ines Creek Valley, Haywood County, North Carolina, 2007 (Ronald D Eller)

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GROWTH AND DEVELOPMENT

The modern American faith in technology and growth was nowhere more evident than in the programs of the ARC. Just as the OEO attempted to alleviate Appalachian otherness by modernizing mountain culture, the ARC sought to bring the promise of a modern economy to the mountains. Confidence in American capitalism and faith in science, technology, and public planning convinced most postwar policy makers that growth produced prosperity and that economic expansion could be managed to create better communities. For the designers of the legislation that created the ARC, the construction of "developmental" highways, vocational schools, health facilities, and other public infrastructure would help to link the mountains more directly to national markets, a process that would in turn promote growth and prosperity in the lagging region. As much as any other Great Society program, the ARC played a vital role in the modernization of Appalachia during the decades after the waning of the antipoverty crusade.

Unique among Great Society programs, the ARC was designed as a partnership between state and federal governments, and thus it represented an experiment at two levels. The commission's shared decision-making process distributed power among thirteen governors and the White House, anticipating the new federalism that would characterize government programs in the 1970s. Administered by a cadre of confident young bureaucrats and professional planners, the ARC was also a model for the new science of planned regional development. As such, it was the first agency to apply economic growth theory to public investments in underdeveloped areas within the United States. A domestic version of the Marshall Plan, the ARC was both an expression of American political culture in the postwar years and a sign of popular confidence in the ability of science and technology to produce the good life.

Like the OEO, the ARC owed its intellectual origins to theories of human and economic development that emerged in the social sciences following World War II. Whereas the framers of the War on Poverty utilized behavioral theory to design a strategy for assimilating mountain culture into mainstream culture, the ARC tapped the ideas of economists and planners to bring the region's lagging economy into line with national markets and expanding consumer services. Not surprisingly, American economists disagreed on the way to manage the postwar economy. Some believed that government should intervene in a limited way to maintain balance, stability, and security in a mature economy. Others were strong advocates of aggressive government action to promote steady growth through policies that maximized production, consumption, and full employment. Growth theory was ratified in the Employment Act of 1946, which made the pursuit of full employment and maximum production official government policy, and it was institutionalized in the creation that year of the president's Council of Economic Advisors.

The emphasis on growth rather than on economic stability reflected the tremendous outburst of national optimism after World War II and was fueled by the emergence of the consumer culture in the 1950s. In contrast to the economy of scarcity of the Depression era, the postwar economy of abundance appeared to promise a better life for everyone, without the political problems of redistributing limited wealth. Advocates of growth theory believed that government should work aggressively to increase the nation's productivity and that rising productivity, rather than structural reform, would reduce conflict over issues of social equity. As economic historian Robert Collins has observed, policy makers turned to the social sciences "to move issues of social strife out of the political arena and into the court of scientific analysis." They assumed that rising demand for new consumer products would stimulate further growth, and the cycle of demand and consumption would benefit everyone. In this way "economic growthmanship" expressed the ascendant values of the modern consumer culture and appealed to business, labor, and middle-class voters alike.[1]

In 1960 growth became one of the central mantras of John F. Kennedy's New Frontier. Under the leadership of Walter Heller, Kermit Gordon, and other growth theory economists, the Council of Economic Advisors emerged as the leading proponent within the administration of utilizing government resources to promote economic expansion. Even the War on Poverty was based on the promise of economic growth. As Walter Lippmann observed in March 1964, "A generation ago it would have been taken for granted that a war on poverty meant taxing money away from the haves and . . . turning it over to the have nots. . . . But in this generation . . . a revolutionary idea has taken hold. The size of the pie can be increased by invention, organization, capital investment, and fiscal policy, and then a whole society, not just one part of it, will grow richer."[2] For Heller and other economists, the goal of the OEO and the ARC in Appalachia was not only to increase the per capita income of the region but to change the region's culture and economy so that it could contribute to, and benefit from, national growth.

Expansion of the region's economy was always the primary goal of the Appalachian Regional Development Act. The Appalachian governors who initiated the legislation distinguished between temporary aid for relief from unemployment and permanent investments for development. Appalachia, they argued, was underdeveloped and needed the infrastructure—including highways, factories, schools, and water systems—to sustain a modern economy and lifestyle. Determining how best to promote development, however, involved a contentious and highly politicized debate. As defined by Congress, Appalachia was a diverse region, and the political needs of thirteen governors militated against any single strategy or regional plan. Consequently, the early policy struggles within the ARC focused on investment strategies to achieve regionally measurable growth rather than on issues of social equity or on the cultural and environmental consequences of development itself.

At the center of the ARC debate about regional growth was a single sentence added to the second ARDA before its passage in 1965. To placate key economic advisors on the White House staff, PARC executive director John Sweeney attached language mandating that public investments made in the region under the act concentrate in areas where there was significant potential for future growth. Added because of budgetary fears that it would waste limited federal resources to attempt to address the problems of every small community in such a vast region, the sentence also reflected the prevailing philosophy of most national economists that growth started at growth poles (urban areas) and filtered outward to peripheral rural communities along developmental axes (highways) that connected rural people to urban services. This concept of growth center development took on special significance within the ARC process after strong advocates of growth theory were appointed to head the commission. Sweeney, formerly an economist with the Department of Commerce, became the ARC's first federal cochair; Ralph Widner, a Pennsylvania urban and regional planner, became executive director; and Monroe Newman, an economist out of Penn State University, became chief economist.

Introduced to American economists and regional planners in 1963 and 1964 just as the PARC staff was drafting the Appalachian legislation, growth pole theory heavily influenced the drafting of the ARC management code and subsequent development strategies.[3] Building on the work of French economist François Perroux, American planners suggested that the most efficient policy for public investment aimed at spurring national economic growth was the concentration of resources in the few expanding metropolitan centers that demonstrated the greatest potential for growth. These centers would be linked with each other and with smaller "urban growth complexes" by a modern transportation network that would provide access to jobs and public services to the surrounding rural "hinterland." Furthermore, the identification and support of a few "leading regions" (based on their comparative potential for growth) would allow these areas to reach a "critical size" that would sustain development and knit the entire nation into "a single, unified economy, culture, and urban system."[4]

When applied to Appalachia, this national development strategy had significant policy implications. As Widner recalled, "One of the major arguments used to oppose a special regional development program for Appalachia . . . was the fact that the region is filled with thousands of tiny, dying mining camps and rural communities. A program for the region would be doomed to fail . . . if the regional effort

was intended to resuscitate all of them through haphazard distribution of Federal largesse."[5] The solution, Sweeney told *U.S. News and World Report* shortly after the passage of the ARDA, was to "concentrate all of the [ARC] spending for economic development in places where the growth potential is greatest. . . . Ignore the pockets of poverty and unemployment scattered in inaccessible hollows all over the area . . . and build a network of roads so that the poor and unemployed can get out of their inaccessible hollows and commute to new jobs in or near the cities."[6]

Traditional models of development had assumed that growth would occur simultaneously in both core (urban) and peripheral (rural) areas, but growth pole theory required that infrastructure and social overhead investments concentrate in dominant population centers to maximize growth, rather than being dispersed to a larger geographic region. In Appalachia there were few growth centers (defined initially as areas with populations of 250,000 or more) except in the larger valleys and along the periphery of the region. Large areas, such as eastern Kentucky, had no major urban centers within the boundaries of the ARC.

Politicians in rural Appalachia therefore feared that this growth center strategy would divert critical resources for their depressed communities into cities on the edge of the region, and they were quick to rebuff the idea. In the first year of operation, the states rejected a proposal, prepared under contract with a California-based consulting firm, to concentrate ARC resources on industrial recruitment projects in major cities such as Birmingham, Knoxville, Charleston, and Pittsburgh rather than on the region's rural heartland. John Whisman from Kentucky, who was appointed as states cochair of the ARC in 1966, engaged in open dispute with Sweeney over the intent of the legislation: "The people in Washington take a look at Eastern Kentucky and then they go right across the whole business before they see anything that arouses their attention . . . a place that in their opinion has the capacity for growth. . . . There is a general feeling in this country that this is going to be a great urban nation and that everybody is going to live in the cities and that all the investments to make more jobs ought to be put in the cities and then you can move and go to the cities."[7] If national growth pole theory were applied to Appalachia, Whisman argued, large areas of the region would be excluded from the benefits of ARC funding, especially hard-hit areas of central Appalachia. Despite these protests, significant nonhighway investments during the first four years of the ARC program flowed to major metropolitan centers, including more than $10 million each for Pittsburgh and Huntsville, Alabama, and more than $4 million each to Scranton, Pennsylvania; Cumberland, Maryland; Gadsden, Alabama; and Greenville, South Carolina.[8]

Under pressure from the governors, Whisman, Sweeney, and the commission staff eventually worked out a compromise that retained the essential elements of the growth center strategy but provided political flexibility for state ARC offices to invest in nonmetropolitan areas. Conceding that Perroux's central argument about the relationship between growth poles and hinterlands focused on the "fields of economic forces" of development rather than on a discrete point in geographic space, the planners devised a three-tiered model that permitted agency funds to flow to midsize cities and towns that lay along the developmental axes between metropolitan centers and rural hinterlands. This policy allowed the states to determine their own growth areas as defined by existing public services and labor market commuting patterns. In central Appalachia, these growth areas included clusters of smaller cities organized with surrounding rural counties into sixty local or area development districts. When connected to larger urban centers by good highways and transportation facilities, these second-tier cities could provide employment and services for remote hinterland populations within a fifty-mile radius, thus creating an integrated regional development plan within a larger national development system.[9]

As a result of this compromise between the technicians and the politicians, county seats and clusters of communities with populations over seven thousand became the focus of ARC development efforts. In addition to regional metropolitan centers, smaller municipalities such as Pikeville, Prestonsburg, Hazard, Asheville, Beckley, Johnson City, Parkersburg, and Bristol were now eligible to receive funding for water and sewer lines, industrial site access roads, and other infrastructure development projects. Categorical grants for education and health would be given priority to improve the labor pool in these communi-

ties and to expand their role as regional service centers. Although the states were encouraged to concentrate their "human capital" investments in these high potential growth areas, the ARC code also permitted investments in health and vocational education infrastructure in more remote areas to enable the rural population to take advantage of the services and job opportunities to be developed in the growth centers. In fact, between 1965 and 1969, the commission allocated about 40 percent of its nonhighway funds to health and education projects in the rural hinterlands and concentrated the remainder in designated growth areas.[10]

The compromise over growth center policy allowed governors greater discretion in distributing ARC funds within their states, and it preserved the theory of growth pole development important to Washington bureaucrats. On one hand, the policy fulfilled the congressional mandate to invest in areas of greatest potential for growth and maintained the core-periphery concept of development between urban and rural places within Appalachia. On the other hand, by concentrating ARC resources in the smaller cities and expanding "big road" communities (while channeling limited assistance to severely distressed rural areas), the strategy also met the political needs of the governors, who benefited more from public expenditures in the voter-rich and politically powerful county seats than in remote rural communities.

Implicit in the ARC growth center strategy, of course, was the assumption that urban life represented the ultimate goal of regional development. For Widner and other senior professionals at the commission, economic growth was directly related to urbanization. As he explained at an ARC committee meeting in New York in 1967, "The progress of an area's economy depends to a very large extent upon the ability to provide the necessary range of services and concentration of labor force required by modern enterprise. In general, as an area's economy grows, it does so slowly until it reaches a critical mass of services, training, labor force, and public and private capital, all of which is vital to support most modern enterprise in an area." At some stage, when such concentrations have built up, he added, "the costs of congestion also builds up, and development pushes outward into the surrounding hinterlands."[11]

"The brutal truth," Widner told *Harper's* in 1968, "is that America now has only two choices: either (a) urbanization or (b) urbanization." This meant that those working to improve the quality of life in Appalachia must give up "the old American dream . . . that [we] might return somehow to the pastoral life in country villages and small farms." It also meant that little, dying towns in the mountains must "be encouraged to die faster" and that millions of rural mountaineers would "have to move away from their creek bottom corn patches and played-out mineheads."[12] They could migrate either to already overcrowded metropolitan areas, a prospect the ARC hoped to minimize, or to carefully planned, medium-size cities within or near the region.

Widner believed that, if the mountains were to keep pace with the rest of the country, the goal of development in Appalachia must be to "induce some degree of urbanization" in a region "substantially under-urbanized." As late as 1970, a staff report to the commission suggested that the Appalachian program could achieve this objective by strengthening selectively those "urban centers, either existing or to be created, which on the basis of performance, location, and potential are the most likely ones to grow in urban service employment."[13] For northern Appalachia and extreme southern Appalachia, this meant the encouragement of growth and development of ARC counties near existing metropolitan centers, but for the Blue Ridge and central Appalachia, it meant the depopulation of rural communities and the movement of populations into selected growth areas that served as extensions of distant urban centers.

These two less urbanized parts of Appalachia would be developed to play alternative roles in a modern economy. The Blue Ridge and the Great Smoky Mountains, located between the large cities of the East Coast and the Midwest, would become "the playground of the future for metropolitan millions who live on either side," and the Cumberland Plateau would be given over to natural resource development, its surplus labor force encouraged to move to "new towns" constructed along the Appalachian corridor highways or to commute to branch manufacturing plants in the smaller towns and villages. Extremely rural and remote counties would receive few ARC funds. In adopting this modified growth center strategy for the development of Appalachia, the commission staff assumed that the automobile and other technology had drastically changed the conditions under which rural

people lived in the modern world and that rural parts of Appalachia had to adjust to this change. In the future, fewer people would be employed in agriculture and mining and more in manufacturing and service trades. In addition, thanks to the automobile and to the proposed Appalachian corridor highway system, people would be able to "reach jobs and services each day 20 miles or so away."[14]

ARC investments in the most rural parts of Appalachia were therefore designed to prepare mountain people for life in the modern consumer world, if not to encourage them to migrate to distant cities or nearby growth areas. Despite that in central Appalachia fewer than one in six people lived in communities of more than 2,500, the objective of ARC development in the mountain heartland was to "accelerate urbanization" through improvements in transportation, health, and education.[15] By investing public resources in health care, technical training, and higher education facilities, the commission hoped to build a skilled labor force that might attract new industries to the region, but it recognized that such investments might also "equip young people to leave the region for other parts of the country where economic opportunities were more attractive."[16] By constructing a modern transportation network and upgrading the Appalachian labor force, the ARC hoped to integrate the mountains and mountain people more directly into an emerging urban society.

Like the War on Poverty, the ARC was an experiment in social and economic change, rooted in prevailing assumptions about the modernization process itself. Highways and urban development were assumed to be the catalysts for prosperity, and science and technology provided the formula for success. Commission staff members were quick to apply the latest systems theory to the analysis of regional problems and to the adoption of intervention strategies. "Appalachia," Ralph Widner admitted to a group of Washington DC engineers, "is something of a laboratory in which a new set of political, social, and economic principles is being tested pragmatically, but within the framework of our constitutional political system."[17]

Although both the professional planners and the politicians agreed that the motivation for the experiment was growth, they frequently disagreed on how best to attain it. As ARC administrators acknowledged, Appalachia's problems were more than technological. Achieving consensus in the political sphere would become a recurring challenge, and by the early 1970s, even the technicians conceded that "modernization of state and local governments in the region had to be encouraged."[18] The commission would have less success, however, in altering tax policies, encouraging democratic leadership, reforming public institutions, and confronting corruption than in bringing the facade of a modern economy to the mountains.

At its core, of course, the ARC was a political organization, and as such it responded to the vagaries of personality, partisanship, and power. Congress had rejected the model of a public corporation for the Appalachian program in favor of establishing a state-federal cooperative agency. Unlike the TVA, which possessed autonomous power to manage physical resources in the Tennessee River watershed, the ARC was designed as a comprehensive development organization responsible to the president, to thirteen governors, and ultimately to Congress. At every level of the ARC policy-making and planning processes, differences in values, philosophy, and self-interest intersected to influence programs and administrative strategies.

Theoretically, projects were to be proposed at the local level by area development districts, passed along to the state's governor's office for approval, and endorsed by the other governors and by the federal cochair, who represented the president. A jointly funded staff led by an executive director would then administer grants from funds appropriated by Congress. The ARC structure was more democratic than that of other federal agencies, although critics pointed out that the local development districts that initiated projects were not broadly representative or participatory and that Congress restricted funding to categorical grants in specific areas and occasionally attached allocations for special projects in the districts of powerful legislators.

During the early years of the program, funding levels and enthusiasm for the initiative minimized policy disputes within the organization. Following the compromise over growth center strategies, the states, the federal cochair's office, and the Washington-based staff worked together aggressively to implement the annual billion-dollar regional development strategy. By 1970 the commission had authorized the construction of almost 2,500 miles of the Appalachian De-

velopment Highway System and over 500 miles of access roads for airports, industrial sites, and schools. Although 80 percent of total ARC appropriations were designated for highway construction, between $200 million and $300 million annually was set aside during this period for nonhighway projects. In addition to funding water and sewer, mine reclamation (primarily in Pennsylvania), and solid waste projects, the commission provided supplemental funding to help construct 269 health facilities, 174 community colleges, and almost 300 vocational schools.[19]

In its first four years of operation, the ARC gained a reputation in Washington for getting things done quickly by cutting through established bureaucratic procedures and making resources available to initiate funding from other agencies. The commission's seventy-person staff of planners, direct access to the governors, and system of local development districts composed of elected officials provided a structure for coordinating multiagency responses to crises and complex projects. This was especially evident after the tragic collapse of the Silver Bridge across the Ohio River in 1967. By rapidly bringing together the personnel of transportation and public works committees from the states involved (Ohio and West Virginia) and pressuring the Army Corp of Engineers, the ARC staff was able to begin the reconstruction of the bridge within three weeks. Normal bureaucratic procedures would have taken up to six years.[20]

The best example of ARC capacity, energy, and goals during these early years, however, was the Pikeville cut-through project in Pike County, Kentucky. Pikeville was one of the designated growth centers in eastern Kentucky. Although it was the hub of central Appalachian banking and coal interests, it was plagued by almost annual flooding of the downtown business district from the waters of the Levisa Fork of the Big Sandy River. Pikeville was located on a narrow neck of land formed by a loop in the river, and the main line of the Chesapeake and Ohio Railroad ran right through the middle of the town. Beginning in 1969, the ARC coordinated an effort involving fourteen government agencies to reroute the river through a massive cut in the mountainside to get the waterway, the railroad, and the highway out of the downtown area and open the recovered land to urban redevelopment. The commission initiated the early planning and engineering studies and facilitated the efforts of state and local officials—led by Pikeville mayor William Hambley—to garner federal construction funds. In 1970 the City of Pikeville received the first of more than $21 million of federal grants for the cut-through project, which rivaled the building of the Panama Canal in the amount of earth that had to be removed. The railroad tunnel under the mountain opened in 1978, the river relocation was completed in 1980, and the new highway was opened in 1987.[21] By the turn of the century, as a result in part of the efforts of the ARC, Pikeville had grown into a modern, comprehensive service center.

The role of the ARC as a catalyst for planning and interagency cooperation increasingly engaged the agency in program expansion. As challenges to the War on Poverty began to undercut the OEO and led to its eventual demise, the ARC placed greater emphasis on human capacity development as part of its comprehensive mission. In 1968 Congress authorized the commission to provide technical assistance to local governments and nonprofit organizations that wished to apply for federal housing grants, and the agency launched a major initiative to improve early childhood development and nutrition programs. With the election of Richard Nixon to the presidency, the commission responded to the new emphasis on revenue sharing by facilitating gubernatorial interest in preschool education, occupational rehabilitation, and job training. The 1969 and 1971 acts reauthorizing the ARC extended its flexibility even more by allowing demonstration grants for program operations in work-related areas of health care and education.[22]

The Nixon administration at first expressed little interest in the ARC, giving rise to fears that it might be abolished along with other Kennedy-Johnson initiatives, but after meeting with the Appalachian governors in Louisville on his way to the baseball All-Star Game in St. Louis, the president endorsed the agency as an example of his new federalism. Adopting a strategy that would save the commission from several subsequent efforts to kill it, the governors convinced Nixon that the ARC was a model of state-federal cooperation, a unique agency that received bipartisan support in both the region and Congress. The elimination of specific funding categories for nonhighway allocations in the 1971 reauthorization act, moreover, provided the governors with more flexible funding in the form of block grants, free from

the controls of state legislatures. The Appalachian highway program relieved pressure on state transportation funds to build expensive mountain highways, increasing the resources available for other parts of the state, and the governors wielded almost unlimited power to distribute ARC nonhighway funds allocated for their states.

In 1971 President Nixon appointed Donald W. Whitehead as the federal cochair of the ARC. Whitehead was a Massachusetts lawyer and had been northeast field director for Nixon's 1968 campaign. He had come to the commission in 1970 as general counsel with little knowledge of the region or of the ARC. A forceful and assertive leader, Whitehead became a strong advocate for the agency in an administration consumed first by the Vietnam War and later by Watergate. During his six years at the ARC, he pressed the governors to commit to a single regional development plan rather than to thirteen state plans, and he oversaw a major reorganization of the commission itself. However, his self-confident style and his tendency to see the ARC as just another Washington line agency rather than a federal-state collaborative stirred tension within the commission, especially among some of the senior staff.

Since 1965 the ARC had evolved as a bureaucracy, complete with competing personalities and loyalties. The staff of young professionals, mostly from the Washington area, had grown in confidence and ability to manage projects in the ever changing political environment of the states. By the early 1970s, the governors' enthusiasm for fighting poverty in Appalachia had waned, and the frequent turnover of their ARC alternates and representatives hindered continuity in programming and reduced the level of long-range planning for development. The Washington-based ARC staff provided the only region-wide and systemic perspective to the commission process. John Whisman embodied the institutional memory of the agency and, with the decline of involvement of the governors, acquired increasing power as the states' representative on the ARC executive committee.

With the appointment of Whitehead, a struggle for control over the ARC ensued within the triumvirate at the head of the commission. Whisman and Whitehead clashed, leaving the executive director and the staff in the middle of a struggle between the states' representative and the federal cochair's office. Whitehead hoped to revitalize the dit involvement of the governors in the decisions of the ARC and obted strenuously to Whisman's casting a single vote for all of the /ernors in the executive committee when there was no statutory au›rity for him to do so. As the father of the ARC and a major con›utor to the PARC report, Whisman believed that the commission s straying from its original intent, especially on the matter of growth iter development.[23] The conflict was resolved when Whisman was ced to resign because of publicity surrounding minor violations of vel reimbursement procedures, but the dispute blackened the image the commission and resulted in the reorganization of the agency in 75.[24]

Under pressure from West Virginia senator Jennings Randolph, ‹C's chief sponsor in the Senate, the 1975 ARDA reauthorization ninished the role of the states' Washington representative, required uorum of the governors to be present to approve the annual budget, d obligated state alternates to be members of the governor's cabinet personal staff. The reorganization eliminated the power struggle :hin the Washington offices of the commission, but it failed in the ıg run to engage the governors personally in the work of the ARC, d in subsequent years gubernatorial interest continued to decline ›ng with federal allocations. The 1975 act did reapportion the divin of ARC funds within the region to channel more resources to ıtral Appalachia, but it continued to base the allocation primarily population. Overall, a decade after the passage of the ARDA, 37 :cent of ARC funds still flowed to northern Appalachia, 40 percent southern Appalachia, and only 23 percent to central Appalachia.[25]

The reorganization of the commission and the adjustment of the ocation formula dramatized the challenge facing the ARC as it ened the post–Great Society era. Although conditions in the central rt of Appalachia had generated national support for the creation of : commission, political necessity had extended the boundaries of the ‹C far beyond the Appalachian heartland, and both politics and ›nomic theory had concentrated most of its resources in the population centers of the northern and southern subregions. Critics in the :dia and in Congress increasingly pointed out the irrationality of a mula that allocated the fewest ARC dollars to the counties with the ›rst economic conditions, but few within the commission were will-

ing to confront the problem. Alvin Arnett, who replaced Widner as executive director in 1971, recalled, "As long as you kept Senators Eastland or Stennis of Mississippi happy with their little sewage treatment projects and Senator Robert Kennedy happy with his New York thruways, you just don't ask the other questions."[26] Even the minor reapportionment of funds in 1975 came after heated debate within the commission, since the northern and southern governors vigorously resisted shifting any part of their funds to the central region.

More and more, however, critics outside the ARC did ask the "other questions." Detractors within the region had challenged the structure and goals of the Appalachian program from its inception. Harry Caudill called the ARDA "a grim hoax" that had little chance of restoring Appalachia to health because it failed to address the real economic and political problems of the region.[27] Kentuckian Harriette Arnow, author of *The Dollmaker*, labeled the act a "tragedy" that had given "false hope to many who needed help the most."[28] Many antipoverty activists saw the Appalachian program as "chiefly a boon for the rich and for entrenched political interests." Five years after the ARC's creation, *New York Times* reporter Ben Franklin, writing for the *Louisville Courier-Journal*, found that low-income people in the sixty poorest counties in central Appalachia remained "almost untouched" by the commission's programs.[29]

By the early 1970s, the ARC had become a favored target of journalists and activists frustrated with the demise of the War on Poverty. The *Louisville Courier-Journal*, for example, ran a weeklong series on the commission in April 1973, concluding that it was a "boondoggle" that had become "just another pork dispenser, calloused to the human needs of the region it was created to serve." Reporter Bill Peterson found that the ARC had "little measurable impact on the economy of Eastern Kentucky or the rest of central Appalachia" and that, despite the claims of its promoters, it had done "little to coordinate the efforts of other federal agencies in the region." He noted that the thirteen states of the commission were more interested in their own individual improvement projects than in region-wide planning; the agency had ignored major regional problems like black lung disease, mine safety, and strip mining.[30]

The *Whitesburg (Kentucky) Mountain Eagle* accused the Washington-based ARC staff of being out of touch with the real conditions in Appalachia. The outspoken paper claimed that commission leaders were planning the wholesale depopulation of large portions of the coalfields, including the resettlement of mining families into distant "new towns."[31] Even the ARC partnership was a facade, wrote Howard Bray, executive director of the Fund for Investigative Journalism in Washington DC, since the governors themselves "have had little to do with guiding the program." The real source of ARC decision-making power, Bray suggested to readers of the *Progressive* magazine, was to be found in Congress, which was focused primarily on "bricks and mortar" projects that resounded to the benefit of individual members of Congress. "The Commission," he determined, had "failed to come to grips with the true causes of much of the . . . distress that has plagued Appalachia for decades."[32]

A group of young researchers came to similar conclusions when they issued *A Citizens' Handbook on the ARC* in 1974. Calling themselves the ARC Accountability Project, the authors endeavored to inform mountain residents of the failures of the agency in preparation for reauthorization hearings that the ARC was holding throughout the region—the first public forums in the commission's nine-year history. The investigators found the government program deficient in a number of areas: accountability, access, assumptions, and achievements. "The ARC was never structured to meet the needs of poor and working people," they concluded. "Nor was it meant to benefit a truly representative base of Appalachia's citizenry. In virtually every one of its programs, the direct beneficiaries of ARC's development strategies are the already entrenched power structures."[33]

Widely distributed among activists and academics, *A Citizens' Handbook on the ARC* summarized most of the criticisms of the ARC leveled by Caudill and others. The local and area development districts were dominated by nonrepresentative boards that comprised small-town mayors, county officials, and their appointed cronies. Easily controlled by area political machines, the development districts utilized the ARC funding process to enhance the political interests of local power brokers, and they provided "no mechanism for public access, redress, or accountability." The commission's growth center strategy,

furthermore, exacerbated the poverty and depopulation of rural areas and facilitated the continued drain of wealth from the region by absentee industries. Education and health programs were designed to encourage out-migration from rural areas rather than to improve public services where people lived, and the ARC had failed to justify the expenditure of almost 80 percent of its budget on an uncompleted highway system. "The time has come to turn the authority of the Appalachian Regional Commission around or demand that it cease to exist," recommended the researchers. "It is time for a different vision of regional resource development. It's time for a whole new set of goals which encourage a different sense of how to use resources to create job security, provide social services or otherwise contribute to a qualitatively different way of living."[34]

An alternative vision for Appalachia, however, eluded the ARC. The Nixon administration continued to pursue a national policy of economic growth while shifting administrative control and revenues back to the states. The ARC approach to project management was consistent with White House goals, and the nonhighway budget of the agency survived unscathed, averaging around $300 million annually throughout the decade. Despite the demise of the War on Poverty, federal spending for entitlement programs (food stamps, Medicaid, and Social Security) increased 76 percent in the 1970s as the nation shifted its attention from eradicating poverty to managing the welfare system. The portion of the total ARC allocation dedicated to nonhighway projects increased by 20 percent as well.[35]

Growth in federal transfer payments and infrastructure expenditures contributed to a resurgence of economic activity in the mountains between 1965 and 1975, providing at least statistical evidence that progress was being made in alleviating mountain poverty. Per capita income in the region increased from 78 percent of the national average in 1965 to almost 83 percent in 1974. Unemployment and poverty rates declined, and housing stock, educational attainment, and infant mortality rates improved. Central Appalachia continued to lag far behind the rest of the country in most socioeconomic measures, but even there, personal income grew from 52 percent of the national average to 65 percent in the decade after the passage of the ARDA. The migration of people out of the region slowed and even reversed in some counties.[36]

Part of this economic activity was attributable to the recovery of the coal industry. Coal production had begun to rise in the late 1960s, but demand for Appalachian coal skyrocketed after the Organization of Petroleum Exporting Countries (OPEC) raised the price of oil by 400 percent in protest of American support for Israel after the 1973 Yom Kippur War. While inflation soared throughout the rest of the country, spurring a business recession in 1975, the coalfields boomed again as they had done periodically since the turn of the century. Coal exports more than doubled by the end of the decade, bringing new jobs, in-migration, and small-business growth. The boom would collapse with the restoration of world oil production levels in the early 1980s, but the energy crisis temporarily restored faith in natural resource development as a private sector cure for Appalachia's problems.

At the same time that rising government expenditures and the recovery of the coal industry diverted attention from the persistent inequities and weaknesses of the mountain economy, other forces, deeply rooted in the environmental movement and in the War on Poverty of the 1960s, combined to challenge the prevailing devotion to "more" and to question the ARC approach to development. By the mid-1970s, substantial numbers of Americans had become disenchanted with the moral direction of a government that had produced the Vietnam War and the Watergate scandal and with an economic system that seemed to reward greed and unrestrained consumption. Building on a movement that began in Britain, intellectuals and scholars within the United States increasingly questioned the limits of growth and the environmental and social costs of technology. Adding their voices to the work of British scholars like Peter Laslett (*The World We Have Lost*) and E. F. Schumacher (*Small Is Beautiful*), American critics such as Wendell Berry (*The Unsettling of America*), Rachel Carson (*Silent Spring*), Robert Bellah (*Habits of the Heart*), and others rejected the idea of growth-based development and led an ever widening reaction to consumerism.

In Appalachia, as in the rest of the country, the new movement represented a shift in values that revealed a different way of thinking about land, quality of life, and the meaning of progress. Regional activists, fresh from the political wars against poverty and racial injustice, turned their attention in the 1970s to the abolition of strip mining, the improvement of health and working conditions for miners and textile workers, the protection of mountain forests from clear-cutting, and the defense of family farms from the construction of hydroelectric facilities and the expansion of national parks. Likewise regional scholars rejected the notion of Appalachian exceptionalism and recast the region's recent history and culture as the consequence of the same modernization and unbridled development that had shaped the rest of the nation. What Appalachia needed in the future, they argued, was not more growth but a different kind of development.

Although traditional mountain lifestyles offered alternatives to the postwar culture of consumption, the rejection of growth-based strategies for progress in Appalachia reflected more than romantic nostalgia for a simpler past. In contrast to the self-absorption and escapism of much of the hippie culture, much of the counterculture movement in the mountains was grounded in conventional American values of economic and social justice, cooperation, tolerance, respect for family and community, and a spiritual sense of land as place rather than commodity. The same organizations that opposed unregulated second-home development in western North Carolina supported striking miners in eastern Kentucky and farm families fighting federal land condemnation in southwest Virginia. Groups like the new CSM and the Appalachian Alliance rallied members in opposition to strip mining, gender discrimination in coal employment, brown lung disease among textile workers, and the concentration of absentee landownership in the coalfields and the Blue Ridge.

As a result of these contrasting visions for the good life, much of the public discourse about the future of Appalachia in the late 1970s focused on achieving a balance between economic growth and environmental quality. On the one hand, Appalachia needed jobs and economic expansion to lift its people out of poverty. The region needed to increase the production of its mines and mills, encourage tourism and second-home development, and attract branch manufacturing plants that could increase the local tax base and provide revenue for schools and roads. On the other hand, economic development should not destroy the landscape, exploit the people, or threaten traditional values.

Growth should be limited and development sustainable to protect the natural and human assets of the region.

With the election of Jimmy Carter to the presidency in 1976, balanced growth became the national objective of an administration elected to restore moral direction to a nation struggling with inflation, unemployment, and energy challenges. Appalachian leaders assumed major roles in the national effort to find a middle path between economic growth and environmental protection, between consumption and conservation. Responding, for example, to the national energy crisis and to growing pressure to end surface mining in the mountains, the Senate Environment and Public Works committee, chaired by West Virginia's Jennings Randolph, called in 1976 for a national conference on balanced growth. Two years later, President Carter's secretary of commerce, Juanita Kreps, a native of western North Carolina, organized the White House Conference on Balanced National Growth and Economic Development. Chaired by West Virginia governor Jay Rockefeller, the gathering brought more than five hundred delegates to Washington DC and spawned several smaller, regional conferences, including one in Charleston, West Virginia, sponsored by the ARC.

The White House conferences on balanced growth, however, failed to resolve the inherent tensions over the goals of development. Although organizers hoped to achieve some compromise between unbounded growth and no growth, reaching agreement on the definition of "balance" proved to be impossible in an atmosphere where the real issues were wealth, power, and conflicting visions of the good life. Especially in Appalachia, the call for balanced growth opened old conflicts over landownership, land use, taxation, government regulation, and environmental quality. National priorities, as well, sometimes fueled bitter regional clashes, as when the demand for energy alternatives sparked a rise in coal production and inspired proposals to increase federal funding for research in coal technology.

Appalachian opponents of strip mining were angered further when national environmental groups compromised on the abolition of surface mining in the passage of the Surface Mining Control and Reclamation Act of 1977. They saw strategies to build a new national energy policy around coal as furthering the destruction of the mountains. Proposals that reduced American dependence on foreign oil by increasing the production of coal, they argued, only shifted the real costs of energy consumption onto the people of the coalfields. Given the rising percentage of coal being produced by surface mining, they feared that Appalachia would become a "national sacrifice area."[37]

Other coal country leaders, however, saw the adoption of a coal-based national energy policy as a boon for the region. Named to chair the President's Commission on Coal as well as the White House Conference on Balanced National Growth and Economic Development in 1978, Governor Rockefeller acknowledged that there were "environmental tradeoffs" to the increased consumption of coal but insisted that these costs had to be balanced against the goal of national energy independence. Appalachian coal mines, he suggested, were prepared to increase production by 100 million tons a year, and this prospect would help not only to reduce the national dependence on foreign oil but also to alleviate the unemployment of thousands of miners in his state. With current environmental regulations and new clean coal technologies, he added, coal could be burned responsibly and without dirty smokestack emissions.[38] None of the conferences and commissions on balanced growth produced much consensus, but they did illuminate what Rockefeller described as "the incredible array of tensions involved with growth."[39] These conflicts intensified with the skyrocketing inflation and subsequent recession that followed yet another OPEC oil crisis in 1979–1981.

Despite these failures, the efforts by the Carter administration to achieve harmony on national economic policy opened a dialogue within the country about the limits of economic expansion. The president appeared to encourage, even welcome, debate. In Appalachia, community forums, academic conferences, and regional publications explored the prospects for more balanced development, and even the ARC appeared more flexible and open to alternative voices. Under Robert W. Scott, the former North Carolina governor whom Carter appointed as federal cochair of the ARC in 1977, the commission launched an early childhood basic skills education initiative, reached out to groups representing the elderly and women, and approved $4 million in aid to ease the financial problems of former UMWA hospitals in the coalfields. Scott's successor, Al Smith of Kentucky, supported a $100,000 grant to the Appalachian Alliance to study andownership patterns in six Appalachian states and extended a re-earch fellowship to longtime ARC critic Harry Caudill.[40]

Increased support for human development programs and greater lexibility in funding nontraditional organizations reflected a shift in national politics since the 1960s and a maturing of the ARC. Many of he commission's more creative programs came at the initiative of the ederal cochair's office rather than at the request of the states, and the oulk of agency expenditures continued to be dedicated to the construcion of highways and other infrastructure. The new policy initiatives, iowever, represented a limited retreat from the postwar confidence in ;rowth and technology and a greater concern for diversity and incluion. Despite the objections of South Carolina governor James Edvards, for example, who feared that an ARC bailout of health care nstitutions in the coalfields would inadvertently support a recent coal niners' strike, the central Appalachian ARC governors agreed, in an inprecedented vote, to provide aid for the operation of regional hospials "used by everyone, including miners."[41] The commission also aunched an initiative to speed up the processing of black lung disease :laims and extended funding to help launch the Council of Appala:hian Women.

The War on Poverty had expanded opportunities for the education ind employment of women in the mountains, both at the entry level ind in professional positions. The North Carolina–based Council of \ppalachian Women promised to work on a wide variety of projects o meet the needs of mountain women, including research to deternine how women could participate more fully in ARC programs, conerences and workshops to strengthen the Appalachian family, efforts o eliminate job discrimination in education and job training, initiaives to improve health and child care services, and the creation of a ;roup insurance program and a credit union.[42] The short-lived council vas composed primarily of professional women, but it reflected shiftng gender roles in the region, as did its sister organization in West /irginia, the Coal Employment Project. The latter assisted women in oreaking down gender barriers to work in the mines, a historically nale-dominated industry. With the help of the Coal Employment Proj:ct and other organizations, the number of women employed in Appalachian coal mines grew from none in 1973 to more than 2,500 in 1979. Women miners continued to face harassment and discrimination in wages and work assignments, but the efforts of the Coal Employment Project represented the growing movement of women into the public workforce in Appalachia as in the rest of the country.[43]

Likewise, ARC support for research on landownership patterns in Appalachia echoed changing attitudes toward natural resource management and control. Recognition that absentee ownership had shaped much of Appalachia's tragic history of dependence was well known in the 1960s, but acknowledging the consequences of this "colonial" relationship was dangerous in government circles and could easily result in one's being labeled a radical or a Communist. A decade later, in a world where distant governments and energy cartels held America hostage, ownership and control of local resources were as genuine concerns for the long-term future of the region as were increased coal production and employment. Although the ARC failed to act on any of the recommendations that resulted from its pioneering study of landownership trends (a pattern common to almost all of the research funded by the agency), that the commission would underwrite such controversial research speaks to the comparative openness of the organization during the Carter years.

Undertaken by a coalition of regional activists and academicians, the landownership study exposed the depth of absentee control of Appalachia's natural resources and linked that control to almost every problem in the region—inadequate taxation, mine safety, black lung disease, strip mining, the decline of farming, deforestation, floods, substandard housing, welfare, and more. Detailed analysis of over 20 million acres in the heart of the region revealed not only that ownership of land and minerals in Appalachia was concentrated in the hands of a few giant corporations but that these corporations were increasingly the subsidiaries of multinational energy conglomerates. More than 40 percent of the land surveyed—some 8 million acres—was held by only fifty private owners and the federal government. Large corporations controlled almost 40 percent of the land and 70 percent of the mineral rights in the survey, and the vast majority of those resources were owned by entities outside the county in which the property was located. The survey found that more than 75 percent of the mineral owners paid annual taxes on their properties of less than twenty-five cents per acre.[44]

As a result of this concentrated pattern of landownership, the researchers concluded, options for alternative economic development were limited, taxes were inadequate, and public services were starved. Nor was this a problem restricted to the coalfields, since government ownership of land and tourism development constrained the economic choices of noncoal counties as well. An estimated one-third of the farmland in the survey was lost to agricultural production in the 1970s, and about half of the region's farmers quit farming. "No one who has lived for any time in Appalachia," admitted John Gaventa, one of the coordinators of the study, "can be surprised to hear that a handful of absentee corporations control huge portions of the region's land and minerals and pay a pittance in local taxes. But the documentation of landownership and taxation in county after county establishes for the first time the pervasive pattern of inequity, and this factual information should provide the basis for long-needed changes."[45]

Gaventa was too optimistic, for in many ways the landownership study represented a turning point itself in the debate over the region's future. Released in 1981, the report could not have come at a worse time for the ARC. Controversial even when the commission decided to fund it, the study drew little attention at an agency suddenly threatened with extinction by the inauguration of Ronald Reagan. Determined to cut federal budgets and eliminate regional commissions, the new Republican president failed to include the ARC in his executive budget requests, and agency leaders abandoned the politically sensitive study to rally support for their own organization's survival. With its very existence in jeopardy, the ARC ignored the recommendations of the 1,800-page report. Although widely recognized by this time as a growing regional problem, absentee landownership slipped once more from the political agenda.

The alliance between activists and academics dissipated as well in the years following the publication of the groundbreaking study. Conceived after the disastrous floods that swept southern West Virginia and eastern Kentucky in 1977 and organized at the first Appalachian Studies Conference the following year, the landownership study

brought together more than a hundred former antipoverty warriors, graduate students, and college professors in one of the largest and most detailed explorations of rural landownership in American history. Coordinated by the Highlander Research and Education Center in east Tennessee, the grassroots project combined meticulous research in county courthouse records, statistical analysis, and a lengthy discussion of policy implications. After the publication of a summary volume in 1983, however, the task force disbanded, and coalitions of citizen-activists and academics became increasingly rare in the region. The Appalachian Alliance eventually faded, and the Appalachian studies movement, growing with institutional acceptance, shifted its energies to matters of teaching, learning, and theoretical research.

The collaborative landownership study also revealed a watershed in the evolving structure of the Appalachian economy. The recovery of the coal industry spurred the globalization of the mountain economy just as the energy crisis exposed the dependence of American consumers on foreign oil. By the end of the 1970s, a few multinational energy conglomerates dominated Appalachian coal production, and the giant firms managed their mineral resources, mining methods, and environmental impacts at even greater distances from the communities in which they operated than had the great domestic corporations of an earlier day. To feed the rapidly growing energy demands of the nation and to meet rising air quality standards, more and more low-sulfur coal from Appalachian strip mines poured into the furnaces of American power plants. Older, metallurgical coal mines, mostly underground mines, closed down as steel production shifted abroad, and coal employment in the mountains began a final, precipitous decline.

Elsewhere in the region, the globalization of markets was evident in the daily lives of residents. The construction of Appalachian corridor highways and burgeoning government transfer payments began to instill new life into the larger mountain towns. Chain stores and nationally franchised restaurants opened in new commercial centers at the edges of many towns, and small housing developments and trailer parks replaced old farms on city peripheries. Mountain residents soon had access to the same mass-produced clothing, food, and entertainment as other Americans, and some found employment in the small shoe factories, food processing businesses, and sewing plants that set up operations in local industrial parks.

The rush to create jobs motivated many southern mountain leaders to join scores of other public officials in the great "buffalo hunt" to bag runaway manufacturing plants from the North with promises of government-funded building sites, low taxes, and cheap labor. Rural communities throughout the region organized economic development commissions, established industrial parks, and constructed speculation buildings at public expense with the hope of luring northern branch plants that pledged to provide one hundred to two hundred low-wage, low-skilled jobs each. Funds from the ARC became a prime source of revenue for the access roads, water lines, and job training programs necessary to compete for companies' attention. The majority of the industrial sites, some built on abandoned strip mines, went unoccupied, but a few attracted small assembly plants, metal fabrication facilities, and clothing manufacturers.

Communities located along the southern interstate and ARC corridor highways benefited most from industrial recruitment strategies. By 1980 more than 1,700 miles of the Appalachian Development Highway System and almost 4,000 miles of interstate highways were completed in the region. These modern roads connected larger towns in the mountains and the foothills with external markets, increased access to the mountains for tourists, and facilitated the transportation of coal to electric power plants outside the region. The new highways reduced the travel time for rural residents to reach stores, health care, education, and employment opportunities in the designated growth centers, but they furthered the decline of community-based businesses and services in the outlying districts.

The use of special federal funds to construct the Appalachian Development Highway System was intended to free up state resources to improve secondary roads, connecting more remote communities to the regional transportation network, but the improvement of state and county roads failed to keep pace with the new Appalachian corridor system. Small towns farther removed from the four-lane highways languished as local residents turned to the cities for jobs, entertainment, and the latest consumer goods advertised on television. Consequently, the social and economic distance between urban and rural Appalachia

increased as the uneven access to better transportation drained human and financial resources into the growth centers.

Even local entrepreneurs were drawn to the amenities of the transportation corridors and tended to relocate their investments in the burgeoning corridor towns rather than nearby rural communities. For example, not long after the local developers of a data processing company opened a facility in distressed Harlan County, Kentucky, they moved the plant to London, Kentucky, along Interstate 75, at the western edge of the mountains. A decade later, Appalachian Computer Systems employed more than four hundred low-wage data entry workers there, and the London area (home to Harland Sanders, founder of Kentucky Fried Chicken) became one of the fastest-growing places in the commonwealth.[46] Harlan County, meanwhile, continued to suffer population decline. This pattern was followed throughout the region. Of the more than 400,000 new manufacturing jobs attracted to Appalachia between 1965 and 1980, 60 percent were located within thirty miles of one of these major highways.[47]

Communities situated at the intersections of ARC corridors and interstates often experienced rapid growth as regional employment, retail trade, and public service centers. The population of Raleigh County, West Virginia, for instance, expanded from seventy thousand in 1970 to almost eighty-seven thousand in 1980, after the completion of ARC's Corridor L between Beckley and Morgantown. Beckley, located at the intersection of Interstates 77 (on the West Virginia Turnpike) and 64, became a regional medical services center for the southern West Virginia coalfields, and, after the opening of the New River Bridge in 1977 (for which ARC contributed $29 million of the $42 million cost of construction), the town became a major center for tourism development as well. In little more than a decade, Beckley grew from the tenth-largest city in West Virginia to the third.[48]

The growth of towns such as London and Beckley reflected even more fundamental changes in the Appalachian labor force. Despite the expansion of manufacturing facilities in the 1970s, industrial employment accounted for less than one-tenth of the new jobs created in the region during the decade. Along with the rest of America, Appalachia gained the bulk of its 1.5 million new jobs in the service sector of the economy, especially in retail trade, health services, and education. As nation moved from an industrial-based economy to a service-ented economy, Appalachia was drawn more tightly into the con-ner society, and its workforce increasingly mirrored that of a tindustrial world. Industries that had once provided the majority of nfarm jobs in the mountains—coal, textiles, and furniture—re-ed their labor needs through mechanization or shifted their pro-tion offshore, leaving thousands of low-skilled and undereducated rkers to compete for jobs as waiters, sales clerks, receptionists, and ner entry-level service positions.[49]

Some areas of the country, including many northern Appalachian nmunities, were better equipped to make the transition to a service-d information-based economy. Superior adult education levels, ater research and higher education infrastructure, and stronger ic capacity eased the adjustment from heavy industry to high-tech duction and corporate services in the old steel towns of the North d Midwest. A long history of educational neglect in central Appala-a, however, hampered the jump to the new economy in the most nomically distressed parts of the region. Despite significant im-vements in education and job training since 1965, Appalachian rkers still lagged far behind the rest of the nation in technical skills d education levels. The proportion of Appalachian people over enty-five years old with a high school education had increased from percent to 83 percent of the national average, but almost one in ee Appalachian adults remained functionally illiterate, compared th 20 percent of all Americans. Among the unemployed in the moun-ns in 1980, 46 percent were functionally illiterate. Only one in nine palachians had attained a college degree, compared with one in six the rest of the nation.[50]

The new service economy was also more female than the older in-strial economy. The numbers of Appalachian women with jobs out-le the home increased significantly after 1970 as rural mountain men found employment in low-wage manufacturing jobs and entry-el service positions. Retail chain stores such as Kmart and Wal-art and fast-food restaurants like Hardee's and McDonald's ovided disproportionate employment for women, as did the motels, sorts, and gift shops associated with the tourism industry. Women so found jobs as bank tellers, real estate brokers, office managers,

and other semi-professional positions. Most of the new jobs in the mountains were in the low-wage sector of service employment. They seldom offered health or other benefits or provided job security or opportunities for advancement. Increasingly the Appalachian household looked much like that of the rest of the nation, with both spouses employed outside the home, though in the mountains this trend was driven as much by economic necessity as by gender parity.

Encouraged by changes in the mountain labor force, improvements in transportation and other infrastructure, rising education levels, and advancing per capita incomes, ARC planners were convinced that progress was being made in Appalachia. *Appalachia: Journal of the Appalachian Regional Commission* reported in the spring of 1979 that "at last, at long last" the region was "on the way" toward "vigorous, self-sustaining growth." Progress would take time, the journal acknowledged—time for residents of Appalachia to learn how to work with the ARC partnership, time to complete the infrastructure for development, and time to find the "balances between the nation's need for energy and the region's fragile environment." Problems remained, admitted the publication, but after fifteen years of effort, the ARC had laid "a new economic, social, and psychological foundation" for development.[51]

ARC optimism, however, turned to frustration with the election of Ronald Reagan in 1980. Neither claims regarding the success of its programs nor arguments based on the persisting needs of the region or on the organization's unique structure would alter the new president's opposition to regional commissions. Reagan's single-minded determination to reduce both taxes and the size of the federal bureaucracy left the Appalachian program and other Great Society initiatives vulnerable to budget cuts and elimination. Shortly after the inauguration, White House officials informed the Appalachian governors that the ARC would be closed, all noncommitted funds would be rescinded, and the highway program would be transferred to the Department of Transportation. In his subsequent executive budget proposal, and annually throughout the remainder of his presidency, Reagan included no funds for the Appalachian program.

The president's decision to abolish the ARC had little to do with his views about Appalachia or his opinions regarding the economic goals of the commission. Indeed, his knowledge of the region was extremely limited, and he shared the agency's commitment to economic growth as the solution to most of society's problems. Unlike many liberals during the Carter years who had begun to question the limits of growth, Reagan exuded the optimism and faith in economic expansion that characterized most of the World War II generation. He had campaigned on a promise to revitalize the nation's stagnating economy by reducing taxes and government regulation. "Our aim," he told the nation in his first address on the economy, "is to increase our national wealth so all will have more, not just redistribute what we already have which is just a sharing of scarcity."[52]

Reagan's economic strategy for the country was based on the assumption that increasing investment and productivity by reducing personal and corporate taxes would generate business expansion and create jobs. This supply-side economics rejected the Keynesian intervention in the economy that produced the welfare state and called for a halt to the growth of government programs and budgets that had mushroomed since the New Deal. Great Society programs such as the War on Poverty, the president believed, had inhibited growth by proliferating business regulations and increasing government debt. Regional development agencies like the ARC only added another unnecessary layer of bureaucracy to big government and should be abolished.

Appalachian leaders had attempted to head off the demise of the ARC even before the inauguration. Soon after the election, a group of Appalachian governors sent a letter to the president-elect, petitioning for the continuation of the commission, but received no response. After the White House announced its intention to close the agency, the governors issued a resolution calling on the president and Congress to delay the action and to work with the commission to design an orderly phase-out program. While some advocates of the Appalachian program argued that there was still much to be done in the region, others accepted the president's position but favored a more gradual reduction of the commission's role in regional development. Led by ARC federal cochair Al Smith and Kentucky governor John Y. Brown, who served as states cochair, ARC supporters turned to Congress to save the agency, which had long been a favorite of powerful members on both sides of the aisle.

Following a bipartisan appeal, the House Appropriations Committee requested that the commission prepare a "finish-up" plan that would allow the ARC to complete its work over a three- to five-year period. The commission submitted the finish-up proposal in late 1981, providing a rationale for the continuation of the program on a year-to-year basis through 1987. The House Appropriations Committee subsequently funded the commission at less than half of its previous levels and continued that level of annual funding through the 1990s. The Senate narrowly complied. Although its appropriations were reduced significantly, the ARC survived the Reagan revolution and continued to provide limited public resources for Appalachia when federal spending cuts limited the resources otherwise available for housing, health care, and other community infrastructure. With Congress determined to continue to appropriate funds, President Reagan finally replaced Democrat Al Smith in 1982 as federal cochair of the ARC and appointed Winifred Pizzano, a Republican health services administrator from Illinois, to head the agency.

Its future uncertain and its appropriations slashed, the ARC limped into the 1980s, struggling between the politics of survival and the task of addressing persistent problems in the mountains. Much of the energy of the Washington-based staff was channeled into the fight to defend the agency and to sustain annual appropriations from Congress. Two southern representatives, Jamie Whitten of Mississippi and Tom Bevill of Alabama, emerged as unlikely champions of the ARC in the 1980s, interceding on behalf of the commission in subcommittee budget negotiations and reaping an abundance of special ARC projects for their districts. The annual struggle for appropriations left the agency even more vulnerable to accusations of pork-barrel politics.

The finish-up program proposed by the Appalachian governors in response to the funding crisis placed priority on the completion of the Appalachian Development Highway System, drastically cut support for nonhighway programs, and reduced research and regional planning operations. Highways had always been one of the most popular parts of the Appalachian program with planners and policy makers, and roads received high priority in the scaled-back agenda for development. The new strategy pledged to complete 630 miles of the remain-

1,300 unfinished miles of the Appalachian corridor system by '0. The plan would emphasize the completion of roads that had the hest traffic volume, were most needed to transport coal, and com-:ed critical state-line crossings.[53]

Acknowledging that economic growth in the region had been un-n and that many Appalachians still did not have the education and skills necessary to compete in the modern, postindustrial economy, commission reorganized nonhighway projects into an area devel-nent finish-up program and concentrated its efforts in three areas: creation, health care, and assistance to persistently distressed coun-:. At a major conference in Atlanta in the spring of 1983, the ARC nched a five-year job training and private investment initiative de-ned to improve the basic skills of the Appalachian workforce and to :ourage private capital investment. In addition to supporting the ef-ts of state governments to recruit more high-tech industries to the ıuntains, the agency hoped to spur local entrepreneurship and small-siness development, especially in the service sector. The commission o undertook new initiatives to reduce the high school dropout rate d to revitalize vocational training programs at both the secondary d postsecondary levels.

In the area of health, the ARC committed itself to a three-year ın to bring modern health care to the sixty-five counties not yet ıched by basic health services and to further reduce the region's ronically high infant mortality rate. Since 1965, the commission's alth program had evolved from an emphasis on hardware and hos-:al facilities to the promotion of comprehensive regional health plan-ng with the goal of providing primary care within a thirty-minute ive of every mountain family. Indeed, the health program was one of most successful initiatives. Working with state and local health pro-ssionals, the agency fashioned a demonstration model for primary ·alth care in the 1970s—with a focus on preventive, basic, family-iented services—that provided a blueprint for the creation of the ational Rural Health Initiative. The ARC closeout program aimed to :tend primary care services to every Appalachian resident by 1985, cluding those in the most remote parts of central Appalachia, and to crease the number of health professionals throughout the region. he latter goal would be achieved by tapping into the National Health

Services Corps, which recruited physicians, including special-visa foreign-born physicians, to "health shortage areas."[54]

The most challenging part of the ARC finish-up program, however, was the distressed counties program, established to address the problems of the most persistently poor counties in the region. The program was created in part as a response to media and congressional criticism that the agency had done little to ameliorate the poverty of the most severely distressed counties in Appalachia and in part out of a concern of ARC staff that, having improved conditions in the urban and peripheral counties, the commission should focus its final resources on the hard-core poverty areas. These counties were located primarily in eastern Kentucky and southern West Virginia and in rural areas scattered throughout the ARC-defined region. Since the 1960s, they had exhibited less improvement in per capita income, poverty, and unemployment rates than other counties and continued to reflect the greatest need. The program urged the states to concentrate their area development funds in these sixty or so counties and set aside special regional funds for safe drinking water and waste-disposal projects for these communities.

Although the area development finish-up program reflected growing attention to human development and basic community services at the ARC, smaller, nonhighway allocations diminished the political importance of the commission to Appalachian governors and almost eliminated the strategic planning role of the ARC on the state and regional levels. Compared with other state budgeted programs for development, the ARC allocation was becoming less significant, especially when new agency regulations limited commission contributions to 50 percent of total project costs. The loss of major, direct ARC funding for the local development districts, moreover, pushed the multicounty districts to become even more dependent on local government support for their operating budgets. More and more they functioned as program delivery centers for local government services (especially in job training and care for the elderly), and their role in community development and area-wide planning diminished.

A final recommendation of the finish-up strategy included the creation of an Appalachian development foundation, which would raise endowment funds from individuals and corporations and invest them in regional development projects to replace the threatened federal funds. Pointing to the history of exploitation of the region's natural resources by absentee developers, the Appalachian governors hoped to raise a permanent endowment to sustain the work of the commission based on donations by coal, timber, and other businesses that had acquired their wealth from the region. "In recent years," the ARC governors told Congress in 1981, "some corporations have shown an increased commitment to the communities in which they do business. We believe many corporations and individuals have an interest in remedying some of the past neglect in Appalachia and a stake in fostering a strong diversified economy."[55] After establishing an office in Washington and hiring a director, however, the Appalachian Development Foundation eventually failed, closing its doors in 1987 without—to paraphrase Harry Caudill—raising a tittle of corporate responsibility.

The failure of corporate interests to accept accountability for Appalachian development in the face of diminishing government involvement was not surprising. After the expansive years of the coal boom in the 1970s, energy prices plummeted in the early 1980s, and the subsequent glut of oil sent the world economy into decline. Appalachia was slower to recover from the recession of 1981–1982, and the region's economy remained sluggish throughout the remainder of the decade. Coal exports from the mountains rose from 49 million tons in 1973 to 104 million tons in 1981 but plummeted to 73 million tons by 1983.[56] Although mechanization would increase productivity in the late 1980s, it provided employment for fewer miners. The number of operating mines declined once again, and many out-migrants who had come back to the region to work in the mines in the 1970s now found themselves unemployed and unable to return to their factory jobs in the Midwest because of the flight of American steel and manufacturing companies offshore. At the end of the decade, the number of working miners in Appalachia reached an all-time low. The most recently hired workers, often women miners, were the first to lose their jobs.

The economic decline of the 1980s reduced the ability of state governments to respond to the needs of mountain communities as well. The loss of federal social programs and the reduction of ARC budgets during the Reagan years increased the burden on state and local governments to meet basic program needs in health, education, and community development when most states were suffering from a loss of tax revenues as a result of the recession. Appalachian states especially were pressed to maintain basic services, let alone initiate new social and economic programs. West Virginia, for example, suffered an unemployment rate of 21 percent in 1983, the highest rate recorded for any state since 1940, and Standard and Poor's reduced the general obligation bond rating for the Mountain State from AA+ to AA–.[57] Similarly, Kentucky experienced a budget shortfall of $186 million, resulting in major reductions in nearly every department and agency of state government. Governor John Y. Brown took the entire $265 million of coal severance tax revenues to meet the budget deficit in the state general fund, returning none of the levy to the coal-producing counties to repair coal roads or encourage economic diversification.[58]

Retrenchment in government programs and in the economy as a whole did not return Appalachia to the pre–Great Society conditions that had brought national attention to the region, but it did slow the pace of improvement, and some of the most severely distressed rural counties of the mountain heartland lost significant ground. Overall the region's per capita personal income compared to the rest of the nation dropped from 82.7 percent to 80.8 percent between 1979 and 1989, but that figure obscured fundamental differences within the ARC region. Northern Appalachia suffered from the continuing deterioration of its old manufacturing base as it transitioned to a postindustrial economy. Southern Appalachia saw personal income increase by 3.2 percent and population rise by almost 9 percent as a result of the growth of military expenditures and the expansion of metropolitan centers such as Atlanta, Winston-Salem, and Huntsville. Central Appalachia witnessed the worst decline, with a drop of 7.3 percent in personal income and a 5 percent rate of population loss over the decade, as its economy, based on coal, apparel, and timber, collapsed because of mechanization and globalization.[59]

Rising poverty rates also reflected a growing polarization within the region. The socioeconomic gap between central Appalachia and peripheral parts of the ARC region increased along with the gap between the mountain heartland and the rest of the United States. Whereas Appalachia outpaced the nation in the 1970s in reducing poverty, that trend reversed in the 1980s as the percentage of the reon's population below the poverty level increased from 13.7 percent 1980 to almost 15 percent in 1990. Poverty in central Appalachia eclined from 34 percent in 1970 to 22 percent in 1980 but jumped to ore than 25 percent in 1990. In some counties of eastern Kentucky nd southern West Virginia, poverty rates were three times the naonal average. Women and children bore the heaviest burden of rising overty. The number of female-headed Appalachian families increased y 36 percent during the decade, while median family incomes delined by 4.5 percent regionally and by 13.5 percent in central Appachia. In measures of education attainment, workforce participation, nd child poverty, the gap between central Appalachia and the rest of ne region increased dramatically.[60]

The downturn in the Appalachian economy represented more than ist another bust in the long boom-and-bust cycle that had shaped the istory of the region for more than a century. The new unemployment vas structural, and jobs in coal mining, primary metals, textiles, and other industries would never return. Appalachia was caught in the niddle of a larger transformation in the national economy. The old Appalachian economy was based on extractive resources and mature ndustry, but the postindustrial revolution pushed low-wage manufacuring jobs to Asia and Latin America while coal production shifted to ower-cost mines in the American West. The introduction of longwall mining equipment and new mountaintop removal techniques displaced thousands of skilled Appalachian underground miners. In 1981 and 1982 alone, the Appalachian region lost two and a half manufacturing jobs for every one it had gained in the 1970s.[61] The new service sector jobs paid only a fraction of the wages of manufacturing and unionized mining and usually provided no health benefits.

The recession in the mountain economy was only one part of the double whammy that struck most Appalachian states in the 1980s. Although the core social programs of the New Deal and Great Society survived the Reagan budget cuts, programs such as food stamps, job training, school lunches, and early childhood education received significant reductions in federal support, leaving it up to the states to manage the delivery of services from state revenues and block grants. West Virginia was hit especially hard by the reductions, ranking second in the United States in the loss of federal aid with total cuts of $1.8

billion between 1982 and 1986.[62] With a small tax base and few financial reserves, state government officials cut support for public schools, delayed Medicaid payments to health providers, and canceled community infrastructure projects. Almost bankrupt and mired in poverty and political corruption, the Mountain State was ignominiously labeled a "state of despair" by the *Wall Street Journal* in the fall of 1989.[63]

The situation was equally dire in other parts of central Appalachia. A series of articles in the *Knoxville News-Sentinel* in 1985 described Appalachian east Tennessee as a "land of pain and poverty," a place where official unemployment was as high as 23 percent and transfer payments (such as Social Security, black lung, and Aid to Families with Dependent Children) amounted to 21 percent of personal income. Reporter Fred Brown described inadequate housing conditions, poor sanitation, and "desperate families" who were barely able to fight off "the beast of hunger" in communities that had changed little since the days of the War on Poverty.[64] A year later, an investigation in the coalfields of southwest Virginia for the Commission on Religion in Appalachia found similar conditions, and the author professed little hope for the region's young people despite the recovery of the national economy. Mechanization and internationalization of area coal mines had reduced the number of operating mines by a third, and the new industrial parks built to attract industry had failed to provide enough low-wage jobs to replace those lost in mining. Unemployment in southwest Virginia averaged 20 percent, and the proportion of seventeen- to twenty-four-year-olds who had dropped out of high school was 38 percent, one of the highest in the nation. Whereas the economies in valley towns like Bristol, Johnson City, and Kingsport were better, the young people of the interior rural coal counties faced a bleak future—or the difficult choice of out-migration.[65]

The contrast between economic opportunities in the cities and those in surrounding rural counties mirrored the growing gap between rural and urban places within Appalachia. A study released by the University of Kentucky Appalachian Center in 1994 found not only that Appalachian Kentucky as a whole had fallen further behind the rest of the commonwealth in the 1980s but also that poverty was concentrated in certain places within the mountains. According to 1990 data, twenty-nine of the thirty poorest counties in Kentucky were in eastern Kentucky, and thirty-eight of the forty-nine ARC counties in the commonwealth were officially listed as distressed. Between 1980 and 1990, per capita income in Appalachian Kentucky declined from 67 to 60 percent of the national average, and almost one in three citizens of the region lived below the nationally established poverty level.[66]

The study revealed that rates of poverty were higher than the national average across eastern Kentucky, but distress was more severe in the ten interior counties than in peripheral counties along Interstates 64 and 75 and in coal-producing counties along the state's eastern border. The peripheral counties contained growth centers, such as Pikeville, Prestonsburg, Paintsville, Hazard, Harlan, London, Corbin, Richmond, and Winchester, where poverty was high but less pervasive. The group of ten interior counties, stretching from Morgan in the north to McCreary in the south, was overwhelmingly rural and contained some of the highest concentrations of America's persistently poor people. Although the extremes of poverty had been ameliorated, little had changed on a comparative basis in these counties since the 1960s. Together the counties had an average poverty rate of 42 percent and a per capita income of less than $6,500, compared to a national average of $17,500. Clustered within these counties, moreover, were communities of even greater distress that crossed county boundaries. Examination of subcounty census tract data revealed communities lying along the edges of these severely distressed counties that contained poverty rates from 46 to 63 percent, child poverty rates averaging more than 54 percent, and unofficial unemployment rates of more than 50 percent. In these poorest of poor communities, only one in three citizens had completed high school, nine out of ten children in female-headed households lived below the poverty level, and 26 percent of residents lived in trailers, compared with 1 percent of people in the state as a whole.

Geographic information system mapping of the patterns of distress in these communities identified a number of common characteristics that bound them together in poverty. Most of the poorest census tracts were located on the edges of their counties, far from the county seats and miles from regional growth centers. These clusters of communities were overwhelmingly rural and culturally traditional, although the economies of some were based on coal and others on

agriculture and logging. Almost all had witnessed the loss of local schools because of county-wide consolidation, and few had access to public water and sewer systems. Existing at the periphery of county political and economic life, they were the backyards of poor counties. Although these cross-county clusters often included natural geographic or social communities, their division among a number of small county government and service units further limited their development opportunities. Between 1965 and 1990, they had received lower per capita ARC expenditures than their urban counterparts, and their counties had received fewer ARC investments for community development than had their more populous and politically powerful neighbors. Over the twenty-five-year period, for example, Owsley County and Wolfe County—the two poorest counties in Kentucky and among the ten poorest counties in the United States—received ARC funding of only $472, 914 and $704,091 respectively. Conditions in Kentucky reflected the loss of momentum in the effort to bring economic growth to Appalachia, but they also reflected the mounting disparities between rural places and urban places and between traditional communities and more modern communities within the region. By 1990 the influence of ARC growth center strategies, structural shifts in the national economy, and the weight of local and national politics had combined to generate significant change in the mountains. For some communities, the construction of highways, industrial parks, shopping centers, hospitals, and education facilities had produced better economic conditions, and, despite the recession of the early 1980s, they continued to experience population growth and assimilation into the global economy. For others, less touched by government development programs and less prepared for the new economy, modernization brought increased dependence and fueled a further decline of community-based jobs and institutions.

Those communities that were located along the interstate and Appalachian corridor highway systems and were more integrated into the national market economy gradually regained their economic energy and joined the rest of the nation in the march to a postindustrial society. Some Appalachian towns and villages, especially those that functioned as regional government service centers, improved access to telecommunications and higher education and shared in the technological boom that swept the country in the 1990s. Others expanded as amenity centers in response to tourism and second-home development. Those more remote communities in the coalfields and the rural areas, however, continued to suffer from high unemployment, environmental decay, poverty, and the loss of youth to out-migration. Increasingly, some parts of Appalachia looked just like any other suburban place in modern America, but many other places in the region continued to reflect the economic despair, if not the old lifestyles, that had set them apart in an earlier day.

The ARC weathered the storm of the Reagan budget cuts and was eventually reauthorized by Congress. Allocations to the regional agency, however, remained at only a fraction of their former levels and reflected the loss of national interest in poverty and in Appalachia. The ARC struggled throughout the 1990s to recover from reduced budgets and tepid presidential support. With its survival assured, the commission refocused its energies, pledging to complete the unfinished portions of the Appalachian highway system and to assist mountain communities in the transition to the new economy. In 1991 the ARC revised its code to authorize expenditures from the distressed counties allocation for education and other human service projects. Previously those expenditures had been limited to water and sewer investments. During the Clinton administration, the commission renewed its commitment to helping the distressed counties and, after some debate, increased the portion of its overall allocations dedicated to the distressed counties program.

As governor of Arkansas, Bill Clinton had admired the structure and resources that the ARC provided for Appalachian development. As president he established the Mississippi Delta Commission to bring ARC-type development to his home region and appointed Jesse White, former head of the Southern Growth Policies Board, as federal cochair of the ARC. White, a Mississippi-born economist, attempted to revitalize the Appalachian program and established new regional initiatives to encourage entrepreneurship and telecommunications to better equip the region for the new economy. White also hoped to restore a commitment to the original ARC goal of regional planning by engaging the states in a comprehensive strategic planning process and by

sponsoring a series of economic development conferences. In 1996 the ARC produced its first regional strategic plan in more than twenty years, establishing goals in the areas of job creation, infrastructure development, health, highways, and education. For the first time in its history, the ARC also placed a priority on developing civic leadership in the mountains, although it allocated very limited resources to this goal.

Like other federal cochairs before him, White struggled to engage the active interest of the governors in the work of the ARC but failed to generate much enthusiasm for multistate planning. Except for the governors who served on an annually alternating basis as the states cochair, most governors delegated their ARC responsibilities to lower-level staff members, who were reluctant to take policy initiatives or endorse alternative or politically sensitive approaches to development. Among the general population of the region, the ARC remained a distant and almost unknown government agency.

With few resources and limited guidance coming from the states, the commission fell back into the mode of project management, building much-needed infrastructure and funding beneficial human service programs but providing little leadership to address the region's persisting social and economic problems. Even President Clinton's well-publicized trip to Appalachia in the summer of 1999 failed to generate significant new resources or development strategies for the region. Touring communities in eastern Kentucky in the manner of Lyndon Johnson more than thirty years earlier, Clinton attempted to rally support for his "new markets" initiative to stimulate private investment in distressed rural and inner-city areas. Despite the return of prosperity to the national economy, the number of officially distressed counties in Appalachia had grown from 60 in 1982 to 108 in 1999. Accompanied by Kentucky governor Paul Patton, several cabinet secretaries, and Jesse Jackson, Clinton hoped to attract support for his pending legislation and to renew Johnson's commitment to Appalachia.

The president's visit to Appalachia dramatized the dilemma facing the ARC and the region at the turn of the century: how to stem the widening gap between those mountain communities that were growing and those that were not. The ARC had helped to bring new roads, schools, health care facilities, water and sewer systems, and other im-

:ovements to many in the region, but it had failed to eliminate the ıardcore pockets of poverty" that were, as one reporter noted, "seem-.gly oblivious to all efforts at improving their lot."[67] Throughout the :gion there were communities of people who were better educated, ɜtter fed, and better housed than their parents. Some counties on the inges of the mountains had even attained socioeconomic levels above ational averages, but there were as many places of despair, scarcity, ıd frustration.

The route of the president's journey into Appalachian Kentucky lustrated the disparity that divided Appalachia. Clinton's entourage f reporters, business leaders, and government dignitaries landed in exington before boarding helicopters for rural Jackson County. .mong the crowd that met Air Force One in Lexington were many 'ho had migrated from eastern Kentucky to the Bluegrass decades efore in search of jobs and educational opportunities. A good number f the shopping centers, housing developments, and small businesses ıat had helped to turn the small university town into a growth center ı the 1970s had been constructed with "coal money," acquired by ıountain entrepreneurs during the boom years and invested in Lexıgton, where the promise of financial return was greater than in the ıral eastern Kentucky communities that had generated the wealth.

The president's helicopter passed over Interstate 75 and Madison :ounty before heading east into the mountains to land at an elemenıry school in the small community of Tyner in Jackson County. Mad-:on County, on the edge of the region, was home to the growing cities f Richmond and Berea, which had taken advantage of their location long the interstate to attract branch manufacturing plants and exand education, health, and retail services. Berea College, long a hampion of Appalachian uplift and traditional culture, had broadned its student body to reach larger numbers of poor and minority :udents outside the mountains and had become one of the leading beral arts colleges in the nation. Even the small school at Tyner was a ew, multigraded facility, worlds apart from the one- and two-room :hools that once dotted rural landscapes throughout Appalachia. ;raduates of the Tyner school were bused to the modern, consolidated igh school twelve miles away in the county seat, McKee. Fifty percent f those who graduated from Jackson County High School now went

on to college, but one in two elementary students failed to complete high school, and 43 percent of the adult population had not finished the ninth grade.[68]

From the Tyner school, the president's motorcade drove into Whispering Pines, a cluster of small trailer homes with about one hundred residents. There Clinton sat briefly in a plastic lawn chair and talked with sixty-nine-year-old Ray Pennington, a retired laborer with emphysema who kept a portable oxygen tank at his side. In a conversation that echoed the visit of another president to the porch of a cabin in nearby Martin County in 1964, the two men shared stories of growing up in rural places and talked about the need for jobs that might reduce the outflow of the area's young people. "Pennington's daughter Jean Collett told Clinton that since she had to quit her job at the Dairy Queen to care for her recently widowed father, the family relie[d] heavily on her son-in-law's paycheck from the nearby Mid-South plant."[69] The local electric components assembly plant was one of several that benefited from new tax incentives, and it now employed almost five hundred people.

After touring the Mid-South Electronics plant, the president greeted onlookers at a local Stop-N-Go and an Auto Mart before flying on to Hazard, deep in the coalfields. The sixty-five-mile journey would have taken Clinton two hours by car through Clay County, one of the poorest counties in the United States, and along the Daniel Boone Parkway, a link in the Appalachian Development Highway System. By air, the president traversed countryside of rugged hills and narrow hollows, substantially unchanged since the 1960s. Along the winding but now paved roads were modest homes, rehabilitated cabins, nearly abandoned coal camps, and the occasional tiny country store. Beneath the forest vegetation lay hidden patches of marijuana, a major source of income in the new underground economy of the area. The schools and many of the churches and other public buildings had long ago migrated to the "big road" communities, along with the young people and the jobs.

As the president approached Hazard, he crossed miles of devastated ridgetops, flattened by the new surface mining process of mountaintop removal. The technique, a legal loophole in the Surface Mining Control and Reclamation Act, decapitated thousands of square miles e surrounding mountains, dumping the soil and rock from above oal seams into nearby hollows and streams and creating vast acreof level land. A small portion of the mined land was set aside for ıtrial parks and other anticipated development, but the vast ma- of the barren plateaus were reserved as "wildlife sanctuaries." l residents complained about the destruction of the water tables, ollution of well water, the contamination of creeks, and the detion to homes and fields from blasting and high levels of dust, but nines operated twenty-four hours a day, providing fuel for the n's growing energy demands. Overloaded coal trucks hauled their uct to nearby railheads or low-country generating plants across ıppalachian corridor highways that also carried rural workers to and services in distant growth centers.

n Hazard, the president told a crowd of almost five thousand that ılachia and other poor places in America needed more help from rnment and more investment in private industry if they were to e the prosperity of the rest of the nation. "If we, with the most perous economy of our lifetimes, cannot make a commitment to ove the economy of poor areas," he said before departing for Lexon, "we will have failed to meet a moral obligation, and we also have failed to make the most of America's promise."[70] People in crowd were enthusiastic and polite as they "sat on the hot streets azard . . . drinking bottled water and wearing Old Navy," but : had heard these promises before.[71] The town, of course, had ged—it now boasted a new regional hospital, a fine community ge, a Wal-Mart shopping center, dozens of retail outlets, and even cal modern housing developments—but not far away, up the hol- and in the dying coal towns, was another Appalachia, one that ıined the old stereotypes of poverty and backwardness. That Apchia persisted in the shadows of the new.

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6

THE NEW APPALACHIA

In the heart of the mountains and along the northern and southern fringes of the region, the new Appalachia and the old survived side by side. During the years since the War on Poverty and the creation of the special program for Appalachian development, some communities had prospered and grown, while others had languished and declined. Everywhere the region's people were drawn into the web of a more modern and complex world. Growth centers and hollows alike had developed a greater dependence on the national economy and culture, although some communities had benefited from government-sponsored programs more than had others. Despite the transformation of places like Hazard and significant improvement by almost every gauge of region-wide socioeconomic performance, Appalachia still lagged behind the rest of the country in measures of income, health, education, and job security.

At the close of the twentieth century, the region was a much more diverse place. The modern highways, vocational schools, health facilities, and other public infrastructure projects funded by the ARC had altered the mountain landscape, reshaping much of Appalachia in the pattern of American consumer society. Appalachian teenagers wore the same clothing styles and listened to the same music as their counterparts in the rest of the nation, and local Wal-Marts carried an abundance of cheap, internationally made goods. Hidden within this new society, however, were old Appalachian problems that government initiatives had failed to address. An inadequate tax base, a low-wage economy, environmental abuse, civic fraud, political corruption, absentee landownership, and corporate irresponsibility continued to