Mr. Gradison, as I understand your testimony, you would be in favor of eliminating this 80-percent additional grant which would be given to a demonstration city.

Now, my question to you, sir, is if we cannot go as far as you would suggest, would you favor an amendment which would reduce the amount of that 80-percent grant, let's say, down to 50 percent or some other figure, possibly with a sliding scale based on the need of a particular city?

Mr. GRADISON. Mr. Moorhead, the burden of my testimony is that I think that the concept of coordination, Federal and local, add flexibility, in the sense of getting credits perhaps for improvements, whether they are physically in the project or not, is more important, or at least would be to us, than this additional percentage—the three-quarter, one-quarter percentage right now is a very attractive offer to a community in my opinion.

I would suggest a concept along this line. There are seven requirements for a workable program for community improvement which we must meet each year in order to be recertified. Perhaps this idea, the basic germ of the idea inherent in this bill, could be the eighth requirement, something which we and all other cities would have to meet for any future urban renewal grant. And I think by approaching it in that way, it could be helpful in encouraging the desirable degree of coordination at the local level, not only in the programs of physical rebuilding, but also in the way of social action programs that would be necessary as well.

I would go a step further, however, and suggest that such action in itself is not going to be very meaningful unless there is a great deal more coordination at the Federal level than now exists in terms of bringing to bear the many resources which are available from this wide variety of recently enacted legislation in a coordinated way in an individual neighborhood. This is exceeding hard to do, because these funds not only come from different parts of the Housing and Urban Development Department, but also from many other departments as well.

This is the reason that, in talking of the Coordinator, I feel that the coordination function must be really stressed at the Federal level in order to provide the best results and the largest impact at the local level.

Mr. MOORHEAD. I agree with you on the point of coordination, and we have proposed amendments to direct the Secretary of HUD to coordinate at the Washington level, and we also proposed amendments that would establish metropolitan liaison officers at the local level.

But my question to you, apparently, didn't get through to you, and that is I understand that you would eliminate the 80 percent, and rely on coordination, or in effect rely only on the stick and not on the carrot.

Now, if we cannot go as far as you would like in eliminating it, would you then favor an amendment which would reduce the amount of the inducement, the 80 percent, so the money can be spread further?

Mr. GRADISON. Recognizing that that would be a second choice, I think that the reduction of the percentage would make very good sense, sir.

Mr. MOORHEAD. Thank you, Mr. Chairman.