

Section 407 of the Housing Act of 1964 (78 Stat. 796 (Sept. 2, 1964)), increased the amount authorized for the program to \$10 million.

Section 1105 of the Housing and Urban Development Act of 1965 (79 Stat. 503 (Aug. 10, 1965)), increased the amount authorized for the program to \$15 million.

The low-income housing demonstration grant program is subject to regulations issued by the Department of Housing and Urban Development to effectuate title VI of the Civil Rights Act of 1964. (24 CFR, subtitle A, pt. 1.)

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

### 9. *Economic effects*

The demonstration program is too small—\$6 million committed since its start in 1961—to have a discernible direct effect on the income level of persons served, the distribution of income, employment levels, business stimulation, or the gross national product. The program is geared to the development of new methods and techniques, and the number of housing units produced in the process is incidental, and usually small. (NOTE.—The dollar volumes of housing produced under this program, and employment and payroll generated would be included within the figures provided for FHA and PHA programs.)

Housing demonstrations produce guidelines for policy and insights for the decisionmaking process. The economic value of such guidelines lies in the future avoidance of improper policies, as well as the institution of new programs designed to achieve national goals more expeditiously, at lower cost, and at greater benefit to families and communities. A small breakthrough in the technological field is likely to be worth many times the small government investment. The value of mistakes avoided cannot be measured; it can be great, indeed.

The economic and technical potentials of each proposal are scrutinized to the degree necessary to assure a fair chance of success, not to guarantee it. Since it is the objective of the program to venture new approaches and to explore as yet untried and unproven alternatives, no more than a fair chance can and should be assured. Even outright failures serve a useful purpose in that they document as infeasible or undesirable certain approaches before they become part of an operating program.

None of the demonstrations is, as yet, completed. The first reports will become available during the current fiscal year.

### 10. *Economic classification of program expenditures*

No tabular presentation of economic effects of program expenditures is provided, primarily because of the relatively insignificant amount of its expenditures. Moreover, because each project is distinct from all others, a prohibitively detailed analysis, project by project, would be necessary.