

Agriculture by Sue Atkinson

Anything but 'development'

The USDA has announced the creation of "rural development councils" to control rural resistance to the collapse of services.

On Feb. 19, Secretary of Agriculture Edward Madigan announced the establishment of "rural development councils." The U.S. Department of Agriculture (USDA) press release gushed: "Rural development councils featuring a coordinated economic development partnership between government and private industry will be established in 34 states and two U.S. territories." By the end of 1992, the USDA plans to have rural development councils in 42 states, Puerto Rico, and the Virgin Islands.

These councils are designed for anything but "development." Made up of federal, state, county, and town governments, and private businesses, the councils will employ criteria of "creditworthiness" to determine what rural services stay and what go—including water, sewerage, and medical facilities—the corporatist equivalent to "triage." In the new "rural development" program there is no new funding, nor any emergency measures to shore up farms and municipalities now going bankrupt. The USDA fact sheet states, "The councils do not represent a new grant program, but rather a collaborative use of existing federal, state, local government and private sector resources."

This scheme originated with the Working Group on Rural Development, set up in March 1989 by President Bush's Economic Policy Council. Over 1990 and 1991, the corporatist boards were tested in Kansas, Maine, Mississippi, Oregon, South Carolina, South Dakota, Texas, and Washington. Madigan, who heads the Working Group, said on

Feb. 19, "When the President announced his Initiative on Rural America, he made it clear that government and the private sector need to work together to get rural America back on track based on locally identified needs."

How has this worked, for example, in Iowa, which, as of March 10, is one of the USDA's target states for a rural development council? There is a bill currently in the state legislature which is designed to promote regional governments, across local and county lines. Whether it passes this session remains to be seen, but the news media are strongly promoting the idea that the time for regional control has arrived.

Local budget crises are key in the promotion of regional types of services and governments, because they give the appearance of "fixed resources." Consolidation of government and other services is promoted as "efficiency," ostensibly because it appears to be the only option in the face of federal reductions in the amount of money available to states, state reductions in the amount of money available to local governments, and a tax base which is shrinking by the day as the economy falls apart.

A blueprint for how to shrink Iowa's economy and services was written by the Stanford Research Institute (SRI) during the 1980s. Titled the "Iowa Futures Project," this plan, one of several by SRI, called for Iowa's 953 communities and 99 counties, which had been supported mainly by agricultural production and small manufacturing, to be regrouped into 13 or 14 regions of urban areas sur-

rounded by clusters of about 200 smaller communities—a sort of a neo-feudal system.

As Iowa's economy collapses, this plan is being implemented in stages. "Merger mania" has been applied to all aspects of the economy in the mistaken illusion that "bigger is better and more efficient"—and, thus, expenses can be reduced.

Various organizations are assisting in this so-called "clustering" process of the economic base. For instance, towns are urged to share services instead of each struggling to provide them. Now, counties are being urged to do the same thing, as merely an intermediate step in the process toward regionalization, which is mirrored in the school-sharing concept. So far, people may grumble a little about losing their independence, but the process is taking place. Moreover, communities are pitted against each other, fighting for available loan funds and for the local businesses that will keep their economies going.

"Assisting" in this process is the form of targeted financing known as "rural development." The USDA rural council program offers to streamline federal small business loan and credit applications, and speed the processing of other project requests. Thus, "rural development" is a system of national programs in which towns and businesses, meeting certain USDA criteria, can qualify for investment money for "approved" projects. Areas and projects not considered creditworthy are denied funds, which in the Depression will doom them to extinction.

At one time, rural banks had a territory of about 50 miles, and it was in the best interests of everyone to economically develop that area. Today, thanks to the Depression, many rural banks no longer exist, and the USDA's regionalization scheme is moving into the vacuum.