a major problem in shaping programs to meet it. This was particularly true with respect to malnutrition and hunger. This obstacle has been largely overcome and the nutrition and credit programs are being reshaped and refocused. Another major problem has been to secure sufficient funds to carry programs beyond the pilot stage when they have proven to be successful.

The primary challenge now is to secure the commitment to invest resources to wage an unconditional war on poverty wherever it exists and to prevent its development in the future. As Secretary Freeman stated in his October 9, 1965, letter to President Johnson:

To win the War on Poverty and elevate the quality of life in rural America to that of urban areas will require a massive sustained investment over an extended period. There is no other way to do the job.