

The Federal assistance authorized by the demonstration cities bill will be provided to a "city demonstration agency." This may be the city or any local public agency established or designated by the local governing body to administer the comprehensive city demonstration program.

A very wide range of administrative organizations is permissible so long as the structure serving as the city demonstration agency constitutes a public body which is subject to the control of the local governing body.

The city demonstration agency, regardless of its type, must have the endorsement and support of the elected officials of the city and the agency must have sufficient power and authority to undertake the overall administration of the demonstration program.

This does not mean that the city demonstration agency would have to assume operational control of all projects and activities that are a part of the local demonstration program. For example, to the extent urban renewal activities are a part of the demonstration, the existing urban renewal agency would carry them out. And school boards would continue to direct educational activities in the demonstration area.

For each area having an approved demonstration program a Federal coordinator will be designated.

This legislation makes clear that the Federal coordinator will not be appointed until after the demonstration program is approved. The Federal coordinator will not, therefore, be involved in the planning and development of the city's demonstration program.

The coordinator will expedite and help coordinate Federal contributions and technical assistance to the various projects and activities that are a part of the approved demonstration program. He will provide liaison services for the local city demonstration agency and national and regional representatives of the Department of Housing and Urban Development, and of other Federal agencies assisting these projects or activities. The coordinator will have no authority over local officials, and no power over the programs and activities of the locality.

The first year of the new program authorized by this bill will be devoted to planning and the development of programs by the cities. The President has earmarked some \$12 million to finance the planning and development of these programs. In the following 5 years, \$2.3 billion in supplemental grant funds will be made available to cities to help them carry out these demonstration programs.

The great problems confronting the Nation's cities are well known. Slum and blight are widespread. Persons of low income concentrate increasingly in the older urban areas. Housing and community facilities and services are inadequate.

Cities are caught in a descending spiral which leads to widespread municipal insolvency. The continuing spread of blight reduces the taxable value of city land. As slums and blight spread, crime, delinquency, and disease follow.

At the same time that the need for city services grows, the city's ability to provide these services is impaired by the very blight that creates the demand. In these circumstances, it is not surprising that the cities with the greatest slum problems have the least capacity for solving them.