

penditures and employment changes in the durable manufacturing industries were obtained. However, in most cases estimated coefficients were smaller than the estimates of the standard errors. Thus, very little importance can be placed on the role of increased education expenditures from federal and state sources in fostering increased manufacturing employment in recipient areas.

Investments in water resource projects were not importantly associated with changes in manufacturing employment. Corps of Engineers' investments seemed to influence employment in food manufacturing industries in urban counties. However, the relationship was not as expected since employment declines in food processing were occurring in those counties receiving the investments. Neither investments in PL-566 watershed development nor ACP program investments appeared to be importantly influencing employment changes in the manufacturing industries.

Investments in water and sewer facilities by the Farmers Home Administration had the greatest impact in rural counties where most of the investments were made. Increased employment in furniture, lumber and wood products, and electrical machinery and equipment was importantly related to FHA investments in rural counties with each \$100,000 of investment resulting in 4.1 and 3.1 new jobs, respectively. A greater impact was felt in urban counties for furniture and lumber manufacturing, where each \$100,000 of investment resulted in 5.9 new jobs over the 1960-1970 decade. In general, the other industries experienced employment declines in counties where FHA investments were being made. However, in all of these industries the estimates of the standard errors of the regression coefficients were generally much larger than the estimate of the regression coefficient.

Changes in product prices were negatively related to employment changes in the manufacturing industries. Variations in product prices were important in effecting employment changes in the urban counties in the food processing and furniture and lumber industries. In both these industries employment was declining during the 1960 to 1970 period while product prices were generally increasing resulting in the negative relationships obtained. The important effects of these movements were to slow down the rate of employment decline. That is, had product prices been decreasing, the employment declines in the manufacturing industries could have been even greater than those experienced.

Increases in wage payments importantly influenced employment in transportation equipment manufacturing in both groups