

States of the Union

THE LITTLE AGENCY THAT COULD

BY RICHARD J. MARGOLIS

... President had to give hours daily to the Federal patronage, the distribution of offices and applicants for places—more time than all other items on the day's program. . . . One [applicant] stopped Lincoln in a hack at a street crossing and handed up his recommendation papers to Lincoln, who frowned. "No! No! I won't open shop in the street," and he rode on.

—FROM CARL SANDBURG'S *Abraham Lincoln: The War Years*

DEAR JIMMY CARTER:
My name is Richard Margolis and I'm running for director of the Farmers Home Administration.

No doubt this is the wrong way to go about getting a Federal appointment. Instead of waylaying your carriage and asking you to "open shop in the street," I should take a more conventional tack—telephone senators, pull strings, hint to persons in high places at my availability. But I have a problem similar to the one you faced three years ago: no renown and no connections, just a yen for the job and a conviction that I can do it better than most.

The position I seek with the Department of Agriculture is relatively minor in the Washington scheme of things—too small, some will say, to merit your full attention. I don't agree. The Farmers Home Administration (FmHA) may not be the biggest bird in the Federal aviary, but in certain important respects it is a *rara avis*, a wide-winged agency that has never been allowed to fly.

As you know, the job of FmHA is to provide certain types of aid and comfort to rural Americans, especially to the 14 million who are poor. It extends credit to farmers, gives grants to small towns for water and sewer systems, and channels housing loans to rural families. This last role—that of getting people out of their shacks and into decent houses—is the one I want to speak about. But people have a critical stake in all three FmHA programs—in the city no less than in the country. Our small farms are disappearing at the rate of one million per decade, a continuing catastrophe that has led to the largest migration in world history. Since 1945, 25 million citizens have moved from rural regions to the city, often

abandoning leaky huts for heatless tenements.

In theory, and with a green light from you and the Congress, FmHA could take a giant step toward solving the nation's persistent housing headache. Although our policy-makers have given the fact scant credence, it remains true that 60 per cent of all the bad housing in America is still out there in rural areas and small towns, and that Farmers Home is the only agency in Washington authorized to pay close attention to the problem.

Moreover, in a structural sense at least, the agency is unusually equipped to accomplish the job. Its astonishing network of county offices—1,772 in all—should make it possible for rural applicants to get prompt, personal attention, a convenience that anyone who has had to confront HUD's or HEW's remote bureaucracies can instantly appreciate. With a little luck and a lot of leadership, FmHA's county offices could become local credit agencies and ombudsmen for rural people, filling a vacuum left by the banks (which have redlined the rural poor) and by the separate state welfare systems (which remain largely indifferent). To a degree, this little-known agency, through the work of its field staff, could take on the role that Lincoln envisioned for the entire Department of Agriculture when it was founded in 1862: It would be, he said, "peculiarly the people's department. . . ."

In practice, FmHA's efforts have been more symbolic than substantive. This is not wholly the fault of the agency; until the start of Richard Nixon's second term—when all pretense of Federal compassion went by the boards—it often fought the good fight for more funds and broader programs. Yet even the best of past Presidents and past Congresses have tended to treat the agency and its 60 million rural constituents as beggars in overalls. The handouts to Farmers Home have increased over the years, but they

have always been just that—hand-outs. By and large, despite the geographically skewed ratio of bad housing, our national leaders have preferred to concentrate their attentions on urban slums rather than on rural shacks.

The \$6.4 billion that FmHA will distribute in fiscal '77, a little more than half of it earmarked for rural housing, can hardly compare with HUD's projected outlay of \$43 billion, most of it headed for housing in the cities and suburbs. Last year Farmers Home money helped 105,000 rural families to build, buy or repair their houses—not a bad record, until one considers the need. There are 2.5 million substandard houses in rural America.

The gap between rural housing needs and the Federal response becomes clear when we look at your own Sumter County (population: 7,613) in Georgia, and at adjoining Webster County (population: 643). According to the 1970 census, about one-third of all the occupied houses in Sumter and more than half of those in Webster are substandard; in other words, nearly 3,000 families in the two counties live in houses with one or more of the following defects: dilapidation, overcrowding and lack of indoor plumbing. The counties' black residents suffer the most. Two-thirds of all black-occupied houses in Sumter, and 93 per cent of those in Webster, are without indoor plumbing.

Since the proportion of substandard houses throughout Georgia is only 19 per cent, one might expect the Farmers Home Administration to have made an especially strong effort in Sumter and Webster counties; one would be disappointed. During the 15-month period that ended last September, FmHA approved only 15 housing loans to Sumter residents, amounting to \$155,000. In Webster, incredibly, the agency made just one housing loan, for \$4,000.

The record in your home counties is all too typical of FmHA's per-

formance elsewhere. It tends to expend its resources carelessly, with a prayerful aimlessness, and with little thought given either to national priorities or to local requirements.

A case in point is the agency's attitude vis-à-vis minorities. Half of all poor people in rural America are nonwhite, yet during Earl Butz' melancholy stint as Secretary of Agriculture the proportion of housing loans made to nonwhite families steadily dropped. In 1972, the year Butz took office, nearly a quarter of all FmHA housing loans went to members of minority groups; by the end of 1975 the ratio had dipped to 14.7 per cent. FmHA administrations regularly reject charges that they discriminate, but their record is not reassuring. Civil rights review procedures within the bureau are practically nil; most complaints of alleged racial discrimination are handled in secret—not even the complainant is allowed to see the investigator's report—and to date all such cases have ended in official exoneration of agency personnel.

ONE OF THE reasons you swept the South, both in the primaries and in the general election, was the support you got from rural black voters. In Mississippi, for instance, white-dominated cities like Jackson and Biloxi went to Ford; it was the rural sections, 65 per cent black, that pulled you through. You can pay back part of the debt now by making certain racial inequities disappear from the Farmers Home program.

I am reluctant to get out of your carriage's way until I have made some recommendations. In the time allotted, seven come to mind.

1. Accept the happy notion that Farmers Home can play a major role in our national housing program; your goal should be between 300,000-400,000 FmHA housing loans each year, thereby solving the rural housing problem within a decade.

2. Hire a director who will fight

for both the agency and its rural clients. The present director, Frank Elliott, a retired general who came to FmHA courtesy of the Strategic Air Command, has sleep-walked through Congress, saying little and requesting still less. You cannot expect sympathetic Congressmen to keep on trying to stuff cash into FmHA's reluctant purse; the initiative must come from the agency.

3. End the bigotry. It's a sin and a scandal.

4. Ask Congress for "deeper subsidies," that is, for more low-interest, long-term loans that can assist poor people. And make sure there is enough administrative money in there for such vital services as debt counseling and home-care education. Sumter county can't be rebuilt in a day; it will take some tender loving care.

5. Beef up and better distribute the agency's county and state office system. New England has only two state offices, in Vermont and Maine. What about Massachusetts, where rickety rural housing abounds? And why should the FmHA state supervisor in California have to worry about Nevada and Hawaii, too? He's got enough shacks just in the San Joaquin Valley to keep him busy.

6. Encourage the agency to help small farmers; we're already down to fewer than 3 million farms in America and we can't afford to lose more. But remember that Farmers Home is there to help *all* rural Americans, and that 85 per cent of them do not live on farms.

7. When you get around to reorganizing the government, consider a plan that will make FmHA responsible for all rural housing and small-town development. The people out there tend to get lost in the HUD shuffle; they need an agency of their own.

Thank you for stopping to listen on your way to the White House. My resumé is attached.

YOURS,

RICHARD J. MARGOLIS