


3-22-1975

## YOUTH AND THE RURAL RESURGENCE

Clayton K. Yeutter  
*Assistant Secretary of Agriculture*

Follow this and additional works at: <https://digitalcommons.unl.edu/yeutter>

 Part of the [Agricultural and Resource Economics Commons](#), [International and Area Studies Commons](#), [International Economics Commons](#), and the [International Relations Commons](#)

---

Yeutter, Clayton K., "YOUTH AND THE RURAL RESURGENCE" (1975). *Clayton K. Yeutter, U.S. Secretary of Agriculture Papers*. 50.  
<https://digitalcommons.unl.edu/yeutter/50>

This Article is brought to you for free and open access by the Yeutter Institute of International Trade and Finance at DigitalCommons@University of Nebraska - Lincoln. It has been accepted for inclusion in Clayton K. Yeutter, U.S. Secretary of Agriculture Papers by an authorized administrator of DigitalCommons@University of Nebraska - Lincoln.

### YOUTH AND THE RURAL RESURGENCE

Many of us have been concerned about the apparent decline of rural America for some time. We have watched the outmigration of people from farms and rural towns. We have worried about the substandard housing and the relative scarcity of health care. We have charted declining economic bases and shrinking rural job markets.

Thus, it is a particular pleasure today to see rural America staging a comeback. A radical turnaround is under way in rural and small town areas. It is changing the destiny of these areas, making them more attractive places for young people like yourselves to locate and build families and careers.

No longer is rural America a declining area. On the contrary, the exodus of people from rural areas has all but stopped. Our farm population has stabilized.

Between 1970 and 1973, the population of our nonmetropolitan areas grew 4.2 percent, compared with a 2.9 percent rate of growth in metropolitan areas. For the first time in this century, more people moved out of the metropolitan areas than moved into them.

The big cities are rapidly losing their appeal as places to live and work, and as centers of business and industrial activity. Surveys currently show that well over twice as many people prefer to live in rural and small-town areas as now live there.

Jobs are now increasing faster in the non-metropolitan areas too. In the 1960's, city jobs increased faster by 80 percent. But, between 1970 and 1973, the number of jobs in non-metro areas grew more than twice as fast as the number of metropolitan jobs.

---

Address by Assistant Secretary of Agriculture Clayton K. Yeutter before the Senator's Conference with Youth, Oklahoma City, Oklahoma, March 22, 1975.

The percentage of rural housing classified as substandard has dropped from 55 percent in 1950 to less than 15 percent in 1970, and is presumably still dropping.

These statistics simply back up what most of us have already seen for ourselves. We have watched this economic resurgence ourselves in the past few years.

One of the most inspiring things about the rural resurgence has been that so many people have been involved in it. The turnaround has resulted from the efforts of hundreds of thousands of people all over the country. The Federal government has played a helpful role--but the real thrust of the change came from the people of rural America....from farmers who used their efficiency and productivity to produce food for the world in larger quantities than ever before; from the citizens of small towns who decided to rebuild their communities; from far-sighted businessmen who saw rural communities as better places to build their plants; and from young people like yourselves who decided they would rather grow with rural America than migrate to the cities.

One of the most helpful things that government has contributed to the rural resurgence has been the shift to a market-oriented farm policy. Market orientation has opened new markets for U.S. farm products, and generated billions of additional dollars in income for farmers and farm-related industries. The additional farm incomes, and the additional jobs generated by this farm export market growth, have played a significant role in the "new look" our rural communities are sporting.

The old farm policy approach was called "supply management." It was aimed at keeping prices high by holding down farm production. For the short run, this had considerable appeal to farmers. Unfortunately, over the years it had the effect of discouraging the growth in farm markets. It gave our farmers no incentive--often no opportunity--to pursue new export markets. It limited farming opportunity severely--particularly since the productivity and the yields of individual farmers kept increasing. "Supply management" turned American agriculture into a gigantic game of musical chairs--and every time that engineers and scientists came up with better machines or new techniques, more farmers found themselves without places in the game.

Export market growth for our farmers is basically a function of economic growth in other countries. As more people in more countries improve their productivity and increase their incomes, they try to improve their diets. This diet improvement has been by far the biggest factor in the rapid growth in world demand for grains, soybeans and livestock products.

During the 1960's, the output of the world's economies increased sharply. Output per person jumped 45 percent in the developed countries, and 36 percent in the developing countries. These income increases led to a 57 percent increase in world grain trade during that decade.

But American farmers did not really begin to compete for those export markets until the passage of the Agricultural Act of 1965, which backed away from high price supports and limited production. Farm exports in the early 1960's hovered in the \$5 to \$6 billion range, and net farm income ranged between \$11 and \$12 billion.

Since we have moved to market-oriented farm policies, our farm exports have zoomed. We sold \$21.3 billion worth of farm products to other countries in fiscal 1974, and the total for 1975 will probably be even higher. Farmers' incomes have dramatically reflected this export improvement, reaching \$36 billion in 1973, and an estimated \$27 billion during 1974.

Farm products have become our leading national export, making possible our imports of oil, raw materials, and other things we buy from other countries.

It is surprising, in light of the solid success of market-oriented farm policies, that an attempt is now being made to reverse our farm policy course. The Congress is currently considering farm bills that would boost price supports and target prices in another attempt to lock in profits for farmers. Unfortunately, we have 40 years of experience to prove that when we try to lock in profits for farmers, we lock the door on opportunity for farmers. A new round of surpluses, production controls, and subsidies will be the inevitable result of a return to "supply management."

You, as young people, should be thinking seriously about the kind of country in which you will be building careers.

This nation has had a free enterprise economy for more than 200 years-- simply because free enterprise has been the most effective way to deliver the highest standard of living for the most people. It is no accident of history that Americans enjoy the highest level of affluence for the greatest number of people ever provided on this planet. Ours is a system of incentives-- incentives that reward innovation, experiment and new ventures. It is a system in which price signals tell farmers and businessmen what consumers want--and reward those who respond with profits.

Our decentralized economy--in which millions of people are constantly involved in our decision-making--is far more efficient and effective than government planning. It harnesses the creativity and the energy of people more effectively. It gives us more scope to use our talents for the good of all.

Free enterprise is not really business-oriented as much as it is people-oriented. The key word is not profit, but cost-effective.

Remember that our current rural development success has come about mainly through the efforts of rural people themselves, working with the forces of the market. Rural America is selling itself, and succeeding.

Contrast that success with forty years of vain government efforts to improve farm incomes.

To me, both indicate that we should stress free enterprise for our nation, and a market-oriented farm policy approach for our agriculture.

# # # # #