

jurisdiction over the functional area have held hearings or conducted studies, which in time were followed by legislation to authorize a particular Federal assistance program.

The assistance is usually in the form of a grant-in-aid, but at times it has been in the form of direct loans or advances, and sometimes in the form of a loan guarantee.¹ Inasmuch as most of our public facilities are owned and operated by State or local public bodies, the bulk of the Federal assistance has gone to these public agencies, but a substantial amount is made to private, nonprofit organizations. With the passage of years, new unmet public facility needs are delineated, or existing needs are expanded, and the volume of Federal financial assistance has grown. Federal expenditures for public works grants to State and local governments rose from \$1,735 million in fiscal year 1958 to an estimated \$4,854 million in fiscal year 1967.² In fiscal year 1967, Federal expenditures for construction by cooperative and other nonprofit groups is estimated at \$390 million.³

By definition, the Federal assistance programs are designed to *aid* in the provision of needed public facilities, which means that the Federal assistance under each program is but a partial source of financing for the particular facility. It is of interest therefore to examine the other sources; and to ascertain what proportion of the total financing is accounted for by the Federal assistance. Equally important in terms of understanding a Federal assistance program would be the knowledge of how many of the facilities, to be aided by a particular program, are already in existence—as well as their value, location, and age. It is obviously important to have some notion as to what these facilities now cost to construct and to operate and what charges, if any, are collected for their use. Finally, evaluation of public facility assistance programs could be materially enhanced by periodic assessment of the capital requirements flowing from anticipated needs, which could be compared with the volume being constructed.

One might expect that each of the Federal departments or agencies responsible for the administration of a particular Federal assistance program would have reasonably good information regarding the relative importance of the Federal aid to the financing otherwise available for the type of facility for which the Federal aid is provided. Unfortunately, heretofore, this has not been the case, as evidenced by the Federal agency replies to a questionnaire sent out in 1963 by the House Banking and Currency Committee. Relatively few of the Federal agencies were able to answer the question: "To what extent is the type of facility or applicant aided by the program being financed by private credit without involvement of Federal credit assistance?"⁴

Thus, there is a need to develop quantitative information regarding the "universes" in which the Federal assistance programs operate in terms of inventories of existing capital plant, recent trends of capital outlays, and future capital requirements for the facility. If such data could be developed for each category of public facilities, it would then be possible to array them in comprehensive tables that would

¹ Soil and water loans insured by the Farmers Home Administration.

² "Special Analyses of the Budget of the United States for Fiscal Year 1967," p. 67.

³ *Ibid.*, p. 75.

⁴ Replies of the Federal credit agencies administering the 74 credit programs in existence at June 30, 1963, are published in vol. II of *A Study of Federal Credit Programs* (issued by the Subcommittee on Domestic Finance, House Banking and Currency Committee, 88th Cong., Feb. 28, 1964).