

airports, and meet a broad variety of social and economic needs. In some programs, the Federal Government finances all or almost all the costs; in others the Federal share is small. By 1964, total annual Federal grants-in-aid to States and local governments reached \$10 billion.

The Federal grant-in-aid is an important instrument for carrying out the partnership concept inherent in the federal system. It reconciles State and local administration of public services with Federal financial support in programs of national concern. Grants-in-aid, conditioned on performance requirements, make possible the achievement of national goals without overextending the Federal bureaucracy and without Federal assumption of State and local functions. By means of grants-in-aid, the Federal Government has not only been able to support existing State and local functions, but to stimulate the States and localities to expand their own programs and to undertake new ones.

Federal grants-in-aid can also have many secondary effects within metropolitan areas. In addition to stimulating or helping local and State governments to perform the functions that are the main object of a program, the conditions under which aid will be available may stimulate other forms of governmental activity. When Federal administrative policies favor special districts as the recipients of grants-in-aid, the result may be the formation of new special district governments. Regulations that do not authorize joint participation in a program by two or more local governments may effectively discourage cooperative approaches. Requirements that localities receiving grants-in-aid must undertake comprehensive urban planning tend to strengthen the planning function in local government. In administering grants-in-aid, the Federal Government has an obligation to draw up administrative regulations that will encourage local actions to cope with metropolitan problems rather than actions that obstruct efforts to deal with them.

It is also incumbent upon the Federal Government to coordinate its many activities in metropolitan areas with one another and with State and local programs, if only to assure that they are not in conflict with one another and that Federal expenditures do contribute to sound community development. For this purpose, a number of Federal programs either require local planning as a condition of aid or offer incentives to encourage it. The planning that is encouraged in this way is sometimes limited to the function covered by the grant-in-aid, or in several cases it is comprehensive urban planning covering all major physical development programs in the community. In most programs with planning requirements, the planning that must be undertaken applies only to the local government receiving aid. In a few programs, metropolitanwide planning is required or encouraged. Requirements for specialized planning of the activity covered by the grant were first prescribed in the Smith-Lever Act of 1914, which conditioned aid for cooperative agricultural extension on a plan for administering the extension programs. Requirements for comprehensive and areawide planning are much more recent and have been growing in number during the past few years.

The Advisory Commission has recommended that Federal grant-in-aid policies, as well as direct financial assistance, be used to encourage