

large as the amount earmarked for the supplementary funds in the demonstration cities bill—to finance all the activities carried out as part of the demonstration programs—this fund to be administered by a single department and not subject to all the limitations now required by law and regulations with respect to the use of existing grant-in-aid programs. Neither assumption is valid.

An effective national demonstration cities program requires participation by a large number of cities of different size, type, and geographic location. It is only by using a wide sampling of cities with different types of major urban problems that the demonstration cities program can produce results useful to all of the cities in the country. A national program with a sufficiently broad sampling of cities can be financed only by combining the assistance available under existing Federal programs with the special—supplemental—grants provided by the demonstration cities legislation.

If the total Federal share of all the activities carried out under the demonstration cities programs were financed solely from the special—supplemental—funds, earmarked for the demonstration cities proposal, the number of cities which could participate would have to be very drastically curtailed or the size and scope of the demonstration programs contemplated would have to be reduced to something far less than a total attack on major urban problems. Severely limiting the number of cities, or drastically reducing the scope of the demonstration program that the city undertakes, would seriously limit the value of the proposal as a national program.

Financing all the projects and activities carried out as part of the demonstration programs out of a vastly increased single fund provided for the purposes of the demonstration cities legislation also has very serious defects. It would make the Department of Housing and Urban Development responsible for funding and administering projects and activities that are now administered by other executive branch departments and agencies under existing grant-in-aid programs. This would be undesirable.

The fact that a particular project or activity eligible for assistance under an existing Federal grant-in-aid program is undertaken as part of a demonstration cities program should not cause a breach in the existing relationships between the people who will carry out the project or activity and those responsible for administering the existing grant-in-aid program. The experience in the various departments and agencies in assisting these projects and activities ought not to be disregarded, and their longstanding relationships with the normal sponsors of these projects and activities ought not to be disrupted.

There exists also in the legislative branch a close relationship between particular existing grant-in-aid programs and particular substantive and appropriation committees. These committees would rightly feel that their fiscal control and oversight of the particular Federal grant-in-aid programs for which they are responsible would be disrupted if, in demonstration cities, projects and activities usually approved by the executive branch agencies charged by law with administering these programs are approved by a different executive branch agency—and financed out of funds authorized and appropriated by different legislative substantive and appropriation committees.

A key goal of the administration's demonstration cities proposal is to show the effectiveness of using existing grant-in-aid programs on a concentrated and coordinated basis in a total attack on major urban problems. The very considerable benefits that could be obtained from locally developed comprehensive programs utilizing existing Federal grant-in-aid programs in a concentrated and coordinated fashion would be lost if these existing programs were bypassed.

There is one additional advantage in tying the amount of the supplemental grant available under the demonstration cities legislation to the aggregate amount of non-Federal contributions required to be made to projects or activities assisted by Federal grant-in-aid programs undertaken in connection with the demonstration program. It serves to give the Congress assurance that there will be a desirable balance in each city demonstration program between the benefits of innovation made possible by the supplemental grants and the lessons of experience already gained from the operation of existing Federal grant-in-aid programs.

A variation of the alternative proposed by Mayor Lindsay would "require that a community seek all relevant grants that could be obtained quickly from Federal agencies and then seek 90-percent Federal assistance for carrying out the rest of the demonstration."