

8. *Laws and regulations*

Public Law 87-703 approved September 27, 1962. Title I, section 102(c) amends section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

The rural renewal program is making a vital contribution to the revitalization of the economy in low-income areas. Rural renewal loans are being made for correction of maladjustment of land use through the development of projects for rural homesites, reforestation areas, lakes, greenbelts, public playgrounds, grassland areas, and family farms. These economic development activities financed with rural renewal loans and technical assistance funds are providing increased incomes, jobs, and homes for many low-income, underprivileged rural citizens that are having both a direct and indirect impact upon the level of the economy in the area. These development activities are resulting in a distribution of personal income to a greater number of low-income families. As workers obtain additional jobs and their productivity becomes greater, the increased earnings enable them to move out of the poverty category. The stimulation of new business enterprises and expansion of existing ones is resulting in the location of stable businesses in rural areas. In these designated rural renewal areas a stability of income is being realized. The level, volume, and other beneficial aspects of employment along with wages, costs, production, output, marketing, processing, and distribution facilities and other phases of economic activity have resulted from the rural renewal program. Other benefits have resulted from this program in an indirect manner such as the attraction of outside investment to the area because of the availability of resources, both natural and human. This is evident by the interest from outsiders in moving their plants and economic activities to the area. Pertinent geographical differentials are being resolved as a result of providing additional resource utilization opportunities in the area which in many instances are more comparable to the metropolitan area scale of operations with resulting favorable impacts. The impact of direct rural renewal loans made in these areas is providing a major stimulus for economic growth; however, the effects of the rural renewal program leader in helping local people to obtain all other possible sources of assistance are making an equal or greater contribution.

10. *Economic classification of program expenditures.* (See table 2.)

Program: Rural renewal.

Department or agency, and office or bureau: Department of Agriculture; Farmers Home Administration.

TABLE 2.—*Economic classification of program expenditures for fiscal year 1965*

[In millions of dollars]

Federal Government:	
Loans.....	0.9
Total, Federal expenditures.....	.9