

Federation/LAF History from the 25th Annual Report (1992)

Several years ago, Mr. E. W. Steptoe, a farmer and member of the Miss-Lou Farmers Co-op in southwest Mississippi said, "Our cooperative is like the railroad station in our community. It will be here, even if the trains don't come anymore and somebody far away decides to pull up the track, we will still have our cooperative in our community because we built it ourselves, no matter whatever else happens." Mr. Steptoe is deceased now but his words are prophetic and describe the past quarter century of the history of the Federation/LAF. Steptoe was one of the many courageous pioneers of our cooperative movement. He joined the NAACP in 1950, in Mississippi - when that was a crime - and worked with SNCC in the 1960's registering people to vote in Amite County, Mississippi which was both dangerous and controversial. He helped to organize the vegetable marketing co-op as part of his civil rights/community economic development work. Several members of the Steptoe family continue to work with the Federation/LAF.

The Federation was started in the 1960's by small Black farmers and other low income people in communities who were searching for a better way of life by working together to build their communities. In most cases fieldworkers from the major civil rights organizations, such as SNCC, SCLC, CORE and the NAACP, helped in the process of bringing people together to make needed community changes.

The cooperatives and credit unions organized out of the civil rights movement often were created to address the basic necessities and survival of people in the community. These community based economic development/business ventures were set up as alternate economic structures designed to parallel and persuade, and sometimes to fight and challenge the existing, often exploitive and discriminatory, economic system. In some cases, after a boycott by civil rights forces of the existing businesses in a community, a cooperative was established as an alternate source of supply for people to utilize and support the boycott.

By the late 1960's, a number of these cooperatives and credit unions created out of the civil rights movement were functioning and flourishing across the South. In the Spring of 1966, the Southern Regional Council convened a meeting of about ten of these co-op groups at the Mt. Beulah

Center, near Edwards, Mississippi -a popular meeting place for civil rights organizations. The Cooperative League of the USA and the International Self-Help Housing Association were also involved in providing technical support at this meeting. The low income coops represented at the meeting included Southern Consumers Cooperative, Grand Marie Vegetable Producers, SWAFCA, Mid-South Oil Consumers, Greenala Citizens Federal Credit Union, Freedom Quilting Bee and others. They shared their experiences and agreed upon the need to meet regularly and to seek external funding support for their efforts and to expand the cooperative movement. Among the persons attending the Mt. Beulah meeting were: Father A.J. McKnight Charles Prejean, Carol Prejean (Zippert), John Zippert, Lewis Black and Estelle Witherspoon, all of whom played a role in the further development of the cooperative movement in the South. Al Ulmer represented SRC, the Co-op League was represented by Merlin Miller and Chuck Ihlenfeld, Eleanor Eaton represented ISHA and others were also present.

A committee was selected from the Mt. Beulah meeting to draft a proposal to the Ford Foundation for support of the organization and development of the cooperative movement in the South. A proposal for the Southern Cooperative Development Program (SCDP) was written to provide assistance and support to co-ops and credit unions in a four state area: Louisiana, Mississippi, Alabama and Tennessee. The proposal was submitted on behalf of the Southern Consumers Education Foundation, a tax-exempt non-profit affiliate of the Southern Consumers Cooperative, based in Lafayette, Louisiana. The proposal contained elements of co-op organization, technical assistance, training, education, a revolving loan fund and a plan to organize "a federation of the cooperatives in the Southeast" once more groups were organized and identified.

The Historic ITC Meeting and the Founding of the Federation of Southern Cooperatives

Events have away of moving faster than foundation funding. While Ford Foundation was still considering the SCDP proposal, more and more new co-op and credit union groups in the South were getting organized and contacting each other. President Lyndon Johnson's Office of Economic Opportunity and " The Great Society " programs were encouraging more and more poor people to work together to help themselves. In February 1967, representatives of SRC another groups helped convene a larger

meeting of low income cooperatives and credit unions at the Interdenominational Theological Center (ITC) in Atlanta, Georgia.

At the weekend ITC meeting, representatives of low income cooperatives from the Carolinas, Florida, Georgia and Kentucky joined with those from Alabama, Mississippi, Tennessee and Louisiana in sharing experiences and discussing the need to come together to form a larger federation that could represent organize, market train and ' advocate for the emerging poor peoples cooperative movement across the South.

Out of the discussions and deliberations at the ITC meeting, twenty-two low-income cooperatives and credit unions agreed to formally charter a new organization which became the Federation of Southern Cooperatives. A steering committee, which later became the incorporating board of directors of the Federation, was formed at ITC and selected Charles O. Prejean, then Manager of Southern Consumers Cooperative, as its chairperson.

The Steering Committee continued to meet to develop the articles of incorporation and by-laws of the new federation with the able help of attorneys Howard Moore and George Howell. (Moore was selected because he had been a legal counsel to SNCC. Howell was a recent graduate of Howard University Law School associated with Moore. Attorney George Howell remains to this day the Federation's trusted legal counsel. On occasions the Federation has also consulted with Howard Moore, who moved to California.) The Federation of Southern Cooperatives was officially chartered on August 4, 1967 under the Cooperative Associations Act of the District of Columbia.

The Federation Headquarters Is Established In Atlanta

During 1967, the Cooperative League of the USA received a grant from the Office of Economic Opportunity, which included a sub-grant of \$15,000 to help the fledgling Federation of Southern Cooperatives to employ its first executive director. Jerry Voorhies, President of CLUSA, was another who in many ways helped to encourage the development of the Federation. The board of directors searched for a person to head the Federation but not many people were interested in working with so little assurance of continued funding and salary support. In the Fall of 1967, Charles Prejean agreed to take 'the position as the Federation's first

Executive Director and moved with his family from Lafayette, Louisiana to Atlanta, Georgia to open the Federation's regional office at 52 Fairlie Street. Around the time Charles decided to move to Atlanta, the Ford Foundation funded the SCDP program for a three-year period to work on cooperative development in four states. Father A.J. McKnight was chosen to direct this program and John Zippert became its assistant director. SCDP employed a staff of over 25 full and part time organizers who met for a two week training session in the Fall of 1967 in Abbeyville, Louisiana before beginning work "to change the face of the South through cooperative development".

Between 1968 and 1971, the Federation had a period of explosive growth. By the first annual meeting in Edwards, Mississippi in August of 1968, the Federation had grown from 22 founding members to 45 member groups encompassing over 10,000 low income families. By the second annual meeting there were 72 member groups and over 15,000 families. Fannie Lou Hamer was the guest speaker for this meeting. At the August 1970 third annual meeting, held at Selma University, Rev. Ralph David Abernathy was the guest speaker with 100 cooperative members and 25,000 low-income families involved.

The Federation received substantial funding during this period from the Office of Economic Opportunity (OEO), Ford Foundation and other smaller foundations, including Field, Rockefeller Brothers and others to support the existing and organize new cooperatives. The annual reports for these years show rising income of \$492,000(1969), \$544,600(1970), and \$1,490,703 (1971) for the organization. This was one of the few times in the history of the Federation when funds were provided by the government and private foundations expressly for community organizing and the development of new cooperatives. During this critical period, the Federation staff increased in size from 5 to 62. In January of 1970, the staff of the Southern Cooperative Development Program merged with the Federation staff. Despite the initial successes of the Federation, there were already clouds forming on the horizon. The Vietnam War had sapped the energy and resources of the War on Poverty and Nixon began his cutbacks and impoundment of funds for social programs.

Among the staff employed during this period who are still involved with the Federation are: Ralph Paige, Julious Anderson, John Zippert Pat Jackson, Alice Paris, Ezra Cunningham, and Ernest Johnson. Many others,

too numerous to mention, who played critical roles in the development of the organization were also hired at this time. More than 500 staff, including VISTA volunteers and CETA workers have been employed by the Federation over the past quarter century. For many of these people, the Federation was their first work experience or first opportunity to work in a skilled or management position. Many of our former staff have gone on to other careers based on the experiences and skills they gained working for the organization.

Land Struggle and the Federation's Training Center Becomes a Reality

During the initial years of the Federation's development, a major concern of the Board of Directors was to search for the site of a rural training center as a permanent home base for the organization. The Board wanted the site to be centrally located in the Southeast within a half days driving distance of all the members. Efforts were made to purchase the Mt. Beulah Center at Edwards and another church owned facility in Okallona, Mississippi but these negotiations were unsuccessful. Then some unique developments led the Federation to find a site for its rural training center near Epes in Sumter County, Alabama.

In 1965, a group of Black tenant farmers on several large plantations in north Sumter County, near the town of Panola, joined the Sumter County Movement for Human Rights, a local affiliate of the Southern Christian Leadership Conference (SCLC). These tenants filed suit against the plantation owners for their legal share of the government price support payment on cotton. The tenants won the lawsuit but almost a hundred families were evicted as of January 1, 1966 by vindictive plantation owners who switched their production from cotton to pine trees. Most of the tenants did not receive any money from the legal settlement because the plantation owners said they owed money from prior advancements of farming and living expenses. Many Black tenants and sharecroppers were being evicted across the South during this period for registering to vote, integrating schools and standing up for their civil rights.

Some of the Panola families were forced to leave. One large group went to Chicago and another to Tuskegee but about forty families stayed behind in Sumter County and formed the Panola Land Buying Association

(PLBA). The PLBA members set as their goal the acquisition of some land in Sumter County where they could farm, build houses and remain to live. In 1967, the PLBA members contacted some of the Alabama field staff working with SCDP -Mildred Black, Lewis Black and Thelma Craig -and requested help in realizing their goals.

With assistance from Lewis Black, the PLBA members located P.M. Norwood of Gainesville, a white landowner who recently had lost three tracts of land totaling 1,164 acres in a foreclosure. The PLBA entered an agreement with Norwood to help him redeem all 3 tracts of land in exchange for the right to purchase 2 of the tracts containing 901 acres. The American Friends Service Committee (AFSC), a Quaker religious group from Philadelphia put up \$15,000 in an escrow account, as "earnest money" on behalf of PLBA to seal the deal

When Norwood, accompanied by lawyers for PLBA, went into the local state courts to exercise his legal redemption rights, he was met with delays and resistance. Each of the three tracts was in the hands of a different owner as a result of the foreclosure. Each time Norwood went to court the local judge found some reason or pretext to delay the case. After two years of legal maneuvering, PLBA's lawyer, Oscar Adams (who is currently the only Black justice on the Alabama Supreme Court) filed motions and was successful in removing the case from state to Federal Court. Adams argued that the case was being delayed on racial grounds. He also argued that AFSC was a Pennsylvania corporation involved in a matter of interstate commerce in Alabama and thus entitled to a hearing in Federal Court.

After three years, the Federal Court ruled in favor of Norwood's right to redeem his land and sell a portion of it to PLBA. The judge ruled, however, that the adjudicated value of the land was at a higher price than Norwood could afford to pay based on the "improvements" the interim owners supposedly made to the land during the three-year legal battle. The price increased from \$130 to \$185 per acre. Norwood could not meet the increase on the remaining parcel and decided to give PLBA the right to purchase all 3 tracts in exchange for the \$15,000 escrow account.

PLBA with the help of the SCDP field staff, who by this time had become part of the Federation staff, put the financial package together to purchase all 1,164 acres. League Life Insurance, owned by credit union in

Michigan, put up the first mortgage; SCDP's loan fund and the newly formed Southern Cooperative Development Fund, the second and third mortgages; and Richard Russell, a retired Florida car dealer and civil rights supporter came up with the final amount to make the deal possible.

On September 1, 1970, after evictions and a long legal struggle, the Panola Land Buying Association came into possession of three tracts of land in Sumter County. Several meetings were held between PLBA and all of the groups that had assisted in acquiring the land. At these meetings the Federation offered to help PLBA to develop the land and pay off the mortgages. PLBA agreed to give the Federation a portion of the land to build its rural training and demonstration-farming center. Out of this long struggle, together with local cooperative members, the Federation found its home on land in Sumter County, Alabama on the banks of the Tombigbee River near the town of Epes.

The Training Center Receives It's First Occupant

Wendell Paris, a newly employed staff member of the Federation, who was a native of Sumter County, became the organization's first staff member to live on the Epes property. He had just finished working for SNCC in Tuskegee. Wendell moved into the farmhouse, which was the only building other than barns on the land. This building was affectionately nicknamed the "big house" and served as the Federation's first training center office and meeting facility until other new structures were built on the land. Wendell began working with the PLBA's membership in developing farming projects and housing.

The fourth annual meeting was held at Mary Holmes Junior College in West Point, Mississippi with Georgia State Senator Julian Bond as the guest speaker in August 1971. This was the last Federation annual meeting held in a place other than our own training center near Epes. In

September of 1971, the programmatic and training staff of the Federation moved from various locations around the South -Atlanta, Jackson, Lafayette -to live in mobile homes on the Federation/PLBA land in Sumter County, Alabama to build the rural training center buildings and programs.

There were many difficulties in those early days of developing the training center in every rural location. The local white controlled power structure in Sumter County was opposed to the presence of the Federation and created problems and obstacles whenever it could. The training center was one party on an eight party telephone line, which made communications very difficult and uncertain. It took several years before the Federation received a private telephone line and adequate telephone service. Medical services were sparse and the three doctors serving Sumter County maintained segregated waiting rooms, which meant the staff had to seek health services beyond the local area.

The Federation staff and local contractors built the training center facilities including an administrative office building, a cafeteria-classroom building, a dormitory to accommodate 80 people and a print shop. The staff also developed various demonstration farming projects including a feeder pig farrowing and feeding barn, a cattle herd and vegetable crop projects and greenhouses. Most of these facilities remain at the Federation/LAF Rural Training Center to this day and continue to benefit the members of the organization.

Controversy And A Split In The Southern Co-op Movement

From the beginning, the Federation realized the importance of capital to the support and strengthening of our member cooperatives and credit unions. In 1969, with help from the Ford Foundation, a study was undertaken by Checchi and Company to determine the feasibility of establishing a "developmental loan/equity fund" to compliment the technical, educational, marketing and advocacy services being offered by the Federation. This study recommended the creation of a separate corporation to be called the Southern Cooperative Development Fund (SCDF) to make loans and equity investments in cooperatives. The Federation would select a majority of the board of the SCDF and outside investors would select the other directors.

The Federation received the initial funding for the creation of the SCDF and named its first board of directors. Father McKnight whose tenure as director of the SCDF was coming to an end was asked by the Federation board and

staff to become the director of the SCDF. For its first few years of operation, SCDF was restricted to lending only to cooperatives that were members of the Federation. With public, private and membership contributions, the cooperative movement, in its initial formative period among Black farmers and other low income people in the South, was able to put in place the major infrastructure of an organizing/technical assistance/ advocacy organization, a rural training center and a development I loan fund.

The success of the Federation did not go unnoticed by outside sources as 1971 seemingly marked the beginning of serious efforts to undermine and blunt the unity and effectiveness of the cooperative movement in the South. The Nixon Administration was working to cutback the funding of the anti-poverty programs of Johnson's "Great Society". The Office of Economic Opportunity decided to contract with Abt Associates, a Massachusetts consulting firm, to do a study of the effectiveness of the cooperative development programs it had financed in the 1960's. It was clear that this evaluation was planned as a pretext to de-fund several of OEO's cooperative development projects and organizations.

The Federation led the effort of OEO funded cooperative groups in opposing this contrived evaluation. The Federation said the evaluation was costly, unnecessary, a duplication of other studies, had rigged conclusions, did not have adequate input from the co-op groups to be studied and basically was being used to justify stop funding many of the groups. The Federation met with OEO officials and tried to put political pressure on them to stop or re-direct the evaluation. As long as the groups in the South held together in their opposition there was little the government could do to force the evaluation.

OEO, in the Spring of 1972, placed a condition on the renewal of funding for the 1972-73 fiscal year that groups had to agree to submit to the evaluation or lose their future funding. The Federation's board refused to knuckle under to this pressure from OEO. The Federation submitted a request to OEO for \$1,090,000, which contained \$590,000 for the Federation's technical assistance functions and \$500,000 for support of the SCDF's lending activities. OEO's responded by negotiating separately with Father McKnight and the SCDF board to accept \$650,000 in funds for support of the cooperative movement and agree to the evaluation. SCDF's board split on the issue but a majority voted to accept the funds.

At the same time, the Ford Foundation, which had been funding the Federation, insisted that its funding be concentrated on making a small number of cooperatives economically viable instead of building a broad based movement of rural community groups that would over time create the basis for economic viability for the whole group. The Ford Foundation also asked to restructure the board of directors of the Federation so that it could suggest several non-cooperative representatives to serve on the board. When the Federation refused to go along with these stipulations, the Ford Foundation persuaded Father McKnight and the SCDF board to create a non-profit arm, the Southern Development Foundation, to accept foundation funds and attempt to duplicate the functions of the Federation.

During a short time period at the end of 1972 and the start of 1973, the Federation, by standing on principle and refusing to accept outside restrictions on funding, had lost more than \$1 million of general support funding from OEO and Ford Foundation. Further, the fight with these external-funding sources had caused an internal conflict between the Federation and the SCDF, which caused division on the state association and co-op level. The Federation and SCDF staffs and executive directors (Prejean and McKnight) who had been friends were pitted against each other. It took many years of healing to overcome the bitterness and division caused by this conflict between the Federation and SCDF.

Many of us in the cooperative movement feel that the funding sources, for their own reasons and interests, conspired to drive a wedge into the growing unity and development of the cooperative movement in the South. It is clear in retrospect that some ways should have been found to overcome these conflicts and outwit those who sought to diminish or possibly to destroy the power and influence of a united cooperative movement. The strongest lesson learned by the Federation board and staff in the aftermath of this conflict was to avoid future conflicts of a similar nature and try to work with other community based development groups, family farmer advocacy groups and other related groups in coalitions and joint ventures. The cooperative movement in the South today would be stronger for all of its members if we had found ways sooner to bridge the gaps between the Federation and SCDF and if we are resolved to work even more closely together in the future.

Funding Slows Down But The Work Continues

Despite losing over a million dollars a year in critical funding, the Federation did not fail or disappear. Some of the funding gap was made up by contracts with the Manpower Development and Training Administration (NMTA) for training co-op and credit union managers at the newly completed rural training center facilities at Epes. In late 1972, the Federation was awarded a contract by the Office of Minority Business Enterprise for a network of rural business development centers. The ONME contract allowed the Federation to develop 13 offices in seven Southeastern states to give technical and loan packaging assistance to rural business ventures and cooperatives.

From 1972-75, the Federation's business development network assisted over 300 new business start-ups and acquisitions as well as packaging over \$50 million dollars in government and commercial loans for Black businesses across the South. The Federation's Rural Training Center was at the heart of this program, providing technical experts and training for the staff and new business entrepreneurs including our basic core cooperative membership. Once again our success did not go unnoticed by the Nixon Administration. As they decentralized the work of OMBE they decided to close many of the rural offices and to phase out contracts like the Federation's in favor of their own offices and small business development offices affiliated with colleges and universities.

Health Care and Housing Organizing Begins

During the 1970's, the Federation also tried to address the health problems of Sumter and surrounding counties by developing the Black Belt Community Health Care Program (BBCHC). With community fundraising and support a health center clinic building was constructed and with some government support, a community health program was developed providing education and services in a medically underserved area. The local and state medical association was opposed to the clinic and created obstacles for the program in every way possible. Although most of the people served by the BBCHC program did not seek help from the local medical practitioners they contended that our program was competitive and tried to prevent doctors and other needed personnel from coming to the center.

After several years of independent operation, the BBCHC program was merged into a larger regional West Alabama Health Services (WAHS) effort, which continued to rent the building. When the hospital closed in Livingston, WAHS moved out of the building and into a part of the hospital facilities.

The Federation also got involved with the PLBA members in developing housing on part of the land in Sumter County. With funding from a church group, three demonstration houses were built on the land. When the PLBA, with the Federation's assistance sought help from the Farmers Home Administration (FMHA) to develop a subdivision of houses in the same location, problems were raised concerning the availability of water and sewer. The PLBA Housing Development Corporation had to wait several years until a county water system was extended to serve the site since the abundant supply of underground water was considered to have too high a concentration of salt and other minerals. The sewage problem was solved by getting permission from the state to construct a lagoon. The state required the lagoon to be large enough to serve the maximum of 200 homes that could be constructed on the site although only 40 were proposed to be built in the first phase of construction.

FMHA was reluctant to finance a lagoon larger than required for the number of units to be built in the directory in that report shows a central staff of 75 people in addition to VISTA and CETA workers. Many of the staff were shown as based or working from the Training Center in Epes but many others were assigned from coastal South Carolina to the Rio Grande Valley in Texas to the Bootheel area of Missouri.

An FBI Investigation That Turns Up Nothing

The financial and programmatic success of the Federation did not escape our friends in the power structure of Sumter County and west Alabama. In early 1979, in response to the firing of a Black school administrator in Livingston, parents staged a month long boycott of that school. Later in the school year a system-wide boycott was effective for the final six weeks of the school year because the white school board and superintendent were unresponsive to Black parents. The boycott was led by Wendell Paris and Jim Jones, two former staff members of the Federation, who had begun political organizing among Blacks in Sumter County. The population of Sumter County was over 70% Black in 1970

when the Federation first located in the county but there were no Black elected county officials as late as 1979.

The boycott over school conditions and curriculum had a unifying effect on the Black community in Sumter County and many new people were registered to vote in anticipation of the 1980 elections. Three white elected officials: Mayor Drayton Pruitt of Livingston; James Steagall, Tax Assessor; and Sam Massengill, Probate Judge, sent a letter in the Spring of 1979 to Alabama's U.S. Senators Howell Heflin and James Stewart and local Congressman Richard Shelby complaining that the Federation was using Federal funds illegally for political purposes. These three convened a meeting with Congressman Shelby at the Cotton Patch Restaurant in Greene County to complain about the influence of the Federation and its misuse of Federal funds.

Without contacting or consulting the Federation about these allegations, Shelby asked the Congressional General Accounting Office (GAO) to do an audit of the Federation's books and records. These auditors came to review the books of the Federation in Atlanta and Epes from September to November of 1979. In mid November, the GAO issued a report which basically corroborated the Federation's own independent CPA audit and other Federal agency reports saying the organization had a clean record of handling public and private funds.

The Federation thought it had heard the last of these government investigations, but on New Years Eve of 1979, FBI agents came to the Federation's office in Atlanta to serve subpoenas on Charles Prejean requesting "any and all books, records, reports, papers, memoranda, applications, and proposals submitted during the years 1976-79 to any federal government department, agency or bureau by the Federation or any affiliated cooperatives in connection with the application for ... administration or performance of any federal grant or contract." The subpoena called for the delivery of these documents to the U.S. Attorney and a Federal Grand Jury in the Northern District of Alabama at Birmingham.

This was the start of an intensive two-year investigation of the Federation from 1979 to 1981 for criminal misuse of Federal funds which almost destroyed the organization. While the Federation tried to fight the government's sweeping subpoenas and asked for more specificity and

narrowing of the scope and targets of the investigation, eventually the organization turned over a truckload of more than 80 filing cabinet drawers of information to the investigators. The information contained 75,000 cancelled checks and thousands of pages of reports and records. After receiving the records, FBI agents visited the homes of over 200 co-op members to question them about their involvement with the Federation.

The investigators never made specific charges but went on a massive witch-hunt and fishing expedition through the program papers and financial records of the Federation. Efforts by a national committee of funders, church leaders, politicians, other community-based practitioners to cancel the investigation went unheeded. A local support group in Alabama, headed by Mayor Richard Arrington of Birmingham, tried to talk with the local U.S. Attorney, J. R. Brooks, to no avail. After two years of review in March 1981, the U.S. Attorney announced that he could find "no prosecutable offenses" and ended the investigation, allowing the Federation to retrieve its records.

Post Investigation -How to Survive?

This investigation took a serious toll on the Federation and almost forced it to go out of existence. During the investigation, most fundraising efforts from new government, foundation and church sources had to be suspended. Existing funders, who knew the organization and were sympathetic to its plight, contributed mainly to legal defense efforts to save and protect the Federation. Large amounts of staff time were devoted to gathering, copying and screening records to be turned over to the Grand Jury and on monitoring the investigation. When the Federation emerged from the investigation-cleared of the misuse of Federal funds - Reagan had become President and was in the process of discontinuing funding and dismantling all of the discretionary Federal programs that had been used to fund the Federation.

The years of the early 1980's were difficult ones for the Federation. The Federal investigation had hampered the organization and diverted staff attention from preparing for an orderly transition from the Carter to the Reagan administrations. There was a period of staff and programmatic retrenchment, realignment and refocusing. In many ways, during the

Carter years, the Federation staff had become Federal program administrators-almost supplanting their role as cooperative organizers, developers and technical assistance providers. When Reagan came to power and cut out most of the Federal programs, the Federation staff had to reorganize and focus again on the basic mission of cooperative development. With the help of churches and some smaller progressive foundations, the Federation was able to regroup and focus with a much smaller but more dedicated and experienced staff. This transition was not easy and the financial costs caused an operating deficit that persists to this day which had to be financed by borrowing against the Rural Training Center land-base as collateral.

The Federation participated with other groups: Southern Regional Council, Voter Education Project and the Emergency Land Fund on more collaborative strategies to survive the Reagan cutbacks. A proposal was developed for a Southern Rural Alliance but major funding was never secured for this joint effort. Work on the Southern Rural Alliance brought the Federation and the Emergency Land Fund closer together and led to more in-depth discussion of joint programming. The Federation, ELF and SCDF had also worked closely on a training program for farmers and seasonal farmworkers during the Carter period.

A Merger Between the Federation and ELF

In 1985, the Federation and ELF Boards of Directors and staffs agreed to a programmatic merger of the work of both organizations to be followed over time by a full legal and financial merger of the two groups into an organization to be called the Federation of Southern Cooperatives/Land Assistance Fund. The Federation and ELF had many common purposes in terms of working on the problems of Black farmers and landowners who were in danger of losing their land and worked with many of the same or similar people in rural communities across the South on self-help development strategies for Black farmers. The merged organizations were able to put forth a stronger and more unified appeal for funding especially from church and foundation sources. The merger was successfully completed in 1990 when all assets and liabilities were consolidated under the new organization and the ELF legal structure was dissolved.

During the 1980's, the Federation/LAF has also concentrated more on strengthening its state association efforts, especially in Georgia, Alabama,

Mississippi and South Carolina. Efforts were made in each of these states to secure state budget and discretionary resources to support cooperative development and Black family farmer training programs to maintain and develop landholdings. In Georgia and Alabama, the Federation/ LAF has had success in securing state line item budget support through the respective state departments of agriculture for the work of the organization. In other states, the state associations have secured funds from their governors for training and technical support programs.

New Leadership and New Program Thrust

In 1984 Charles O. Prejean took a paid leave of absence, after working with the Federation for seventeen years, to rest and pursue his academic studies and interests. The Federation Board of Directors appointed Ralph Paige, who had worked in various capacities for the Federation from the field staff in Georgia to director of the National VISTA Project, to be the Acting Director. When Charles formally resigned from the Federation in 1985, Ralph Paige was appointed as the Executive Director.

Since 1985, the Federation/LAF has worked on six primary programmatic priority areas:

- Cooperative and credit union development for poor people;
- Land loss and retention problems of black and white family farmers;
- Advocacy for public policy changes and government resources for limited resource family farmers and rural community development programs;
- Maintenance and support for the training and education programs of the Federation Rural Training Center at Epes, Alabama;
- Increased housing opportunities and the use of renewable energy sources by low-income rural people;
- General survival, stability and resilience of the Federation, to better serve its constituent members.

Land Retention and Black Land Loss Emphasis

A major and continuing focus of the Federation/ LAF's work during the past few years concerns the problems of family farmers and Black landowners. There is currently a "crisis " in rural America for family farmers. This includes economic problems from low prices, losses from poor weather conditions and the escalating cost of interest rates and farm inputs. More than half of all of America's remaining two million farmers are experiencing serious financial and debt problems. For many, these difficulties will mean the end of a life and livelihood in fanning, unless farmers band together and fight in an organized fashion to persuade the government to change its laws, policies and practices affecting family farmers.

Black family farmers in the rural South have been in a "continuous crisis" for the past 50 years. Black farmers have faced not only the general decline in the farm economy but also neglect, racial discrimination and economic exploitation. Black farm ownership has declined steadily, and at a more rapid rate than for white farmers, for most of this century. In 1910 there were over a million Black farm operators owning 15 million acres, while by 1985 there were less than 50,000 black farmers owning less that 4 million acres. The 1987 Census of Agriculture shows a continuing drastic decline to 23,000 black farmers owning 2.2 million acres. The Census reports that by 1978, the rate of loss for Blacks increased to 57.3%, two and a half times the rate of loss for white farmers. Between census years 1982 and 1987, the number of Black operated farms declined 30.9% compared with 6.6% for white farms. Each day, African-American farmers are still losing an astounding 1,000 acres of land. In terms of wealth, at a conservative value of \$750 per acre, the African-American community is losing over \$275 million of irreplaceable equity resources annually.

In 1982, the U.S. Civil Rights Commission, in a report entitled the Decline of Black Farming in America said the loss of land and the inability of blacks to endure as landowners may result in serious consequences for racial relations in this country. A society where whites control virtually all agricultural production and land development (including commercial, industrial and resort development) is not racially equal. After reviewing the dismal civil rights record of the U.S. Department of Agriculture and its agencies, the Commission's recommendations stated that, "unless

government policies of neglect and discrimination are changed there may be no Black farmers by the year 2000..."

A November 1990 report by the House Committee on Government Operations, concludes, " The sad truth is, little has changed since 1982 ... The committee finds that ironically, FMFU has been a catalyst in the decline of minority farming. The FmHA position of providing assistance to minority farmers based on their representation in the total farm population serves to further exacerbate the demise of minority farmers. The more minority-operated farms disappear, the less FMHA provides assistance. Despite its key role as the credit agency for agriculture and rural development, that credit appears to be unavailable for minority farmers.

The agency's implementation of five of its major farm loan programs resulted in few benefits to minority farmers. Before fiscal year 1989, minority farmers received less than 10% of all loans and less than 8% of all loan funds available."

Government policies and programs in agriculture, for the past half century, have been enacted in the name of "family farmers" but have been utilized to strengthen and enrich the largest farmers and the corporate sector in agriculture. Under most USDA programs, 10% of the largest farmers receive a disproportionate share of the benefits.

History In The Making With The Minority Farmers Rights Bill

The Federation/LAF has been working in a coalition with other organizations-National Family Farm Coalition, Rural Coalition, Rural Advancement Fund, Prariefire, North Carolina Land Loss Project, Inter-Tribal Agriculture Council and others -to enact provisions of a "Mlinority Farmers Rights Act" which would provide more equity and justice for farmers of color in this country. These provisions would make it possible for people of color to protect and expend their landholdings in this country and recognize the national value of having pluralistic patterns of land ownership in our nation.

While all of the provisions of the "Minority Farmers Rights Act" have not been enacted, as a result of our educational and advocacy efforts

Congress and the USDA have made some changes, which have benefited Black and other farmers of color in our nation. Among these are:

-The 1987 Agricultural Credit Act contains provisions targeting the FmHA Farm Ownership Loans on a state by state, county by county basis to "socially disadvantaged applicants" based on the proportion of minorities in the rural population of the county; this legislation has resulted in a minimum of \$12.5 million per year being made available to Black and other farmers of color since fiscal 1989.

-The 1990 Food, Agriculture, Conservation and Trade (FACT) Act contains Section 2501, which provides for a \$10 million Outreach and Education Program for minority farmers (this is an authorization and so far no funds have been appropriated); and the targeting of FmHA Farm Operating Loan funds to socially disadvantaged farmers based on their proportion in the farm population; and a section requiring USDA to report to Congress to evaluate its services to Black and other farmers of color;

-A contract between the Federation/LAF and USDA/FmHA to provide assistance to limited resource and socially disadvantaged farmers in sections of the State of Georgia, which is one of only two contracts with community based groups under the USDA's Small Farmer Technical Assistance Program (all other funds are provided to Land Grant Colleges); under this contract farmers are given intensive assistance to make their farming operations economically viable, the program is designed to serve 75 farmers but our office in Albany, Georgia has assisted over 500 farmers

Caravan To Washington

The Federation/LAF with its coalition partners are planning a caravan to Washington D. C. with rallies at the Capitol and USDA in mid-September 1992 to continue to raise and illuminate the issue of land loss by Black and other farmers of color in this country.

In connection with the Federation/LAF's Silver Anniversary, the Board and staff have developed a Capital Campaign to raise \$5 million to provide more permanence and stability for the future of the organization. Three million dollars of the funds are to capitalize the Federation/LAF's "Forty Acres and a Mule Endowment Fund". Earnings from the endowment would

be used to support the basic core budget of the organization. One million dollars will be used to enhance the Federation/LAF's Revolving Loan Fund to make capital available to Black farmers and cooperatives. The remaining \$1 million will be used to repair and remodel the Rural Training Center as well as cover the costs of the campaign itself. Farm-Aid, the organization established by Willie Nelson and funded by his concerts in support of America's family farmers, has been instrumental in funding and assisting the Federation/LAF to move forward with the Capital Campaign.

It will not be possible in this short historical overview of the Federation to mention every event program, co-op and person that was important to the development and progress of the organization. Given the limited space, we were also not able to account for the extraordinary work and history in all the states where the Federation/LAF is and has been located. The Federation and ELF have sent over 600 file boxes of accumulated records to the Amistad Research Center archives in New Orleans, Louisiana where they are being sorted, cataloged and preserved for use by our staff, members, scholarly researchers and others who are interested in the history and work of the Federation/LAF and the cooperative movement in the South. These records are available to people who want to do more intensive and exhaustive studies of particular events, people, periods or programs in the history of the Federation, the ELF or the Federation/LAF.