ROBERT KORSTAD: This is an interview with George Autry, March 9, 1992 in Chapel Hill, North Carolina by Bob Korstad and Neil Boothby. George, why don't you talk a little bit about your background, where you grew up, your family, something about what they did, your childhood.

GEORGE AUTRY: Well, I grew up in Wilmington, North Carolina, down on the southeast coast, in the middle class, but I was sort of a half breed. I was half Yankee, half southerner. My mother's family were from Ohio, and that was the middle class branch, and my father's family were from, oh, a town three or four miles outside of town, named Clement. Clement's about nine and a half miles from Autryville. If you still need some geographic help, Autryville's somewhere between Clinton and Fayetteville, meaning, this is really, really a long way from anything. And although I grew up middle class, the family farm WAS where my grandparents lived until the '40s, and after they died. my maiden aunt lived until year before last when she died at 96. I remember when we first got hot and cold water instead of the well water there. And I remember when we moved the bathroom indoors, and I remember when the electric lights came.

I know something about the rural South. I suppose, although they called themselves poor, that branch of my family, by the standards of today even, they weren't poor. They owned that plot of land and for the last 100 years they scratched out a living on
it. But I grew up in public schools in Wilmington and went off to Duke. Never applied to any other school but Duke and Carolina. The first in my family to go off to college. My father was the first to graduate from high school in the family, and that was when he was 22 years old. It took him that long, dropping out of school and working, then back into school when we had the money. His father was the first to be able to read and write. So it's a generation.

RK: A progression here.

GA: Yeah, strange progression.

RK: What brought him off the land into the town?

GA: By the time he had graduated from school, he absolutely despised farm work. He hated it and swore he'd never do it again. He was accepted to Carolina but it would take another six or seven years of dropping in and out of school to work to save the money, and he decided not to. So he worked himself from, went over to Fayetteville first, which was not too far away, and worked for a while, and then headed for the big city of Wilmington to find his fame and fortune and my mother.

RK: When you were growing up and going through school and everything, who were some of the people who had the greatest impact or influence on you, that helped you develop your sense of values, ethical sense?

GA: Well, I would suppose my parents who, for their time, were clearly not racist. Probably wouldn't even be called racist
by today's standards. We were not much concerned about segregation. We were very concerned about decency and that sort of thing. So I felt I was the only kid in my neighborhood to whom Joe Louis was a hero. I couldn't understand why the other white kids--I mean, I grew up without a real good understanding of the visceral racism of the South, although I suppose I didn't pay much attention to it. There was a lot at that time of co-mingling with black kids... we played together. I mean, every year we had something called the salt and pepper bowl, where the kids from the black high school and the kids from the white high school would get together and play. I had older black friends. And I mention that, when you talk about what has an influence... The defining issue of my life was not Vietnam, but the civil rights movement, because that's the most interesting thing and the most relevant thing really to what we're talking about here today. My defining issue is really race.

I remember in '54 the Supreme Court decision and being confused by it. On the one hand, things had always been this way so why should they go against precedent and overturn it. On the other hand, how in the world could we ever find ourselves in this position in the first place, an illogical bind. But it wasn't until after I'd been at Duke for a couple or three years, that I came to a stronger and stronger feeling about a basically evil system.

Interestingly, a part of that, I'd always been interested in
public policy, an inveterate newspaper reader, newspaper buff. Did a undergraduate paper at Duke for a political science course on why Sampson County had more Republicans than Democrats. It was the only county in eastern North Carolina with a strong Republican background. And I looked at it, my family, this poor family I was talking about, most of them were Republicans. There were some Democrats. But what had happened was that the populist movement in the late 1880s, when poor whites had an election stolen from them statewide by the Democratic Party, the Populist Party was angry in some places at the Democrats that they joined the Republican Party, what was left of the Reconstruction Party. That was the source of my Republican roots on that side of my family. When I confronted my family with this, they just absolutely wouldn't believe it. We're Republicans. That's the way God meant us to be, just like we're Baptists and Methodists. Right? I mean, you're marked when you're born, and that's the right thing to do, segregation. Fascinating little side issue.

RK: What about Duke? That must have been a very different world from the public schools in Wilmington.

GA: Oh yeah, I mean it really was, going up there. Duke was even then as much a northeastern school as it was a North Carolina school. And to be thrown into that much more heterogeneous milieu was a shock. I was immediately homesick for either Wilmington or UNC over in Chapel Hill [laughter]. But, of course, I learned an extraordinary amount from it, and there were
always the debates, usually over race. Seven years later when I left law school, I was probably more remembered for leading campaigns to integrate the law school than I was for anything that had to do with my academic record.

NEIL BOOTHBY: George, I had a question, to go back a little bit to your earlier life, before we go on. I'm curious about farm values, have they had an impact on your life, have they helped you imagine what one needs to do in today's world?

GA: You said farm or?

NB: Farm values, values that one learns from the farm. You grew up on a farm. You talked about the farm being very present still in your life.

GA: Yeah, I should say that I own that farm on which I lose money, of course, every year. The value of the farm goes down each year. The values of the land are constant. Because to keep the farm, to hold it together for the six people who would have inherited it from my aunt, I had to buy it from the six of them. So I've got a mortgage on that, and I don't make money. I grew up in ( ) but down the farm. An anecdote along that line. My aunt owned two farms when she died, one from each side. The very poor part of the family, which is the Autry part, and the slightly more well to do side of the family, which was the Culbreth side. It was the part, the Autry side, that I bought to hold the farm together. On it there were six graves, my great grandfather and mother and three of their children, who had died
over one hundred years ago. And these graves were marked with a pine knot, really out in the woods, now completely grown over. When my aunt, the 96 year old aunt, inherited a little bit of money from her sister when her sister died, my aunt then being about 85, she decided that we were going to put stone markers there. So we did. We cleared it and put stone markers up with a little pipe fence around it.

An incident like that is just sort of a dramatic evocation that even those of us who are two or three generations removed from the land, still feel a part of those ever-present fundamental values of thrift and caring and family and something I suppose I would tend to say fundamentally separates us and the southern novel from American literature at large more than anything else. It's very hard to describe, Faulkner or Eudora Welty have done it.

RK: What was the political climate about race like at Duke in the '50s when you were a student and when you were a law student?

GA: It was a roaring intellectual debate, obviously. There was very little of mixing between the races. The big event, at which the state of North Carolina allowed the two races to get together, was something called State Student Legislature which, I suppose, still exists. It was held over in the Capitol, and all the universities in the state would elect delegates to this legislature. It was there that I met and became friends, at the
time, with a couple at NCCU. But when that couple and my gal, who is now my wife, wanted to get together for a picnic, they couldn't get permission from NCCU that we could even go out together to a public park or to Duke Forest. It was fine with Duke, and Duke was somewhat integrated at the time. Duke, ironically, would have been integrated, if court decisions didn't come down when they did come which stiffened resistance on the board of trustees [laughter], every time the Supreme Court would make a new decision.

RK: What about influences there on you, people who stand out as guiding you through those seven years, who in your kind of present career in life would look back on as . . . .

GA: Well, two, from a public policy standpoint, Dr. Rankin, who was chairman of the political science department and a charter member of the United States Civil Rights Commission, and Douglas Maggs, the Constitutional Law authority at Duke, who was nationally known. Both of them very progressive. Rankin, on the one hand, a good old southern boy who had studied at Princeton, and Maggs, on the other hand, who was certainly radical for his time, a brilliant, brilliant intellect. Those two I would say. I mean, there are others like Joel Colton who challenged, as a freshman, my feelings on race, my more benign look at segregation and what the consequences of segregation might be, and the whole challenging atmosphere while I was there. But I would say those are the two.
RK: Then you go off to Washington?

GA: Yeah, I got a fellowship out of law school to study with any North Carolina representative or senator I wished for a year. It was a really healthy stipend, which was nice. Because I was absolutely centrally interested in Constitutional Law and what it could do, I choose Sam Ervin after a great crisis of conscience because of Ervin's opposition to civil rights. But I also knew that he clearly was the best constitutional lawyer in the senate and was a civil liberties liberal. It was after praying over this with Maggs that I decided to go where I was going. And also, I went to a subcommittee on constitutional rights rather than directly to Senator Ervin's office, which assuaged my conscience somewhat, because Ervin was nothing if not fair. He was not one of those senators who would bottle things up in committee. He wanted the staff to serve everybody, and of course, we had a diverse people on our subcommittee. I came to love Ervin and stayed on for years after that. Did a PBS interview, by the way, on his life last year that would be interesting.

RK: What was your experience in Washington, working in that kind of policy process, from the legislative point of view. You were there when so many of the important pieces of the... .

GA: Yeah, all of the civil rights.

RK: Social and economic legislation of this decade, I mean, of this century, were being hammered out. One of the things
we're interested in is looking at the differences in policy process in the legislative branch and the executive down to grassroots level, non-profits. I guess maybe you could talk a little bit about how that whole process worked from your point of view. What were the fundamental issues? How aware were the representatives and the senators of the real problems that they were trying to address with the Civil Rights Act and other pieces of legislation?

GA: Oh, I think the white people in the South had generally fooled themselves about the nature of segregation and its consequences, and I think the representatives in Washington pretty much reflected their views over the years. I'm answering the last question as a long series [laughter] of questions though. I should add a couple of things. I had been involved briefly in the beginning of the sit-ins in Durham which occurred right after those in Greensboro. I got out of them rather quickly, my wife and I, because Judge Green, the black Superior Court Judge today over in Raleigh -- probably wouldn't remember me at all -- told me that I shouldn't get involved. I was going to be a lawyer, should not get involved in those because I'd never pass the bar as law students and civil rights advocates. And I didn't.

I'll never know whether I would have had the courage to go off on those freedom rides which came a little bit later or not, and I really doubt it. But it was interesting that that was the
frame of mind I hit Washington in.

The second thing was that my wife, who had been at Duke graduated--we got married about three days after I graduated from law school and she from undergraduate school--went to work for Hubert Humphrey in Washington. She worked for then Senator and later Vice President Humphrey for seven years while I was working for Ervin. Their offices were close together. Humphrey was the floor leader for the Civil Rights Bills, and we were really involved in that. Since I had the responsibility for helping out Senator Javits, as much as I did Senator Eastland, I was writing speeches all over the place, and, I suppose, being what I had been trained to be, for which there are not a lot of jobs. I was a constitutional lawyer, doing whatever was handed me. It was a fascinating time. Nothing will ever be, I don't suppose, as exciting a time as that was. But that was only 25% of the work, and 75% of the work I was involved in was civil liberties, constitutional rights of American Indians, wire tapping, "no knock" legislation, as it was called back then, breaking and entering by the cops, in effect, and the constitutional rights of the mentally ill. That was the whole series of civil liberties issues that took up more of our time.

RK: Have to change this every twenty minutes.

GA: That's fine. I may not last this whole session with this coat on. I'm going to have to go to the Carolina. . . .

RK: No, you can take it off any time you want. If we need
to open the window, well, that will mess your sound up, I guess. Want to take it off now.

GA: I saw Becky last week, Becky Rummel. She says she's coming to your program. And I talked to Betsy Campbell at Ford who says she's coming.

RK: Yeah, I've got to send her letter.

NB: ( ) trying to bring these coalitions together and what kind of retrospect, an exciting time but . . . .

GA: It was an exciting time but Washington was getting old. I mean, because what we were doing was trying to stop the government from doing things to people, which government is always wont to do. It is fascinating that was I was working for Ervin who was a genius at stopping government from doing unto the people, while Hubert Humphrey was our generation's most creative legislator in getting government to do for people: Medicare, the Peace Corps, the Civil Rights Bill, almost every piece of important legislation from that time was out of Humphrey's head. So it was fun.

That's as a subcommittee chief counsel, it's a great place for a big ego because you can hammer away at bureaucrats and cross examine folks from all over the country, and you can pound on the table, and you can demand service for constituents. But after a while, there's only so much you can do. And to answer this question and an earlier question, I don't think Congress has
much of an idea about what the sweeping issues are and how they effect people. I don't suppose they can. Democracy is a terribly inefficient form of government anyway. But you can only be expert in one or two narrow issues. I'm sure there are a few congressmen who understand rural poverty, and there are a few congresswomen who understand the problems of poor women in the big cities, and there are others who understand the problems of the farmer. Probably not a whole lot of people up there would understand that the rural South is unrelated to agricultural legislation and the latent commodity bill. Despite being a rural state and an agricultural state, we pay out, not get back money. We pay out for those commodity programs that serve the Midwest. So I was getting awfully restless doing the same thing every year when I was recruited, by the North Carolina Fund to come back here.

RK: How did MDC get started? Who were some of the important people in imagining this organization and its role?

GA: George Esser, number one, who was executive director of the North Carolina Fund, one of the country's first poverty fighting programs, and a statewide one. Terry Sanford and Luther Hodges, Jr., who was a member of the board of the Fund and the first chairman of this organization. Martha McKay, assistant president of the Fund and who was my first assistant president at MDC. They had put together a proposal and taken it to the National Association of Manufacturers and the Office of Economic
Opportunity (which is the first and last time those two organizations ever got together. They didn't stay together long.) But the fact that this was the founding partnership did give something of a challenge, to George Esser, and I assume he came after me because he figured that any boy who could work for Sam Ervin and find happiness with a girl who worked for Hubert Humphrey, ought to be able to keep NAM and OEO in bed together. I couldn't, of course, but I had no other qualifications. I was not an economist. I had been a politician. I was president of Duke Young Democrats in 1960 which is of no consequence, except that the Democratic Party in Durham County in 1960 decided that they weren't going to support Kennedy, which meant that it fell on us to run the presidential campaign. I had been heavily involved in Democratic politics in '64. I had been advance man for Lyndon Johnson, for Lady Byrd, for Humphrey. So I think they thought a politician, but not a particularity partisan politician... Well, I -- at this stage of the anti-poverty movement, it was just being discovered, I think generally, that you couldn't create jobs for people without the participation of the private sector in the effort. And you couldn't lift people from poverty by giving them a board of their peers and a pot of federal money and say, "Go do it," which was, in a sense, partly, an over simplification, of what was happening at the time. It needed somebody to take MDC's reigns, who could communicate with a broad cross-section of North Carolinians and was committed to
social progress, but somebody more committed to getting it done than having revenge.

RK: What were some of the larger social-economic problems that NDC was trying to address?

GA: The country was generally involved in a period of total chaos. It had lost its moral way in Vietnam. We had lost our intellectual way, often in the South, with some of the things that were going on at the time. There were riots in the cities, and yet, at the same time that this was an era of chaos, it was also a time when it seemed that all things were possible. Ergo, such partnerships as NAM and OEO. We in North Carolina had not gone or were what Mississippi and Tennessee and Arkansas had gone through with cotton mechanization and the greatest migration in the history of North America. Millions of their poor folks left the farms for the cities of the North. This was still happening in North Carolina, and it was happening at a time when North Carolina companies, fueled by the heat of the Vietnam War economy, were requiring more and more workers, and at the same time that integration of the work force was finally occurring on a relatively massive scale. It had been required by federal law three years before but it was really being implemented just about the time the two, twin phenomena of transformation of agriculture to manufacturing and from a segregated to an integrated workforce were occurring, and that was what we were created to contend with.
RK: Those are kind of broad problems. What kind of specific problems, say, in terms of individuals or institutions were you trying to address in this early phase of NDC's history? GA: The two transformations left us with fundamental mismatches in the labor force and the economy. So it required addressing the problems at various levels, at a lot more levels probably than we tried to address it. But number one, the question was how you're going to teach people who had worked hard all their lives in the fields to work according to the clock instead of according to the sun. There really is a fundamental difference: Why you have to work on the opening day of deer season and when it's raining, but you don't necessarily have to work fourteen hours the rest of the days of the week. It's a fundamentally different culture. It's a different era and a different age. It's not the private enterprise system that we talk about in American textbooks. The system of agriculture which produced these people was an outgrowth of slavery, and what's left of a feudal society. And black folks, to whom employment in any meaningful industry had been denied forever, were asked to come in and work with white people, and managers who had been used to working with the products of white working-class high schools, for the most part. We went at programs first to help people make the transition... For instance, the HRD program, which is in 48 or so community colleges today, I'm sure it trained a minimum of 80,000 by now.
It turned people from agriculture to manufacturing, and away from dependency of the sort that sharecropping and tenant farm system imposed. . . . dependency that required work by an owner, and now still was an owner of the means of production to a large extent.

Now, how to make that transition is more complicated, I think, than most of us liberals at the time would have thought, until you plunged in and got to working with them. Then we experimented heavily with a program, as part of one experiment, as part of a larger national experiment, of changing migration patterns by trying to bring people to High Point, Greensboro, Charlotte who had been going to Baltimore, Philadelphia and New York, and from Appalachia to Chicago and Detroit, bringing them instead where they were needed here in Nor-Cor. And there were programs, which were almost demanded both by industry and by the people we had trained, to get first line supervisors and top level management to understand what it is to manage individual differences. Basically it's good management, but first you've got to confront, of course, the inherit racism that these folks have been cursed with.

NB: George, earlier, I think in a very modest way, you said I don't know why I was chosen for this job. I wasn't an economist. My question as I listen to you, how much of this era dealt with sort of more technical questions than perhaps economists would be useful for, versus fundamental questions of fairness and equity and how do you include people who have been
excluded historically?

GA: Yeah, I mean, maybe I showed undue modesty. But I really think. . . . there was a requirement by them, by people of the same values that I have, that these values be represented at the MDC organizational level. But what they were also looking for was somebody who could cajole, con, convince people to work together toward a larger, fundamental goal of a better economy and a healthier economy, with less poverty. Obviously, George Esser and other people knew the economic argument, and not just the equity argument. Educating and training and finding jobs for people is fundamental because those that you don't find a job for are an inherent threat to the society, to the economy. Were then. Are now. And education and training fits with my own rather routine, Protestant upbringing -- that work ought to be the antidote to poverty. It wasn't in the rural South, where 75% of us worked -- every man, woman, child jack of us worked, and 75% were poor. But by the late 1960s, we were entering into a kind of economy where there would not have to be legions of poor anymore. If you could give the people the tools to compete in the primary labor market, they could overcome poverty.

GB: A follow-up question to that, at this particular point in time, as you left government and entered this sort of private, non-profit ( ), in retrospect, was that the way to do it at that time? What could a non-profit entity offer up in terms of giving direction, leadership, connections with
government, perhaps on the one hand couldn't do, and/or business, perhaps on the other hand, couldn't do?

GA: I think it was becoming clear to people like George Esser then, and certainly to me, who were trying to deal with the inefficiency and ineffective, bloated government that was in Washington at the time, that innovation is not likely to come from government. I mean, the incentives are there for innovation in the private sector. I mean, that's what profit does. It requires you, it encourages efficiency, and it encourages change and innovation. But the incentives in the public sector are turf protection, budget protection, and to some extent service to people, and that is the opposite. The trouble with the profit sector is that (I would say one of the fairly few failures of capitalism) it has been its failure to overcome poverty. Efforts have to be targeted -- and, I think, if not in 1967, certainly now, when the government is broke anywa -- so if we are going to solve these problems, the ideas, the creativity, the generation has to come from the non-profit sector.

RK: I have a different question. It pertains to. . . .

[Interruption]

NB: Did you know that, by this time in your life, you had left Washington, did you know that this was a better way to go (     )?

GA: I suspected that it was. Y'all going to interview George Esser?
RK: Yeah.

[Interrupted]

GA: I was really getting down on Washington then, and in policy I've often been at odds with my liberal friends who think that wisdom resides on the banks of the Potomac. That the states are somehow fundamentally flawed when it comes to -- governing. But at the time, yeah, it seemed to me in 1967 there was a lot of evidence that we needed a new route, and I suspected it. Right now, it's fairly clear.

RK: The question I had, this process of industrialization, urbanization, the different ways that you're trying to address, has been going on for 60, 70, almost a 100 years in North Carolina, you know, employers and employees had had the same kind of problems, now, with generations of people going to work for the textile factories and such. Did you have any sense of that history or an appreciation of that when you were trying to address these kinds of concerns at that point? Did you go back and kind of look at studies of the rise of the textile mills and the rise of the working class in the South and think about how you might solve some of those problems?

[Interrupted]

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RK: That's one of the things we're trying to do with this project is kind of not reinvent the wheel. I wonder whether there was that sense of history.

[ Interruption ]

GA: In my case, yeah, I was fairly aware of it, because we have to realize that for most of my life, since early adolescence, I had been a southern political and economic policy ( ). So I was aware of a lot of the literature. What difference that made, I'm not sure, when you plunge into it and then try to iron it out. MDC was working under the presumption that putting people into good jobs that paid fairly well just made a lot of sense for the economy and for people, and if you could do that, then all the other poverty issues with which we were not concerned, legal services or housing or medical care, all those other legitimate issues, could take care of themselves in another frame of reference. I'd say that generally I had a sense of history, and it probably prevented us from making a lot of mistakes. Everything we did was not successful, I should hasten to add. We came in at the early age of computers, and one of our first efforts was to try to match up the unemployed and underemployed by the job openings using computer technology, and it didn't much work. We tried a lot of things, and a lot of what we tried did work. Probably the important thing about what you're doing today is keeping the institutional memory alive in
some fashion or another of programs and policies and intervention strategies that have worked in the past. We lost a lot of that from going from one era to another. Americans have a short attention span and a short patience span for policy options, and we were dealing with one hula-hoop after another. I mean, it's incubators one year and it's strategic planning the next year, and the following year, it is apprenticeship for youth. Programmatic responses that in themselves can help with a piece of the problem, we think are going to bring us revolution. So trying to keep alive what we learned so when the cycle turns again to incubators or back to micro-enterprises or whatever, we can maybe get it right this time.

RK: How was MDC affected by the declining interests in the South and poverty and blacks and rural America that took place in the early '70s? There was a lot of policy attention and media attention in the '60s, and by the late '60s the cities had become really the focal point of social policy.

GA: Right. It drove MDC more and more to become the rural policy experts or the keeper of the rural poverty conscience. I remember in 1970, what was wrong with most of the employment and the training and Manpower funds and Community Action programs at the time was that they were devised really by the House Education and Labor Committee which was controlled by big city democratic Congressmen, in response to inter-city fires. They were really fire extinguisher programs. The rural South still has a sizeable
number of folks we can export and do export any time federal largess pours into the cities. Of course, the word is not far behind in the country, that, you know, "Come on in, the water's fine." When we made the transition from the Manpower Development Training Act to the Concentrated Employment Training Act in 1973, the bill came out of committee and was on the floor in both the House and the Senate entirely weighed funding allocations on unemployment rates and population. And that is one time when, I suppose George Esser was right in going after me who had some political understanding. Because I got a freshman southerner, Ike Andrews, on the House side and Sam Ervin on the Senate side, to write Senator Jennings Randolph and explain the fact that this was blatant discrimination against the rural South. Unemployment was not our problem. Underemployment was our problem, and the training money that we so badly needed, training and education money, was therefore just going to concentrate in the cities to their detriment and ours. And the result was that Ervin threatened to filibuster and Andrews kept throwing monkey wrenches in on the House side, and it kept getting closer and closer to adjournment. If this had happened early in the session, they'd probably have been unsuccessful. But the result was the county got a poverty measure, as well as an unemployment measure, in determining the distribution of those funds, which meant that rural areas were somewhat protected, insulated.

RK: Was the passage of CETA an important watershed in MDC's
history? Did your programs and some of the consulting you did change as a result of that change in federal policy?

GA: Yes. What it meant was that it took us more away from program design and research and put us more into technical assistance and monitoring and evaluation. Because the U.S. Department of Labor had relied on up in the conception of the act, they tended to rely on us for advice in execution. Problem though -- going back to rural areas for a moment -- was even though CETA was now distributed appropriately and evenly throughout the country, the money, the Act was still designed for urban areas. It never worked as well for rural areas as it did in the cities. 'Course, we can say that as experts having monitored its rise and fall in the '70s, but the same thing's true, by the way, of welfare reform and the Jobs program and JTPA.

RK: I wondered maybe if you could describe one of the evaluation programs. Maybe you can take one just off the top of your head and think about how it actually worked, how you actually went out into the field and did what you did, say, in that phase.

GA: All right. Let me give you a quick capsule. In 1976 we were increasingly concerned with the problem of youth unemployment. But when the recession of 1974 receded there were still high levels of youth unemployment, which ordinarily went up and down, with the business cycle. This time it didn't go down.
So Juanita Krepps, who was then vice president at Duke, a distinguished economist and a member of the National Commission on Employment Policy, suggested that the commission ask MDC to do a national conference to see whether we could divine some new approaches to youth unemployment. So we put together a conference in Atlanta in '76, and we invited the best economists and program people cognizant with the issue in the nation. Andy Young keynoted, and Eli Ginsberg closed it. We came out with the report that eventually became the Carter administration's Youth Initiatives, as they were called. And then, because we had participated in the design of them, we were asked to monitor those programs, by which we would take a sampling of programs around the country, put together a network of field research associates, as we called them, college professors like you folks, housewives and retired specialists. And we would gather here, do a research design for the country, take a look at it, do an analysis of what was going right and what was going wrong, and report back to the Department of Labor.

We also, during this monitoring, worked consistently driving the federal government, the state government, local program operators, crazy, forcing them to do evaluations. One of the worst shortcomings of social programs is the absence of anybody taking a look at what the outcomes were. In our own HRD program, for instance, in '68 and '69 we started by keeping records on what happened to people. We determined where they were before
they were brought in and where they were at three months after they graduated, six months after they graduated, one year after they graduated, and two years after they graduated. Then we put together a formula of how long it took them to pay back to the taxpayer the investment that had been made in them. An economist can take that formula apart because control groups aren't involved. And some of the same nice things that happened to our folks would have happened anyway, of course, by changes in the business cycle. But what this did -- and we refined this into something called the Earnback Index -- which I wouldn't attempt to describe here. . . . except to say that it's in place throughout the community colleges. It's funded, not by how many heads you process through the program, but by how much you put in their heads, how much money, and how long they stay on the job. And then you compare programs at each one of the community colleges against each other and fund the ones that are doing best. This kind of evaluation is difficult but it can be done. Bureaucrats are generally resistive to it, but the amazing thing is that once they tried it, they found out that they were doing a better job than they thought they were doing and making a bigger difference than they thought they were. That was a large part of what we were doing back during the CETA era, too, and we were also the lonely voice that kept saying: Despite the fact that millions of people who had left the South in the '50s and '60s, hundreds of thousands of them came back to the rural South in the
'70s. It was an era of rural feelgood nationally. It extended into the early '80s, and we were that lonely voice saying, "The sky really is falling. It really is falling. [Laughter] And problems out there are still bad."

RK: One other question on this workforce development, which seems to be the central issue of your work in the '70s, you talk about moving the economically and educationally disadvantaged people out of dependency into a primary labor market, assuming that there are always going to be the existence of these kind of secondary jobs or jobs in a secondary labor market, maybe not always but that still exists, is the idea in this that in some ways it's somewhat age specific. That if we give people better educational tools, better training tools, at certain stages in their life, we can move them into these better jobs, as opposed to strategies that would change the nature of the kinds of jobs that were available to people in North Carolina?

GA: There are two questions there, and let me try one of them first. I don't think that there is any specific piece of what used to be called the "manpower problem" that is age specific. I talked to the editorial board of the Philadelphia Inquirer a year ago. This was around the time of their Norplant scandal when they came out and said, "We're going to solve the welfare problem by giving birth control to welfare women." And what had led them to this conclusion was being convinced that, you know, when kids are school age it's too late, early childhood
education is too late. We've really got to start before the kids are born to break the cycle of poverty. And the truth is you don't write anybody off, except maybe the kids who are raised in crack houses, and then, you know, what they need is medical care and not employment and training. But there are a different set of interventions that can apply to different kids at different ages -- especially to kids in the middle schools. You can rescue a lot in the early adolescent period. You can rescue a lot of others who didn't make it, but once they're twenty-four years old and their hormones chill out and they're ready to settle down. That applies to college graduates as well as poor folks. There are a whole bunch of things you need to do in breaking the intergenerational cycle of illiteracy, including literacy training for mothers with small children, a program Bill Friday introduced, an extraordinary program. But there's just so many things that need to be done on the supply side of the labor market. Now, my friends and associates, former Secretaries of Labor Ray Marshall and Bill Brock, their published report last year subtitles High Skills or Low Wages. This is a response to your question. If we don't give people high skills, we'll have a low wage workforce. I think the way things are going in this global economy, we're going to have high skills or no wages. Already of the adult males, over twenty-four who dropped out of high school, you have a decline in real wages of 41% between 1973 and 1985. I mean, it's a sheer evaporation in the value of their
productive capacity.

Now, the last part of your question, goes to what do you do on the demand side of the equation. I think we are coming into an economy where work increasingly can be an antidote to poverty, but that education is an absolute prerequisite to work. So that supply side piece is terribly important. But the demand side is important as well. But I would ask you, what do we do? Do we choose the drive our low wage industry overseas? I mean, forces are taking it overseas anyway. Companies don't stop in the South anymore on their way to Mexico. I think free trade probably is more important to the South than high tariffs, for instance. And I think, what you do on the supply side is relatively simple to comprehend, it gets much most complicated on the demand side.

RK: Well, that's the real transition that MDC makes in the '80s, is to begin to focus much more concretely on the issues of economic development, how you begin stimulating the growth of the rural economy, stimulating the kinds of jobs that people are being trained, or going to have to be trained to do.

[Interruption]

GA: I forgot the question.

RK: Well, in the '80s I think in response to a couple of different things, you really expanded the focus of your programs in economic development, that stimulating jobs in rural areas became a kind of second part of what MDC did. I wonder if you could talk a little bit about that?
GA: It was interesting. In the early '80s we were doing a fairly small project for the Ford Foundation in which we were trying to determine the impact of federal policies and programs on women and youth in the rural southeast -- to see if there was any impact, and, of course, we found out there wasn't much. But what we found when we were out there, reminded us a lot of the fundamental transition that occurred in the economy in the late '60s when we were created. That once again, fundamental structural change was occurring in the rural South, and this was masked both by general prosperity in the Sun Belt.

We got a grant from the Ford Foundation, a major one this time, to put together a panel of distinguished southerners, including two governors, Republican Lynwood Holton of Virginia and Democrat William Winter of Mississippi, Juanita Krepps, Jim Batten, CEO of Knight-Ridder, Dr. Ed Bishop who was then President of the University of Houston and had been Executive Director of President Johnson's Commission on Rural Poverty. We went out and took a look carefully at what was going on. Once again, we found that the '90s, and the late '80s, were going to be more like the '50s and '60s when millions left the rural South than were the '70s when hundreds of thousands of them returned. But this time the migration was going to be to the cities of the South, rather than the cities of the North, and the cities of the South were no more prepared to assimilate undereducated, poor people, most of them minorities, than were the cities of the
North a generation ago. The report was "Shadows in the Sun Belt," and it struck a nerve and got a lot of national, as well as an inordinate amount of regional attention. And coupled with the report, "Half Way Home and a Long Way to Go", from the Commission on the Future of the South, a few months later, which reinforced this, "Shadows" sort of put the rural South, back in the agenda. But a large part of what I was doing came from the old Ervin days again, which is looking at what is being done to us, in addition to what can we do for the rural South. For instance, the deregulation of transportation meant that trains and buses don't stop in small towns any more and airplane fares and trucking rates were exorbidantly expensive. The decline in money for infrastructure meant roads and bridges were inordinately hit in rural areas while interstates stayed in fairly good shape. Interstate banking meant that our money was migrating out of the rural South -- what little there was, not just to Charlotte or Atlanta or even New York, but to Frankfort and Tokyo where the return was the greatest. The end of revenue sharing meant support for these smaller towns, which were about to collapse anyway had their legs cut out from under them. I'm not saying that any of these things by themselves were all that important, but all of them taken together were just catastrophic to the rural South. In the meantime, government had, because of tax cuts, become impotent to do much about it. And by common consent, rural policy had always been an area of national concern.
rather than state concern. So what we spent a lot of time doing during the '80s was a failed attempt to get national rural policy to become something other than the sole support of obscenely high commodity support programs and comprehend our problems in the South. We failed at getting national policy focused, but we and others succeeded in getting the states to begin to fill the vacuum in policy making and programming. So you have an awful lot more attention today to rural schools, rural small businesses, rural capital gaps than we did ten years ago.

RK: Did the decline of the influence of southern rural legislatures have something to do with this?

GA: Yeah, I think so. I'll give you another anecdotal example of that. One of the last of the most powerful Southern senators, Senator Stennis of Mississippi, retired two years ago, and since that time the Greenville, Mississippi International Airport looks like the Flying Dutchman. Boeing has closed up its facility there. Yeah, there's no doubt about the fact that although rural southern senators and congressmen didn't represent all the people of the rural South, they certainly had a good feel for the economy of the rural South and helped shore it up.

RK: So we've lost that?


RK: At the same time that you're working on these economic development questions, there still is an emphasis particularly on
young people. There was a major study at this time looking at at-risk youth. What was the thinking behind that?

GA: I didn't mention it, in response to your earlier question, but one of the directions the Concentrated Employment and Training Act drew us in was to become a national organization rather than a regional organization. In the '80s, MDC was hurt, of course, badly, as all social program research organizations were, by changes in federal funding. Our grants and contracts, which had been 80% federally funded, were gone, almost completely wiped out. Today, I think, 5 to 10% of our work is federally funded. The rest in from foundations, some from state government. So it's just a complete turnaround. But at the time, the demand for our business sort of drove where we were going, perhaps because we backed a good, solid planning effort about where we ought to be going. But at any rate, we became, beginning in '76 with the National Youth Conference, an expert in youth unemployment, and to some extent, we have been in demand as experts, as a source of innovation and monitoring ever since. And our attention to youth has been steady, and it's the only part of our work that's still national. When we were struggling so much to stay alive, we were on half salaries in the early '80s, working more than full-time MDC had declined to a staff of seven at one point. I asked for a review by the Ford Foundation of the value of this organization and what I felt was its institutional memory. Somebody was going to have to invest in us
or we were going to have to give up the ghost. We had just enough money left to lock the doors, go home, and finish up the contracts, and not owe anybody anything. Ford did a long, big study of MDC and decided that we had value, but that we ought to withdraw back to our historic concern for the South and take a heavy look at economic development as well as workforce development. And we have done that, except that we have maintained this national focus on youth because old customers and friends have sort of demanded it, and that reputation and that capacity is still there.

NB: I think this has been terrific. I just have a couple of questions that relate to the youth issue. Earlier you talked about, you know, it can either be high skill employment or no employment. And as we look at ourselves and the economy entering the next century, with the global economy, less and less is being produced in this country, and more and more is being produced overseas. And I think it's somewhere in one of these articles that you all wrote, that by the year 2,000 the kind of medium educational level for job entry will be 13.5 years of education.

How does one begin to turn the country imagination toward this very important task of preparing for this kind of economy in which we're not going to be producing as much. But it's the person who can imagine, who can use the computers, the person who can. . . . I think we still imagine that we're linked to American corporate life, and American corporate life produces
things here, but, in fact, they closed 12 plants in North America and open up three or whatever. How do we begin to do this?

GA: By the time we get to Greenville in the first weekend in June, for your conference, I hope I'll be able to answer you a little better, because we are trying to answer that question now in a study that we are doing for the Pew Charitable Trust and the Department of Labor, describing the impact of the workforce crisis in the South for southern governors and corporate CEO's and the general public. We've put together another extraordinarily capable group, including once again, Juanita Krepps and Ed Bishop and William Winter and Governor Holton and John Clendenon, who's CEO of Bell South, and Elridge McMillan, who's president of Southern Education Foundation, Congressman Espy of Mississippi, and Jim Johnston, the CEO of RJ Reynolds Tobacco. It's another solid group. I don't know the answer. I should say that although it's a fairly flip generalization for me to say we will have high skills or no jobs -- just as it's a fairly flip generalization for Ray Marshall and Secretary Brock to say there will be high skills or low wages -- as if we're all going to be employed by a series of hamburger joints and cooking french fries for each other. I mean, it's not as simple as that.

Somewhere in between, we will be sorting out something of the truth, and some areas of the country are going to be doing better than others. And clearly, if present trends continue, urban areas are going to be doing a hell of a lot better than rural
areas are, unless some kind of interventions are made. But yeah, I do follow your question, and in the rural South I hope very much that we will have profitable and solid textile and apparel sectors of the economy. Those sectors employ fewer people, not more. We have to become more mechanized. And how we sort all of this out for an obviously confused electorate, the day before Super Tuesday, 1992, as we sit around this room? How do we help the presidential candidates who obviously are not doing a terribly good job of sorting it out for the American electorate. It's a tough, tough question. I think the implication in the question is the best answer.

NB: Are you concerned at all with what appears to be kind of a growing disconnectedness between those people who do have a fair amount of wealth in this country and do have the skills and the capacity to imbue those skills in their children ( ), schools, and what appears to be a growing group of people who don't have those ( ), and at least what some people describe as the growing indifference between, I don't want to use the have's and the havenot's, but the people who have more capacity to make it in this point in the century. I think we certainly see that around Durham or Chapel Hill ( ). The people who live there just seem to have to pass by this Research Triangle.

GA: And it's worse in Detroit and Philadelphia. I mean, the social, as well as the economic, fallout is extraordinary.
The term "underclass" is a despicable term in a country which is founded on the principle of equality. And it's also social and economic dynamite. I don't think, as we look at the economic future, we're going to be able to afford a growing underclass. I mean, in the '80s, we could. We could write it off. We could spend money on welfare and write the people off. But the problem's getting too big, and we're going to be in trouble economically. Obviously, it's going to blow up at some point. Democracy by definition can't afford those extremes. In Philadelphia, I was struck a year ago by a level of alienation between the races that I had never seen before -- and this in a city that ten years earlier had been doing an extraordinary job of trying to overcome the divisions of race. And I thought Philadelphia had generally done a better job of it than most. I had a drink with an old friend of mine, a sort of crusading reporter, who for the last fifteen years has been involved in social programs, who's white, and says that he still lives in a transition neighborhood, as he calls it, a mixed neighborhood of blacks and whites in Philadelphia. But the blacks and whites don't socialize any more. They don't talk any more. In the taxi, leaving town, I had a black taxi driver who, after finding out what my religion was and what I was doing up here, and who saw I had some concern for poverty, was asking me if I knew that President Bush, having been in the CIA, had concocted a plot with Israel to destroy the black race through importing crack cocaine
in the major cities. The division that we describe is extraordinary. I asked a foundation president friend of mine what happened in a city like Philadelphia, and she said, "Hope ran out when guilt wore out." That is, somehow or another, her friends, her contemporaries, stopped feeling guilty for their piece of what society has done to those poor citizens and had stopped hoping at approximately the same time. But those connections have got to be rebuilt, or obviously the American dream is at risk.

NB: ( ) wrote something to effect that government has a hard time creating the leadership. How do we come together to work together when we have to get reelected every four years, and business has to turn the profit. What is it going to take--I mean, you're been working on this for a long time, and if any one's going to know anything, it's going to be people like yourself--what does it take to create this, I mean, are we in a moral slump, to refashion some sort of sense. . . .

END OF TAPE 1, SIDE B
NB: One of the things that frightens me is the implication, I think, of the way that the economy is going is that people, who are kind of making it, don't really need. You know, they've got their computers and their modems, and they take airplanes. They don't ride our roads. You know, we work in other countries, and I'm wondering if we're not, in some ways, kind of becoming this--cosmopolitan disconnectedness of something.

GA: All disembodied from each other. Yeah, I think you described two pieces to the question, and one is the public sector. And I don't know what you do about the political reality that politicians in office think in two year and four year increments. We don't do long term planning as West Germany, western Europe in general, excluding England, and Japan find routine. We don't do that on the public sector side of the equation. Then as you say, the stock watching mentality, that was bad enough historically in this country, went crazy in the '80s wanting an immediate return rather than building a solid company for the long run. "If we don't get immediate return, then we're going to merge, and we're going to diversify, and we're going to shut things off that are ineffective." You know, companies eat their young as well as their old. What we do about that private sector side of things, I really don't know. On the other had, I do think that clearly there are changes in the '90s in a variety of ways. MDC has a whole lot more young folks that
are looking for work here than we ever had in the '80s. I do think the cannibalism in the business world has slowed in the last three years or so. I do think that business is being more strategic in how it takes its place of the solution to societal problems than it once did. And that is, instead of writing a check to the United Way, you do have utility companies looking at the educational system and being very concerned how in the hell they're going to sell power and telephone time in the rural South and the inner cities if we've got a soup kitchen work force that can't afford to pay the power bills. So I do see a greater social consciousness, at least in this region, on the part of the industry sector. Whether that means the profit sector is going to do anything other than look at the short term profits versus long term investments, I don't know.

NB: Just one other question, I'm always curious about people like yourself who have worked long and hard at these issues, what has sort of kept you going? (         )

GA: Oh, I think, you know, it's the best of possible worlds for anybody who is motivated by achievement or change or progress, visible progress, and not terribly motivated by either money or security. And I can see achievement and progress not in three years or five years, or especially in the two years terms foundations and governments like. In the non-profit sector, there is the freedom that the profit sector has of innovation, and there is also the satisfaction that the public servant has in
seeing something accomplished for the people or for whatever piece of geography you've invested in.

RK: One of the themes we're going to try to develop at this conference is to try and understand what's changed, what's different about southern rural poverty today than thirty years ago, and conversely what remains the change. I wonder if you could give us a little sound bite that we could use for helping us think about that, and kind of planning. . . . How would you evaluate what's happened in trying to deal with this very serious issues that's as old as the South is?

GA: Well, as an old broken down politician or even as a current presidential candidate could tell you, for a thirty second sound bite we need at least a week or two of solid creative work [laughter]. But the biggest difference between rural poverty today and thirty years ago is, number one, there's not as many rural poor, because there's not as many rural people. So many of them have gone. A major problem with that is that our rural areas to some extent look like fished out farm ponds, nothing left but bullheads and suckers. That was not my sound bite, but a friend who was chairman of the sociology department at N.C. State almost thirty years ago. That was his concern. And we did, if not lose our best and brightest, we lost an awful lot of our most adventurous, our most entrepreneurial, and a lot of our smartest folks. Another difference in the rural South between today and twenty years ago is that it's empty, not just
of people, but of towns. You fly across the Delta, as I did in Mississippi three months ago, and it really looks like one big cotton patch, punctuated with catfish ponds. That's distressing. And it's distressing when you think about the extraordinary problems of the New York inner-city. Any farmer knows that if you crowd your chickens too close together, they peck each other to death. That's not healthy, and neither is it healthy to have this great expanse of productive land and natural resources emptied of people who can tend them.

NB: That was terrific.

END OF TAPE 2, SIDE A

END OF INTERVIEW