

sary adjustments to convert to bulk tank storage were forced to discontinue production of grade A milk.

Emergence from the poverty category also is complicated by our inclination to discourage a free flow of human resources. Although the costs of migration should be viewed as an investment in increased productivity of the human resource, migration is not generally encouraged in our society. On the contrary, in many instances, the kinds of training which are provided for people and the job information which is disseminated to them through publicly supported institutions are tempered by the fact that geographic mobility of human resources is discouraged.

In short, the unevenness with which the economy develops spins off broad segments of poverty. The private enterprise system is based upon progress, growth, and development. There is incentive, therefore, to work with those who will innovate and develop. When, for various reasons, people find that they are unable to make the necessary adjustments they may become trapped in low-income positions. In like manner, in many of our social institutions we have developed incentives to work with people who are in a position to innovate and to expand production. Consequently, the poverty sector has been largely ignored.

The culture of poverty which has emerged has become highly static in its orientation. Individuals frequently have failed to take cognizance of the signals which were transmitted to them. They resist socioeconomic change. Some scorn change, fight vainly to perpetuate the status quo, and maintain and impart false hopes to situations where there is no hope. In an effort to avoid change, many remain opportunely ignorant of developments taking place about them and their consequences. The pockets of poverty, therefore, tend to stagnate and to be perpetuated through time.

BREAKING THE CYCLE

Now, the really important questions relative to the poverty problem concern what can be done to break through the cycle. The remainder of my comments are focused upon six targets that should receive emphasis in an attack on rural poverty. These targets are (1) full employment, (2) agricultural reorganization, (3) area planning and development, (4) human resource development, (5) leadership development, and (6) income transfers.

Full employment.—First and foremost, we know that it is easier to make adjustments and to improve conditions in all areas when the national economy is growing at a rapid rate. As the Nation grows, all regions tend to grow and per capita income in the low-income regions increases relative to that of other regions. In view of these facts many people subscribe to the view that the current high level of unemployment and the poverty which persists in society represent a deficiency in aggregate demand. It is argued that whether a person is disadvantaged or in the poverty category depends to a considerable extent upon the general level of economic activity and upon conditions in the labor market.

Impediments to resource development and to labor transfer become stronger during periods of recession and heavy unemployment. This is true of racial barriers, educational levels, and other impediments. Many persons who would be quite employable in a tight labor market find themselves disadvantaged in a labor market characterized by high unemployment.

Even so, it has become obvious that there are differential rates of growth in the demand for labor in various occupations, and there is a premium upon acquiring the training and skills needed for employment in rapidly growing occupations. Thus, while a high rate of national economic growth may be a necessary condition for breaking the cycle of poverty and for achieving a full employment economy, the high rate of economic growth per se is not sufficient to achieve these goals.

Agricultural reorganization.—Extensive reorganization of agriculture is necessary to break the cycle of rural poverty. The changes which will be required include the (1) changes of the kinds and amounts of farm products produced in low-income areas; (2) increasing the amounts of capital and changing the form of capital invested per farm; (3) improving managerial skills; (4) coordinating marketing and farm adjustments; and (5) expediting migration of labor from farm to nonfarm employment.

Bold and imaginative steps must be taken if we are to insure that poverty is not perpetuated in rural areas. The cold, hard facts are that agriculture now has more land and more labor than can be profitably employed in the production