

70 cities of varying sizes. There can be no question that the number of cities throughout the United States which are qualified to meet the requirements for a demonstration program as set forth in the bill and which would be vitally interested in availing themselves of this imaginative broader approach are substantially in excess of this number. In the interest of the long-overdue expansion in our national programs for elimination of slums and blight, we seriously question a policy which would discriminate against cities of equal capacity and equal commitment to accomplish the laudable objectives of the bill.

In this connection, I would like to quote the following significant paragraph from President Johnson's message, with which we are wholly in accord:

There are few cities or towns in America which could not participate in the demonstration cities program. We shall take special care to see that urban communities of all sizes are included. For each such community, the impact of the program will be significant, involving as much as 15 to 20 percent of the existing substandard structures.

We therefore strongly urge that the committee in taking action on this bill make it clear that the benefits of the cities demonstration program shall be available to all qualified cities which apply and in the order of their application.

We also strongly recommend that contract authority for the total supplemental demonstration grant of \$2,300 million recommended by the President be authorized in this bill, to become available immediately upon the enactment of the legislation. The volume of the ensuing applications from qualified cities would then place both the administration and the Congress in position to gage the longrun need for financing of the cities demonstration program, which clearly will be greatly in excess of the \$2,300 million.

Second, another factor of equally great concern is the inadequate financing of the underlying programs which would establish the basis for city demonstration programs. It is clear that the most fundamental of these programs is urban renewal which obviously would represent the core of any extensive city demonstration program. As previous witnesses before this committee have pointed out, the urban renewal capital grant authorization, as established by the Housing and Urban Development Act of 1965, is far below the rate of requests for commitments for eligible projects which are currently being received from the more than 800 communities participating in that program. The result is that there is a current backlog of applications involving more than \$800 million in capital grant commitments and that commitment authority for any new projects, no matter how meritorious or urgently needed, are evidently not possible before the beginning of the next fiscal year. Furthermore, when the additional contract authority of \$725 million for the fiscal year 1966-67 becomes available on July 1 of this year, the indications are that the backlog of pending eligible applications will rapidly exhaust this amount unless the progress of the program is to be arbitrarily curtailed.

The whole implication of the Demonstration Cities Act is that urban renewal activity in the participating cities will have to be greatly expanded in order to accomplish the objectives of the program. This situation leads us to two major conclusions:

First, that the urban renewal program as such is substantially underfinanced and, second, that the increased demands for urban