

SMALL TOWN AMERICA: THE PROBLEMS AND THE PROMISE

Address by Robert Morgan  
United States Senator  
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INTERDEPENDENCE OF CITYSCAPE AND COUNTRYSIDE

*- the Promise  
+ the Future*

I believe one basic premise should dominate our discussion of the future of smaller cities. And that is that the problems of metropolitan and non-metropolitan America are intimately intertwined. The search for solutions to the problems of smaller cities and towns and rural areas is tightly bound up with the search for solutions to the problems of our major cities.

Increasing numbers of people recognize the interdependence of today's world. The total interdependence of the many kinds of communities in which Americans choose to live should be recognized as well.

As Pennsylvanian Paul Silver, of the nearby Bucks County Land

Use Task Force, wrote last year, "City and country are fated to survive together or die together." I am an optimist. I believe they will survive -- and that they can prosper. But the problems are complex and their solution will demand a mobilization of all the energy, talent, and dedication Americans can muster.

We need a national urban policy -- not a policy handed down by Washington -- but a policy formulated by many segments of our society -- a policy which draws on the perspective and expertise of local and state officials, as well as the federal government, of businesses and unions, of the financial community, environmentalists, and all manner of informed individuals. In short, planners, politicians, and most of all people, must come together to set goals as to how we want to live, and how we want to use our limited resources.

The United States alone among the industrial nations lacks such a comprehensive urban outlook. And there can be little doubt that our cities, large and small, have suffered for it.

Lack of planning, or sometimes too much bad planning, a fascination with cars and freeways, an inadequate concern for the environment and for preservation of a human-scale in our cities have combined to erode and in some cases destroy the quality of life in major urban areas.

Yet in smaller cities and towns, and in rural areas, the quality of life is something real and tangible. There is a richness to the quality of life in small town and rural America which goes beyond mere material possession. I believe the way of life in those areas is and can continue to be a source of strength and stability to our country. And I believe it is encouraging that

a concern for the quality of life appears increasingly important in decisions made in both the public and private sectors.

### HISTORICAL OVERVIEW OF URBANIZATION

Men have of course lived in large cities since the beginning of civilization but only since the 19th century has the urban-rural balance shifted decisively in favor of large cities. With the advent of industrial civilization, men and women in increasing numbers deserted life on the farm for life in the city.

Behind the swelling of the large cities were many factors - and among the most important was the increase in agricultural productivity. The mechanization of agriculture meant that one man could do as much work as many men. People thrown off the land congregated in a few large cities in search of jobs and new opportunities.

Unlike the farm, where life followed the cycle of the seasons, the new cities were bustling and constantly changing. Cities were places of great opportunities. Large cities attracted the most imaginative, creative and ambitious individuals because large cities offered unlimited wealth and social advancement to the industrious and the clever.

Large cities had problems as well as promise and progress. Those individuals not lucky enough to share in the new wealth crowded into giant slums. Poverty was nothing new, but never before had the poor been concentrated into one place in such numbers. The giant slums bred crime, alcoholism, and social ills. Giant social service agencies increasingly provided the educational, health and welfare services formerly provided by family and neighbors.

As we progressed into the 20th century, we began to realize that large cities were environmentally unsound. Because so many people were concentrated into small areas, activities like fuel burning and waste disposal were far more harmful than they were when people were more scattered. Although not confined to large cities, environmental breakdown occurs first and with greatest severity in and around big cities.

Gradually, people realized that they had escaped the miseries and hardships of the farm only to be victimized by man-made disruptions. Recent power black-outs, transit system breakdowns and public employee strikes have underscored the helplessness of the big-city dweller.

Today, urban sprawl threatens even the farm land that once seemed so limitless. Every year great amounts of farm land are

paved over by new urban developments.

THE FEDERAL ROLE IN URBANIZATION

The problems associated with urbanization and the increasing number of Americans living in urban areas inevitably attracted federal intervention. We should recall that by 1920, a majority of Americans lived in and around our cities. Today, three-quarters of our population is urbanized. This concentration has generated demands for social services, welfare and housing aid. During the Depression, city tax revenues were low and municipal bonds had to be issued for large-scale civic improvement projects. But in 1933, such bonds in Greensboro, North Carolina, were worth only forty cents to the dollar. President Hoover rejected a request by this country's mayors for \$5 billion to assist capital projects in our cities. Instead, he established the Reconstruction Finance

Corporation, the first of such agencies to make loans to municipalities.

Franklin Delano Roosevelt's dictum -- that the federal government's primary responsibility is for the economic and social well-being of the American people -- brought massive federal aid into urban areas. Billions of dollars were channeled through federal agencies such as the Federal Energy Relief Administration, Civil Works Administration, Public Works Administration, Works Progress Administration, and others.

Beginning in 1949, the Federal Government encouraged urban renewal with federal funds. But the condemnation of slum areas led to the destruction of entire neighborhoods in the name of improvement, tenants were evicted and small businesses were dispossessed. The urban violence of the 1960's led to the 1964 Federal



Housing Act, which provided relocation information and financial aid to the displaced. In 1966, a cabinet-level department of Housing and Urban Development was created. One of its first major tasks was to guarantee literally hundreds of thousands of home mortgages, but the attempt was less than successful when the foreclosures reached 3500 units per month. Only a couple of years ago, HUD was the owner of 65,000 abandoned homes and acquired the title of the nation's biggest slumlord.

More recently, a federal response to the urban dilemma has been revenue sharing. In 1972, Congress passed the State and Local Fiscal Assistance Act which returned federal taxes for programs of public safety, transportation, environmental protection and social services. The distribution formula was based on population rather than need and thus was of primary benefit to small towns and

suburbs. The larger cities, faced with a new urban crisis of a population polarization leading to greater social demands than available income, once again were confronted by financial collapse. Rising costs for social services and irresponsible claims by municipal employee unions forced New York City to borrow against anticipated tax revenues. The city's bankruptcy in 1975 was barely avoided through a federal loan of several billion dollars. The problem is still with us today.

#### RECENT PROGRESS

As a member of the Senate Committee on Banking, Housing and Urban Affairs, I'm pleased that some tangible progress was made last year as the Congress enacted, and the President signed into law, an omnibus housing bill, the Housing and Community Development Act of 1977.

The Act requires a biennial report from the President on overall policy for cities, contributing to the formulation of a national urban policy. It also mandates the Secretary of Housing and Urban Development to undertake a study on small cities, and report to the President and Congress not later than one year after the enactment of the 1977 Act. The Secretary is to take steps to improve the data available about small cities, and to consider a variety of topics of special interest to small cities. To my knowledge this is the first government commission or task force of this level to examine specifically the problems of small towns.

Under the "UDAG" program -- Urban Development Action Grants -- which are to promote commercial and industrial development and foster conservation and revitalization of neighborhoods in cities and urban counties which have declined economically -- 25 percent

of the urban action funds were specifically reserved for smaller cities with populations under 50,000.

Similarly, 20 to 25 percent of Section 8 monies, which provide assistance to low-income renters, must be used in non-metropolitan areas.

The Act also dealt with discretionary block grant funds -- increasing the amounts to non-metropolitan areas for fiscal 1978, and making certain legislative changes to enhance the ability of smaller cities to formulate and implement a coherent strategy.

These are a few specific steps in the right direction. I believe they reflect a growing Congressional concern for smaller cities. But many problems remain to be tackled.

#### REMAINING BIG PROBLEMS

Chief among major obstacles is the lack of coordination among

governmental agencies responsible for various programs which impact on small cities. HUD, the Department of Agriculture, the Farmers Home Administration, H.E.W., the Departments of Transportation and Commerce, and the Revenue Service all come into the picture.

As is so often the case with the federal government, there is no real guarantee that the left hand knows what the right hand is doing.

There is also no guarantee that some small communities won't simply fall between the cracks in terms of eligibility for various programs. We need to rationalize the federal structure in this regard.

But establishing eligibility for any specific program is just the beginning. The process of dealing with the federal government is cumbersome and costly. As the House Banking Committee has

noted, a total of 534 federal grant programs to state, and local governments generate over 49 million transactions with federal agencies each year. Often, grantees have to deal with several agencies on a single project, each with its own forms and procedures. In the health field, for example, 10 different agencies administer some 230 health programs. State and local governments expend each year some 24 million hours of work, costing some five billion dollars, merely to meet federal paperwork requirements.

This too, has been looked into by the Congressionally mandated Commission on Federal Paperwork -- but the Commission's recommendations have yet to have their full impact.

Delay also plagues and frustrates local officials at every turn. The city of Des Moines, Iowa, for example applied to HUD in 1970 for a grant to build an aqueduct. It took the city

five years to get HUD's approval. And in the meantime, the cost went up nearly \$3 million, though HUD made no substantive changes in the proposal.

Similarly, on a larger scale, the Port Authority of New York has spent five million dollars on federal paperwork alone on a single mass transit project for which it has been waiting for approval from the Urban Mass Transit Authority since 1973.

The lack of coordination and the incredible tangle of government regulation and redtape hit at cities regardless of their size. And all cities would stand to gain from a comprehensive restructuring of federal programs in health, welfare, housing, transportation, and general government economic support and taxation.

But the federal government can only do so much. The primary burden must remain with people themselves. The federal government

cannot revitalize neighborhoods. It cannot infuse community spirit. These tasks must remain at a local level.

#### TRENDS IN URBAN DEVELOPMENT

Any federal policy must not only recognize existing problems but it must anticipate possible problem areas of the future.

Advantages and disadvantages seem to be going hand in hand in our urban development. It was President Johnson who said in 1966

We know that cities can stimulate the best in man, and aggravate the worst. We know the convenience of city life and its paralysis. We know its promise, and its dark foreboding...Shall we make our cities livable... or...damn them to fester and decay?

What, specifically, will the Federal Government have to keep in mind as it plans to cope with urbanization?

First, there are regional shifts in population and economic activity. Between 1960 and 1970, the population growth rate for



the Northeast and the North Central region was only about ten percent, compared to a growth rate for the West of 24 percent, and for the South of 14 percent. For the period up to 1975, the southern population increased by eight and a half percent, while the Northeast grew only by less than one percent. This drastic shift in population also implies a relocation of non-agricultural employment opportunities in favor of the West and South, and a corresponding augmentation in the number and size of small towns.

The second trend is a depopulation of center-cities, a move of city residents into suburbs rather than rural areas. Just within one year, March 1975-1976, about 400,000 people resettled away from metropolitan areas. Business has not relocated at the same rate but this pace is accelerating. Reasons for such mobility are the high cost of working in city centers, the decline in the

quality of life, which I mentioned earlier, and the more attractive alternatives offered by suburban living.

STRATEGIES FOR FEDERAL POLICIES

I am aware that all American cities are in some respects unique, and the trends affecting urban development will apply differently, will call for different local measures and different types of federal assistance. There can be no uniform federal solution to urban problems. The only common denominators in a federal urban policy should be flexibility and reliability.

In the past, the Federal Government adopted four major approaches for dealing with the complexities of urban change. One was functional, which sought to reduce urban concerns over housing, education, crime, job creation and similar tasks through federal programs. The achievement was limited because this approach neglected

the close interrelationship to other components such as family structure or county responsibilities. Another strategy was concerned with infrastructure, seeking to create city-wide management and jurisdictions but formidable political opposition by special interest groups slowed down any reorganization attempts.

A third federal approach was to deal specifically with low-income residents. But poverty is closely related to race, civil rights legislation, and affirmative action programs and could not sufficiently be detached from widespread deprivation and a general economic decline. The fourth approach, revenue sharing, was introduced by the Nixon Administration but also had its weaknesses. Fiscal relief did not encourage better city planning; the political power of local governments continues to diminish and revenue sharing remains far short of satisfying the needs of our cities.

It is clear to me that the Federal Government, and Congress, must focus upon key elements of an urban strategy. These include immediate steps to counter the decline in urban economic activity. Federal participation must concentrate upon economic development programs and, since budgetary resources are limited, should determine priorities as to location and projects. Last, but not least, we must seek to stimulate potential local leadership by establishing a productive and comprehensive link between federal and local government officials.

#### THE PROMISE OF SMALL CITIES

Those of us who favor the return to smaller communities have good reason to be hopeful about the future. The shift to urban areas that so long dominated population trends has reversed itself in recent years with unexpected quickness.

The generation of young people today is much less attracted to the big city than before. Increasingly, good jobs are available in communities that previously had been backwaters. Services that were once only available in the largest cities are now available in much smaller communities.

There are several reasons for the optimistic prospects for smaller cities. First there is what I call the "income effect." As the general wealth of society increases, people are willing to forego additional income in exchange for "quality of life" improvements. Smaller cities and rural areas will be the primary beneficiaries of this trend. Once people are assured some acceptable standard of living, they will start to value those intangible qualities of life that small cities particularly have: clean air and water, quiet, a sense of community, attractive surroundings.

The explosive growth of communications technology will also accelerate the move toward smaller communities. Formerly, people had to be within walking distance of each other or else rely on cumbersome, expensive and inefficient means of communication. The cost of communicating is going down and reliability is going up. This improvement in communication means that people will no longer have to live in big cities in order to have the information and entertainment resources of the city. Even the remotest areas will soon have access to as many TV and radio stations as big city dwellers have always had. A startling example of our new ability to communicate better can be seen in India. There, American supplied relay satellites beam in dozens of TV stations to remote villages that lack even running water.

The growth of our transportation system also accelerates

the move to smaller communities. Business headquarters need no longer be grouped in one place. Today the costs of transporting goods to the market are about the same for businesses located at any point on the interstate highway system. Cheap and efficient transportation will further the growth of smaller cities by eliminating the need for factories and businesses to cluster around a few ports or rail centers, as in the past.

Our efforts to clean-up the environment will likewise favor the growth of smaller communities. It is an inescapable fact of life that the costs of pollution control rise rapidly as one seeks to remove each additional percentage of waste from the air and water. Removing 99 percent of pollution can sometimes cost twice as much as removing 95 percent. The density of population in large cities requires that a greater percentage of pollutants be

removed in order to obtain a given level of environmental purity.

The additional costs of this clean-up will diminish the attractiveness of living in a big city.

We are, I believe, witnessing a second major revolution in the pattern of American life. The tide which brought masses of people to the big cities is turning. We Americans have never lost the place in our hearts for our small-town heritage, and for all the good things it represents. One may even look upon the suburbanization of our big city hinterlands as an attempt to recreate the atmosphere of a small town living environment, while drawing the benefits of big-city concentration and economic opportunity.

The reasons for that concentration are ending. Better economic opportunity may well lie in the town one's parents lived in, and the isolation of such communities is a thing of the past. As a



people, we want to live in a small-town America, and the possibility for doing so is rapidly becoming an economic fact.

Government would do well to follow the people's lead. That migration away from the big cities to the small towns is growing in significance, and it will mean different governmental strategies will be needed, although that does not mean we will be able to abandon the big cities in our policy. We have witnessed the astounding growth of state and local government, but we have not witnessed adequate change in the way those units of government have to deal with Washington. I still hear speeches on the floor of the Seate which assume that local government lacks competence and fairness, and that the federal government must keep them in line. Such attitudes belong to the dark ages, because they are so out of date, and so out of touch with reality.

We hear new talk of a revised federal-local partnership, and such a thing is very much to be desired. The people, in ever-larger numbers, are moving to the small towns and cities throughout America. A return of more autonomy to their local governments, and a net decrease in the amount of time and money they spend dealing with Washington, must follow this new pattern.

The new migration is entirely commensurate with the Constitutional design of our form of government, which emphasizes local responsibility and local authority. We are moving closer, once again, to the kind of society the draftsmen of the Constitution envisioned. In the immediate future, we must find a simplified bureaucratic structure to go along with the new facts of American life.