

Secretary WEAVER. It was arrived at on the basis of assuming that anywhere from 60 to 70 cities of various sizes were to participate, and assuming further that if they were to participate, a certain number of dwelling units would be involved, so many to be rehabilitated, and so many by new construction, and also that certain social services would be provided, and that all of this activity would result in a certain amount of Federal grant-in-aid programs. The total of the required local contributions in those grant-in-aid programs was then summed up, and 80 percent of that total became the figure which is the \$2.3 billion figure.

Mr. ASHLEY. Isn't it true that the New York Times piece that I am sure you read as I did indicated that the impact of the program would be in the neighborhood of \$6 billion?

Secretary WEAVER. That is the New York Times figure, and not our figure.

Mr. ASHLEY. I would be interested in a further detailed account of how the \$2.3 billion was arrived at. I am interested in the total dollar impact of this program. The \$2.3 billion represents, I understand, the Federal contribution toward the cities' share of the various programs. Is that not so?

Secretary WEAVER. No, sir. The \$2.3 billion represents the amount of supplemental grant that would be given to the cities. That in turn is based upon the amount of the non-Federal cost of the grant-in-aid Federal programs that would be involved in these demonstrations.

Mr. ASHLEY. Let's take an urban renewal project which is a part of a demonstration cities program. If it is a \$80 million project, if the net project costs some \$80 million, and there are no noncash credits available, the Federal Government would buy—let's make it \$80—would buy \$60 million, and the local will be responsible for \$30, isn't that correct?

Secretary WEAVER. That is right. The local then would get 80 percent of the \$30 million in addition.

Mr. ASHLEY. Yes.

I don't see where the disagreement came from a moment ago when I suggested that the \$2.3 billion is going to be corrected to picking up the local share of the various Federal loan programs.

Secretary WEAVER. The difference is that it is not as big as it should be, it is 90 percent.

Mr. ASHLEY. All right. Presumably there has been serious consideration given to the dollar impact to the program. I don't see how the dollar impact would be very much less than \$8 or \$9 billion, based upon—and I am talking about the total Federal contribution toward total local contribution, or should I say, in addition to total local contribution.

Secretary WEAVER. We estimate—and these are all estimates, because I cannot give you firm figures now—we estimate that the total impact of this will be from \$5 to \$10 billion.

Mr. ASHLEY. I would appreciate it if there could be provided for the record the basis for that assumption.

Secretary WEAVER. In round numbers we would be happy to give it to you.