

enactment of supplemental State programs for sewage treatment in a number of States, including New York, Maine, Georgia, Maryland, New Hampshire, and Vermont.

In 1961, Congress authorized substantial increases in the sewage treatment program. Grants of \$80 million for 1962, \$90 million for 1963, and \$100 million for each of the following 4 years were authorized. Earlier restrictions on the construction of larger facilities were eased somewhat with an increase in the maximum individual grant from \$250,000 to \$600,000 or 30 percent of the cost of construction, whichever is the lesser. In addition, the 1961 amendments for the first time provided encouragement for communities to join together in constructing projects to serve their common needs. Previously, the maximum grant provisions applied to the total project cost regardless of the number of participating communities. Now the limitation applies to each community's share. Thus individual communities are not penalized for joint action by receiving less Federal aid, and they are generally rewarded by the lower per capita cost of a larger project. This legislation, however, contains no direct financial inducements for areawide or comprehensive approaches, as in several other Federal programs.

In a related area of Federal activity, the program of advances for public works planning under section 702 of the Housing Act of 1954 administered by the Department of Housing and Urban Development, provides interest-free advances (to be repaid when construction commences) to aid in planning and designing public works projects, including water and sewer systems. A primary purpose of this program is to encourage public agencies to maintain an adequate reserve of planned public works. One of the requirements for approval of specific proposals is that no advance shall be made for an individual project, including a regional or metropolitan or other areawide project, unless it conforms to an overall State, local, or regional plan approved by a competent State, local, or regional authority. As the program is administered, if no general plan exists the conforming requirement is dropped.

Experience with the planning advance program suggests that there is a widespread need for planning water and sewage facility projects. Although planning advances may be made for any public work that communities have the legal authority to plan, finance, and construct, 60 percent of all applications approved since the beginning of the program have been water and sewer projects.

The public facility loans program, also administered by the Department of Housing and Urban Development, provides financial assistance to municipalities and other local public bodies for constructing essential public works where such financing is not otherwise available on reasonable terms. It is noteworthy that during 1964, 80 percent of all projects approved for loan were sewer and water projects.

In a major extension of these earlier programs, the Housing and Urban Development Act of 1965 authorizes Federal grants to finance up to 50 percent of the development cost of local water and sewer facilities. Projects receiving Federal aid under this new program must be consistent with areawide plans for water or sewer systems as part of the comprehensively planned development of the area.