

*Public works.*—More than two-thirds of the funds authorized by Congress for the new program—\$500 million annually for 4 years—will be used for public works and development facility grants. Loans of up to 100 percent are also authorized for these projects in areas where funds are not otherwise available. Public works provide such facilities as water and sewage systems, access roads and the like, to encourage industrial development that will result in long-term employment. These development facilities will be constructed by providing direct grants of up to 50 percent of the cost of eligible projects and supplementary grants which can bring the Federal share as high as 80 percent in the neediest areas.

*Business loans.*—To encourage private investment, EDA provides low-interest, long-term loans to businesses expanding or establishing plants in designated redevelopment areas. Loans of up to 65 percent of the total project cost (including land, buildings, machinery, and equipment) may be made for up to 25 years at a rate of interest based on Federal borrowing costs. These loans will be made for projects which cannot be accomplished by financing solely through banks or other lending institutions. Federal guarantees for working capital loans made by private institutions in connection with these projects are also available.

*Technical assistance.*—To help distressed areas understand the scope of their problems as well as their economic potential, EDA provides an extensive program of technical assistance. This assistance may be in the form of studies to identify area needs or to find solutions to industrial and economic development problems. It also takes the form of grants-in-aid of 75 percent of the cost of planning and administering local economic development programs. It may also include management and operational assistance to private firms.

*Research and information.*—Funds are provided under the Act to develop a continuing program of study, training, and research into the causes of unemployment, underemployment, and chronic depression, and to devise programs and projects to help raise income levels. The Act also authorized the providing of information to areas whenever such information would be useful in alleviating or preventing conditions of excessive unemployment or underemployment.

The EDA program is administered through a central office in Washington and eight regional offices located strategically in redevelopment areas over the Nation—Portland, Maine; Wilkes-Barre, Pennsylvania; Huntington, West Virginia; Huntsville, Alabama; Detroit, Michigan; Duluth, Minnesota; Seattle, Washington; and Austin, Texas. Public facility grants and loans and industrial and commercial loans are made through contacts between eligible applicants and regional offices. Technical assistance is provided directly by EDA staff members or through contract arrangements with consulting firms or other professionally competent organizations.

The EDA program provides special incentives and assistance to groups of counties and, in some cases, States, which join together to solve their economic development problems.

### 3. History

The EDA program has no history as such since it was established under the Public Works and Economic Development Act of 1965,