

gram, it would go to the Assistant Secretary for housing and urban assistance, is that correct?

Secretary WEAVER. Well, actually what will happen under the reorganization plan is that we will decentralize to a new degree—and I think somewhat unique degree—the decisionmaking in the Department. And that particular urban renewal project would go to the regional office, where the regional administrator would be authorized under our reorganization plan that was announced last Friday to make a decision as to whether or not this was eligible, and whether or not it would get Federal financing. And unless there were problems of a peculiar nature, and unless there was an interpretation of policy, this decision would be made at the local level, a recommendation from the regional office would be made to Washington, and the announcement of it would be made to Washington. It would not be processed again in the headquarters. This, however, if there were problems which required it being escalated, would come under the Assistant Secretary for Renewal and Housing Assistance.

Mr. MOORHEAD. If our county had a problem that had to be escalated, it would be escalated to the Assistant Secretary for Metropolitan Development, is that correct?

Secretary WEAVER. In most instances, yes. It is awfully hard to make these absolute tight compartments.

Mr. MOORHEAD. But if we came to you with a four-county program, and again it had to be escalated, it would then go to the Assistant Secretary for Demonstrations and Intergovernmental Relations?

Secretary WEAVER. No; it would go to the Assistant Secretary for Metropolitan Development.

Mr. MOORHEAD. Mr. Secretary, on page 21 of your testimony, in describing private enterprise working with public housing authorities, you say that "This results in costs substantially lower than can be achieved when the authorities plan and construct the housing themselves." Why is this?

Secretary WEAVER. Well, it is because of several circumstances. In the first place, the overhead cost becomes greater in a public undertaking. In the second place, all of the restrictions that are placed upon contract awards, competitive bidding, and all of this other type of thing that are involved in a public agency becoming the contractor, become higher. And many of the fees that are charges become greater where the Federal or a local government is concerned. Also, the Federal Government has a great deal more statutory and regulatory inspection and protective devices which are not necessary in a private approach. If a private building meets the specifications, then this is not a problem. If it does not meet the specifications, you don't buy it. If a private company produces the products and does not meet the specifications, it wastes its money and not that of the Federal Government.

Mr. MOORHEAD. Mr. Ashley asked you to comment on one of the four amendments proposed. I wonder if you could care to comment on the other three.

Secretary WEAVER. Surely. I think if you will identify them I will take them.

Mr. MOORHEAD. Let's start with No. 4, the program for research, development, and demonstration of new systems of urban transport.