

I say "the agency," I mean the Department of Housing and Urban Development.

Mr. ASHLEY: Then why should we not specify that? Why would not it be a good idea to say what we mean?

Mr. CAVANAGH: I think perhaps as a general statement as to a broad objective that you state, I might not have any specific objection. The only thing that I would like to suggest to the Congressman is that we consider making the program as flexible as possible, the administration of this act, to insure that it indeed is a Demonstration Act, and that we can demonstrate various techniques and procedures in various kinds of situations to show that the whole character of a city can be uplifted. I also think we have a great practical consideration too, Mr. Congressman, and that is that one of the reasons we have great community support in our city for this kind of a program that I just mentioned in response to Mrs. Sullivan's question was the fact that we try to relate how the upgrading of a target area neighborhood would indeed affect all the neighborhoods in the community, even the all-white neighborhoods that have no slums and no blight and no decay. I think it is important that we make it as broad as possible to insure that it has broad support. And if we limit it to just the Watts type of area, I would be afraid of the practical implications in relation to the support.

Mr. ASHLEY: I can answer that from a technical standpoint. On the other hand, while we would not want to so circumscribe the program, would you not agree that the Watts-type situation in terms of the social fabric of this country, and what we are really trying to achieve through this program, should receive some kind of priority consideration?

Mr. CAVANAGH: Yes. And I am sure that if Los Angeles was a demonstration city, one of those selected, the automatic place I would think would be a Watts type of neighborhood.

Mr. ASHLEY: I would like to ask you just one question in clarification. You made a very interesting point with respect to funding, suggesting that there might be instances in which a plan would involve a spectrum of Federal programs, some of which might not be able to be funded, and others of which could, and that this might cause considerable delays in implementation. And as I understood your point, it was that in a situation of this kind those programs which otherwise were not capable of being funded under the ordinary program could be funded out of the \$2.3 billion, or whatever amount is decided upon.

The question that I think Mr. Widnall asked was with respect to how this might work out. You started to say, suppose there was a \$30 million hospital project, and that Hill-Burton funds had run dry, normally under the operation of the program, without this kind of consideration there would be the Federal participation automatically of \$15 million under a 50-50 formula, and there would also be 80 percent of the local, which would be an additional \$12 million. So that would be \$27 million out of the \$30 million under the program as it is proposed here. Now, here that would be forthcoming from the Federal Government. Under your suggestion there would still be the \$15 million directly available, which would be the situation in any event from the Federal Government.

Mr. CAVANAGH: Except that it would not be available.