

involve industry, involve employment activities, so the end result would be in effect a self-contained community with employment opportunities, with an industrial tax base, as well as residential uses.

Mr. FINO. Thank you.

Mr. BARRETT. The time of the gentleman has expired.

I wonder, Mr. Gonzalez, if we can go to Mr. Reuss and come back to you, and give you an opportunity to look over the statement.

Mr. GONZALEZ. I have no questions at this time.

Mr. BARRETT. Mr. Reuss?

Mr. REUSS. Thank you, Mr. Chairman.

Mr. Keith, we are very grateful for your advice and help.

I followed very closely your expression of hearty support for the goals of the demonstration cities program and also your recommendations for making sure that the program would, in fact, fulfill those goals.

Some members of the subcommittee and myself have had the same difficulties you have had with the size and priorities of the program. I can say for myself that I am sympathetic to your recommendations that the special funds provided for the demonstration grants program be made immediately available on a first-come, first-served basis, and that urban renewal funds at least be made more readily available than they now are.

In an attempt to work out a first-come, first-served basis, Representatives Moorhead, Ashley, and myself were concerned that the standards of eligibility for a demonstration cities grant be clarified so that all cities that are really qualified would be able to get help, and that the necessarily limited funds not be dispersed over cities and projects which were of lesser qualification.

With that in mind, we suggested the addition of a criterion to the eligibility requirements now in the administration's draft bill which additional criterion would require that the sections or neighborhoods to be aided under the demonstration grants program be those "subject to high-priority economic or social pressure, such as population density, crime rate, public welfare participation, delinquency, poverty, unemployment, educational levels, health and disease characteristics, and substandard housing."

I would like your judgment on whether such a sharpening of the criteria would be useful.

Mr. KEITH. I would think it would be, Mr. Reuss. It would certainly seem to me that language of that type would be fully consistent with our understanding of the objectives of the bill. I would think it would be helpful to have it specifically stated.

From my knowledge of most cities, I think they would tend to operate on that basis in any event—from the standpoint of selecting areas for this kind of intensive and extensive treatment. But I think it would be helpful to have the objectives contained in the bill.

Mr. REUSS. My second question has to do with your point three in your testimony under your demonstration cities testimony.

There you say, and I will paraphrase it, that you would recommend that clarifying language be incorporated in the bill, recognizing that Federal assistance will be necessary for relocation of residential development, whether or not it is in the section or neighborhood or the demonstration city area.