

Lutz, Edward A.

Working Paper

Local Government Structure and the Provision of Public Services in Rural Communities

Staff Paper, No. SP 71-46

Provided in Cooperation with:

Charles H. Dyson School of Applied Economics and Management, Cornell University

Suggested Citation: Lutz, Edward A. (1971) : Local Government Structure and the Provision of Public Services in Rural Communities, Staff Paper, No. SP 71-46, Cornell University, Charles H. Dyson School of Applied Economics and Management, Ithaca, NY, <https://doi.org/10.22004/ag.econ.186457>

This Version is available at:

<https://hdl.handle.net/10419/276341>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

LOCAL GOVERNMENT STRUCTURE AND THE PROVISION OF
PUBLIC SERVICES IN RURAL COMMUNITIES

By

Edward A. Lutz

October 1971

No. 46

LOCAL GOVERNMENT STRUCTURE AND THE PROVISION OF PUBLIC SERVICE
IN RURAL COMMUNITIES*

Edward A. Lutz

Two quotes in Dean Jansma's talk outline for this morning illustrate sharply some hangups or mental barriers that agricultural economists and other students need badly to hurdle in considering problems of public policy and public operations. I shall repeat one of them and then discuss it before turning to the other.

The first quote is from the Saturday Review, and was suggested as an organizing theme. Here it is, "The battle to save the environment is just beginning, but until the nation decides which sectors of society will get priority, and who pays the price, ecology is nothing but rhetoric." Let me repeat and emphasize the phrase "until the nation decides." The assertion is that "until the nation decides," we have nothing but rhetoric.

This belief is basic to a discussion of local government structure because it seems widely prevalent among people who consider themselves sophisticated intellectuals, maybe including a few agricultural economists.

"Until the Nation Decides"

The nation does decide some things as a nation. It of course does not decide everything, if we stop to reflect a moment, even in the public policy line. The attitude emanating from the quote, however, when multiplied and trumpeted over the land, tends to push decisions upon the nation that add unnecessarily to the already fierce congestion. The inventory of pending decisions becomes mountainous. People like the Saturday Review writer, who see the world in ecological terms and the nation as the only center of decision, complain about substitution of rhetoric for action. Even a professor like the speaker is sometimes driven by demands beyond his capacity to substitute rhetoric for something solid and substantial.

The Saturday Review in aiming at a national market for its product seems to equate public problems, and decisions for resolving them, with this market. It does this in a nation whose ponderous size ranks it 4th on earth in both population and geographic area. It does this in a nation whose technological, social, ethnic and economic complexity and interdependence make the problems probably the most intractable on earth when they are all considered on a national scale. Such an attitude may sell Saturday Reviews from coast to coast. It is a rather fantastic view, when one reflects, if he has time to reflect, on how to resolve particular problems in particular ways.

*/ Paper presented at Northeastern Agricultural Economics Council Annual Meeting, Amherst, Massachusetts, June 22, 1971.

It may be a solace to some of our sophisticated intelligentsia to believe that Washington is supposed to have its eye on every sparrow when one tries to locate someone to blame for malnutrition among sparrows. The maintenance of a bird feeder outside one's dining room window often will be far more effective in promoting the ecological welfare of at least a particular fraction of the sparrow population in the USA. It is probable that as a nation we could inaugurate programs to alleviate nutritional crises among the sparrows, and win the approbation of the peddlers of the Saturday Review. We must not overlook, nevertheless, the constructive possibilities of supplying the backyard feeder even as we indulge in fashionable despair over the endless transcontinental jetstreams of rhetoric.

You may think that by citing the nutritional problems of sparrows I exaggerate the expectations of modern-day sophisticates concerning what we as a nation ought to decide to do. Let me remind you that there is a federal aid program for exterminating urban rats. When some individuals questioned the proposal a few years ago, they were put editorially in the public stocks of The New York Times as calloused souls ignorant of real needs.

The knee-jerk reaction of looking for the nation to decide, when one thinks he has a problem, overlooks the potentially important and indeed critical capacity for initiative of smaller groups, including communities or localities and their governments. The prevalence of the reaction seems fundamental to considering local government structure.

Those Artificial State Boundaries

The second quote from the talk outline for this morning refers to the artificiality of state boundaries. This phrase appears in probably every standard text on American Government, and perhaps most of those on economics. Maybe it occurred to George Washington as he crossed the boundary of the Delaware River on that legendary winter night. It is used often in the Northeastern United States where especially large numbers of people seem to have settled in patterns having little preference to state boundaries.

State lines are obviously artificial in the sense of having been designated by agreement among humans. Some such boundaries are artificial in the sense of being ill adapted to some of the purposes for which they may have been designed. In considering such matters, one is tempted to muse upon the artificiality of some of the borders between the United States and its neighbors (e.g., between Niagara Falls, New York and Niagara Falls, Ontario), or between the countries of western Europe and elsewhere on earth many of which are smaller than a number of our states. One also recalls that the stability of the line between us and Canada has been customarily hailed as a symbol of inter-community amity.

My purpose is simply to point out that there is an element of the arbitrary and artificial about most boundaries and that they continue to be essential for some purposes. We might do better in drawing

state lines if starting with a clean slate. Not only is the prospect of doing better a political hazard, but we obviously don't have a clean slate. Further, the considerable volume of talk over a long period about obsolete state boundaries has not altered them in the slightest.

As a practical matter in approaching practical problems, we need to accept that the Northeastern (and other) states are here to stay for a time as political entities. Then we can study what needs to be done within this institutional framework. Accepting the states as states has basic importance for questions of local government and its structure. An old and often-cited court decision exaggerates somewhat, but has much legal truth in considering local governments as "creatures of the state." It is impossible to consider questions of local governments for long without reference to the state by whose authority they exist and from which their powers are derived.

Local Government As Significant

The two quotes emphasized thus far in this talk reflect intellectual barriers in and outside of academe that block intelligent understanding and leadership of able people including agricultural economists in seeking politically practical answers to public questions in the localities of the Northeastern United States and beyond. The first reflects the attitude that 200 million people through Washington must decide public issues for all 200 million. The second, in refusing to take state boundaries seriously, finds unworthy of study a primary alternative to national decision and action in the political or governmental institutions of state and local government.

In a sense most of us agricultural economists, like the Saturday Review, cater to a national market. So do many other professionals, not to mention much business and industry. In trying to see the nation whole, state boundaries fade and become artificial while other equally artificial boundaries in things economic are accepted as a matter of course as, for example, publicly determined or regulated transport costs in interstate commerce. Those who concern themselves with more limited geographic areas tend to be regarded as parochial and provincial, not quite "professional."

It was my privilege recently to spend a sabbatic year in Norway where agricultural economists were also absorbed in probing national problems. The striking contrast was that Norway is a sovereign nation with a mere 3 3/4 million people and a geographic area equal only to Maine, New York and Pennsylvania. Many problems were similar except in the often critical difference of scale. Can you imagine focusing your professional lives primarily upon questions confronting a political entity of that size?

The first requirement for considering local government structure and the provision of public services locally is to take local (and state) government seriously. As Jerome Zukosky has recently said of the much publicized "urban crisis," "The urban crisis, therefore, is a crisis of understanding and comprehension, and much broader and more profound a problem than we assume. . . . In one sense, the crisis testifies to a great failure on the part of scholars and others to educate and to promote politically acceptable measures for change."^{1/}

The New York Times of May 31 carried an Anthony Lewis column on "Learning to Think Small." It was inspired in London by the British sociologist Michael Young. "He [Young] made the case for smallness in human organization. For a long time, he said, we have believed that bigness brings efficiency in business and government. To gain economies of scale we have accepted the remoteness and impersonality of large organizations. 'Whenever anything goes wrong,' Dr. Young said, 'growth is the stock remedy.' The ailing automobile company is enlarged by merger. Government ministries are combined into a super-department. Local governments are expanded to cover larger areas. We build huge schools and universities. But the remedy no longer works. . . . The big businessman tries to find ways of allowing smallness and initiative inside the huge corporate structure. The Federal Government looks for new relationships with localities and states. . . . In the end we may have to come to radical change in political structure and business ideology. Right now it is enough to begin by recognizing the renewed truth of what Louis Brandeis taught about the curse of bigness."

We need to think small enough to focus scholarly attention upon how public actions affect families and localities, towns and groups of towns, and private institutions in variety within a finite geographic area. Otherwise we do little more than to contribute to those jetstreams of rhetoric.

Local Government Structure

In education in recent years we've been confronted by the unpleasant and unnerving possibility that even when schooling is practiced according to the approved models, we haven't been educating very well. In considering how to improve local government structure, we are in a similar fix of being much less sure than we once were about what are the right models.

As a trained and more or less certified professor of public administration, I have shared, though by no means completely, the common yen for simplicity in local government structure--simplicity from the viewpoint of the rulers rather than the ruled. We have watched the census

^{1/} Jerome Zukosky, "What's the Problem?" in the National Civic Review, published by the National Municipal League, New York, September 1970, Vol. LIX, No. Eight.

count on the units of government in the United States. The latest total of 81,000, though it has been shrinking, is regarded as much too many. The number, we have said, should be greatly reduced, employees should be full time professionals, economies of scale should be realized from the enlarged resulting operations, organization should be rationalized into the traditional pyramid of authority, multiple layers of local government should be dissolved to a minimum of one or two. Then the public would be better served and would better understand what is going on preparatory to better decisions at elections and other times.^{2/}

You may wish to estimate the significance of the apparent fact that those who have taken the doctrine just described most seriously seem to be in the deepest trouble. The greatest progress in local consolidation and rationalization has been in school districts which preside over the largest sector of the field of education. Elsewhere the reduction of numbers of local governments has been minimal. The most striking and clean-cut illustration of metropolitan consolidation is the City of New York which expanded from Manhattan over the four other boroughs or counties at the turn of the century taking in a number of villages, cities, towns and school districts. If one measure urban crises by decibels of sound, it is clear that the City of New York leads in this as in many other things. As I've seen totals of the unusually large number of local political entities in adjacent Nassau and Westchester Counties, I've wondered if earlier emigrés into suburbia were reacting to the monolithic City by incorporating neighborhood governments.

New Light in Academe

In recent years, questioning of the classic public administration approach to local government structure has penetrated academe. Questioning heretofore, according to legend, has been largely limited to narrow, self-seeking, progress-blocking politicians, fearful of losing the power and pelf implicit in the public sinecures that would be abolished by a consolidated, reformed and efficient local government.

One result is a beginning of more systematic thinking about the alternatives to the classic approach than is characterized by tub-thumping speeches on home rule or by doctrinaire pronunciamientos on participatory democracy.

Vincent Ostrom, a political economist, has compared the public administration doctrine with what^{3/} he calls the approach of the contemporary political economists.^{3/} With respect to the latter, "During

^{2/} See for example Committee for Economic Development, Modernizing Local Government -- to Secure a Balanced Federalism, A Statement by the Research and Policy Committee of the Committee for Economic Development, New York, July 1966.

^{3/} Vincent Ostrom, Two Approaches to the Design of Public Organizational Arrangements, a paper drafted for presentation to the National Water Commission and the Commission's staff, 73pp. mimeo., 1971.

the last decade, a new analytical tradition has been developing among a group of political economists who have been preoccupied with the theory of public goods and with the problems of non-market decision making which arise under conditions of market weakness or market failure. Their work has developed to a point where we can anticipate quite different possibilities for the design of public organizational arrangements. Those possibilities are much more congruent with Hamilton and Madison's political theory [than is the public administration model]. This approach implies a different basis for diagnosing social pathologies and a different set of prescriptions for treating those pathologies."³

Later in the paper, he compares the two divergent approaches. "Both sets of analysts would probably agree that some serious 'urban problems' exist in the United States and that modifications in the structure of decision-making arrangements in many urban areas would probably lead to improvements in human welfare. Disagreements would begin to appear in any identification of the casual links associated with the malady.

"The CED [Committee for Economic Development] report² identifies the fragmentation of authority, and overlapping jurisdiction, as the source of chaos and disorder in the urban scene. . . .

"We might expect an organization analyst using the approach of the political economists to be more explicitly concerned about the symptoms characterizing a particular pathology and to attempt to establish a casual linking. . . . If 'crime in the streets' were the symptom, he would be concerned with identifying causal linkings related to that effect. The public good might be conceptualized as the peace and security of the streets and of those who use them. He then might speculate that institutional failures associated with large-scale bureaucracies would be associated with 'crime in the street.' In that case, he would inquire further for evidences of 'bureaucratic free enterprise' associated with police corruption. Laws may serve as traps for money. If such patterns of conduct exist, he might further infer that opportunities would exist for alternative arrangements to meet the demand for police protection as reflected in a demand for personal security. . . . A sharp rise in the demand for private security arrangements would be indicative of a failure of the public police agency to proportion its services so as to meet demands in its different services areas. . . .

"The analyst associated with the political economy approach would perceive little benefits to be gained from a bigger and better funded police department in an enlarged metropolitan region under such circumstances. . . .

"Such conclusions do not imply the abolition of big city governments in favor of neighborhood governments. Large-scale organizations are necessary for dealing with many large-scale problems associated with urban life. However, the elimination of collective enterprises

capable of providing public services in response to smaller, diverse neighborhood situations will lead to impoverishment of life in urban neighborhoods, communities and villages within a megopolis (sic) In a highly federated system with overlapping jurisdictions, organizations can respond to problems involving diverse scales. Centralization need not be the antithesis of decentralization. Organizations capable of dealing with small-scale and large-scale problems can exist simultaneously."

Let me supplement the sample from the Ostrom presentation with another from the Jerome Zukosky article already cited. Said he, "The federal treasury could be emptied tomorrow into the hands of big-city mayors and the problems of providing those services that bulk large in the litany of the urban crisis would no more disappear than if each of them were created separate states. The states could turn into the most willing servants of their largest cities, or all the local governments in any metropolitan area could disappear, and the problems of managing, planning and financing that extraordinary political economy we call urban areas and cities would remain as difficult and resistant to human effort as before.

"Simple solutions or policies will not do because the problems of effecting change and improvement in that political economy are not simple and have little to do with the formal powers of government expressed in charters or the numbers of governments, and a great deal more to do with such matters as encouraging public and private investment, energizing bureaucracies to innovate and harnessing technology to public purposes. Many are problems we commonly call management: of pricing goods and services and planning future capital requirements. Others are problems of effecting political leadership and organizing political power to back it up so tough decisions can be made tolerably well and with minimum conflict."¹

Daniel J. Elazar, a political scientist, also has discussed structure of local government, again with reference to metropolitan areas. "[Every] local community is inextricably bound up in a three-way partnership with the federal and state government, one in which virtually every activity in which it is involved is shared intergovernmentally. . . .

"The existence of this partnership. . . . reduces the desire of the local people to give up their local autonomy. Within the federal system, all local governments act as acquirers of federal and state aid; as adapters of national or state programs to local conditions, needs, and values; as initiators of new programs at the state and national, as well as the local, level; and as experimenters in the development of new services. Most important, for every local community or communal interest, possession of its own local government gives it a seat in the great game of American politics. Governmental organization is, in effect, a form of 'paying the ante'

that gives the community as a whole, or the specific interest, access to a political system that is highly amenable to local influence properly managed. Relinquishment of structural autonomy, on the other hand, substantially weakens the position of the community, or interest, in its all-important dealings with the state and federal governments. This militates against any local government. . .willingly giving up its existence unless its constituents cease to desire a special seat at the political table. . . .

"A [consolidated] metropolitan area is no more likely to be financially and economically self-sufficient than the largest states are today, and we know that no state is presently willing or able to give up federal assistance, particularly since none feels the need to do so to maintain reasonable local autonomy."^{4/}

From the West Coast

Let me continue this litany of quotes on metropolitan restructuring with one more on the Los Angeles area by a political scientist who did a study of that area as a doctor's thesis. The literature of local government restructuring seems currently much more abundant on urban localities than rural, an imbalance that some in this group should try to correct.

Robert Warren as a student of Los Angeles metropolitan area government wrote that his examination failed to verify that efficiency and adequacy of services are associated with a centralized metropolitan government. His studies suggest instead "that the capacities of a multi-nucleated governmental system may be at least equal, if not superior, to one in which decision making is formally centralized. . . . [Analysis] of government within Los Angeles County indicates that the division of authority among autonomous public entities does not preclude efficient and adequate responses to the municipal needs of large and complex populations. . . . Competition among jurisdictions in the Los Angeles area has become institutionalized in two senses. The Lakewood Plan has created a relationship similar to that of producer and consumer in the market by locating control over the provision of public goods and services in a number of independent cities, and production in a large scale producer [Los Angeles County] exposed to the possibility that the areas it services may utilize other means of production. The results of the market-like interaction in this arrangement suggest that benefits comparable to those attributed to competition in the private sector may also be realized in public organization. . . . This quasi-market pattern appears to provide a basis for structuring political fractionation in such a way that basic service standards are maintained, differing preferences in the public sector can be satisfied, and higher levels of efficiency and responsiveness induced in a large scale producer."^{5/}

^{4/} Daniel J. Elazar, "Are We a National of Cities" from The Public Interest, No. 4, Summer, 1966.

^{5/} Robert O. Warren, Government in Metropolitan Regions: A Reappraisal of Fractionated Political Organization, Institute of Governmental Affairs, University of California, Davis, 1966.

Local Government, Rural and Urban

It may be objected that all the talk about metropolitan areas is a long way from rural. But is it? The students quoted are telling us to be careful of the classic public administration approach in restructuring local government. They seem to be saying that you don't disregard it, but neither do you follow it blindly as revealed religion. To put it in unscholarly vernacular, they seem to be saying that there is more than one way to skin a cat.

For example, where economies potentially realizable from scale are significant, what are the alternatives for realizing them? One, and only one, alternative is to consolidate until there is enough volume of business under one management to make possible the economies; even that alternative has its hazards with respect to economy as the City of New York has recently discovered in relation to its sanitation department. Performance contracts with private concerns for education, until recently heresy, are now at least getting a hearing. Other alternatives are to contract with other governments or private organizations, to cooperate, look to a higher government, etc. In household management, each family doesn't make its own television set; it benefits from economy of scale by buying one made by a large producer.

If professional expertness is wanted, what are the alternatives for obtaining it, in addition to the alternative of organizing local governments large enough to accommodate the full time experts on the payroll?

The use of what is termed "para-professionals" is much discussed these days for local governments and in other situations. This late urban fashion has been prevalent for a long time in rural areas in the form of the part-time amateur public functionary in many lines. As ruralites know, the performance often has its faults. It is not always or maybe even usually done under the watchful eye of a professional. In the light of new insights, however, maybe we'd better count ten before we vote all the amateurs out of office in favor of the full time, fully certified expert. Again, if we observe carefully and systematically, as we good scholars should, what local governments actually do, we are likely to discover numerous alternatives for deriving optimum combinations of professionalization and lay performance.

A Word on Finance

Some of the students quoted heretofore have treated money with maybe too heavy on apparent disdain in discounting local government restructuring as a means of alleviating local public problems. Money alone will not solve the urban crisis, or the rural crisis. Obtaining money is, however, among the troubles.

If one stares at the simple, unmanipulated figures in the accompanying table from a certain perspective, it is possible to reach one or two rather obvious conclusions. One is that in the course of the past three and a half decades, local governments have shifted from a heavily dominant to clearly subordinate position in tax collections by the three levels of government -- federal, state and local. A second is that while the local property tax take has expanded several times over, its growth has been nothing like the federal income taxes, especially the individual income tax. Even the social security taxes now exceed that local mainstay, the property tax.

Observers agree on few things more widely than that local governments generally are under far more severe pressure than the federal in finding enough money to finance growing expenditures for essential public functions. The income elasticity of yield of the federal individual income tax has been a great discovery in political economics in the post-world war period of seemingly perpetually rising incomes. More money flows to the national treasury each year without the Congressional meeting necessity of raising tax rates. This relatively benign and pleasant experience is in stark contrast to that of local (and state) governing bodies facing the perennial decision of how to get more money from tax bases generally much less responsive to economic expansion than the income tax.

These and other constraints upon local governments help explain what some scholars regard as the innate conservatism of many local officials. One way of modifying these attitudes is to reduce the hazards of political gunfire incident to raising necessary funds for local treasuries.

How do you generate within communities around the Northeastern United States an intelligent, shrewd, skeptical, "sophisticated" willingness to raise taxes or other revenues for local communal purposes? I submit that one direction to look is toward more and better sources of locally raised revenue, and that this direction may be more important in adding to local government vitality than trying to equalize and make uniform taxes and public services among localities, significant though the latter may be.

The inadequacies of supplying local revenues through large numbers of fragmented federal (and state) aid programs have recently been pointed out by more thorough scholars of the subject than I. The relatively unconditional federal revenue sharing proposals would substantially modify the fragmented approach, although the initial amount proposed for the general revenue sharing (\$5 billion) is modest compared with the numbers in the accompanying table. These federal explorations and alternatives are interesting and worth pursuing. But we need, I think, to pursue alternatives farther and more thoroughly than is likely to be done under official federal or state auspices. Perhaps among agricultural economists and their peers in the Northeast, we shall find talented and imaginative researchers who will prospect for the gold in this lode, and who will propose alternatives that will give at least a one-man one-vote break to the rural areas relative to urban.

Federal, State and Local Taxes for 1932 and 1968-69

United States

	1932			1968-69			
	Total	Federal	State Local	Total	Federal	State Local	
Individual income tax	\$0.5	\$0.4	\$0.1 --	\$96.1	\$87.2	\$7.5	\$1.4
Corporate income tax	0.7	0.6	--	39.9	36.7	3.2	*
Social security taxes	--	--	--	37.3	34.7	2.6	‡
General sales taxes	0.6	0.4	‡	14.0	--	12.4	1.6
Property tax	4.5	--	\$4.2	30.7	--	1.0	29.7
All other taxes	1.7	0.4	0.1	42.0	22.1	17.8	2.1
<u>Total Taxes</u>	<u>\$8.0</u>	<u>\$1.8</u>	<u>\$4.3</u>	<u>\$260.0</u>	<u>\$180.7</u>	<u>\$44.5</u>	<u>\$34.8</u>
From other governments	--#	--	0.6	--#	--	17.8	26.1
Total revenue	\$11.5	\$2.6	\$6.7	\$312.6	\$199.6	\$77.6	\$79.3
Population	125 million			201 million			
Gross National Product	\$58 billion			\$931 billion			
Personal income	\$50 billion			\$689 billion			

Sources: U. S. Bureau of the Census, Governments Division, Census of Governments, 1932; and Government Finances in 1968-69; U. S. Office of Business Economics, Survey of Current Business, selected issues.

* Included in individual income.

‡ Less than \$0.05 billion.

"From other governments" cancels out to zero in U. S. total.

In the dim past when I first read a public finance text, I learned the convincing reasons why the individual income tax was not suitable to local government use. During my recent stay in Norway, I discovered that the Norwegians are ignorant of such matters, and that this tax occupies the preeminent position in local government taxation that the property tax does here. In the municipality where I resided, roughly equivalent to a moderate sized New England town, the tax rate was a not untypical 19 percent! This local tax is proportionate to income while the national tax is on a graduated scale.

There are all sorts of reasons why so heavy local reliance upon income taxation won't work here. It may be worthwhile to look more searchingly to see if the reasons are the right reasons before we write off the Scandinavian experience.

The search for improved local revenue sources should not be limited to taxes alone as the word "taxes" is understood by the Census Bureau in compiling statistics of state and local finance. Revenues also include the broad Census categories of "charges and miscellaneous general revenue" and "utility revenue." Resource economists have called attention to a variety of possibilities for pricing public services and for charges such as for environmental protection. The potential of expanded use of "non-tax revenues" offers opportunity for imaginative economic research that will help resolve pressing problems of financing public services in rural communities.

The End and Beginning

Institutions of local government are being viewed in fresh perspective as essential elements in effectively serving the public in both rural and urban communities. There is plenty of room for improving those institutions, and plenty of scope for scholarly work by agricultural economists and others in the search for alternatives for improvement.

We appear to know less than we once thought we did about these things. We need to think less of national solutions for all public questions, and the rhetoric it takes to move a nation of 200 million souls to respond. We need to consider more the ways for communities that are finite in numbers of individuals and in ties of communal interests to make visible inroads on their concerns.

One requirement is a seasoning of humility in intellectual endeavor. An able agricultural economics graduate student of a generation ago had on the wall by his desk a motto that would seem quaint to the Saturday Review, "Life by the yard is hard. Life by the inch is a cinch." Settling the fate of the United States at every seminar can make life incredibly difficult -- or lost in rhetoric. Settling the future of Podunk is enough to try most men's capacities, the more so if multiplied by a factor of 3 or 4 or 10, let alone by a few score or few hundred.

A valuable attribute of many agricultural economists that gave rise to the profession and its widespread recognition was perhaps acquired from the physical and biological scientists who have been their colleagues in the applied sciences of agriculture. It was the habit of observing systematically and first hand the phenomena to be studied and taught. One learned how farms were run by visiting, questioning and recording the answers of farmers representative of the population under study.

Systematic observation of local government and its managers, employees and customers has a potential for similar returns.