

bond issues are for multiple-purposes and often include storm and waste collection sewers as well as combine waterworks with sewage treatment plants, it is not possible to present precise data on borrowing for sewage treatment facilities exclusively.

There are several financial assistance programs of the Federal Government that include aid for the construction of municipal waste water treatment facilities. The major program is administered by the Federal Water Pollution Control Administration under the authority of the Federal Water Pollution Control Act. The act authorizes \$150 million for fiscal years 1966 and 1967 for grants to State, municipal, intermunicipal, and interstate agencies for the construction of waste treatment facilities. The maximum allowable grant is 30 percent of the eligible cost of a project or \$1,200,000 whichever is smaller. In the case of a project which will serve more than one municipality, the grant may be increased to a maximum of \$4,800,000. The \$1,200,000 or \$4,800,000 limitation does not apply if the State agrees to match equally all grants made from allocations any appropriations in excess of \$100 million. A grant may be increased 10 percent if a project is certified as being in conformity with a comprehensive metropolitan plan developed by an official State, metropolitan, or interstate planning agency.

The Department of Housing and Urban Development has several financial assistance programs. The first is the program of interest-free advances to municipalities to finance the planning of public works. These advances can be used to pay for engineering and architectural services to develop plans and specifications, including the necessary surveys or other fieldwork. These advances are repayable when construction work begins. The second is a program of grants to State and local governments for comprehensive urban planning in metropolitan areas. These grants may not exceed two-thirds of the planning cost. The third is a program of low interest loans to small communities that are unable to obtain loans on reasonable terms elsewhere to finance needed public works.

The Farmers Home Administration, Department of Agriculture, also has a program (Public Law 89-240), providing grants of up to 50 percent of cost, to help finance water supply and waste collection, treatment and disposal systems in rural areas. The law defines a rural area as any area which does not include a city or town of more than 5,500 population. Grants may be made only for projects approved by the State water pollution control agency.

In 1962 and 1963, a number of municipalities benefited from the Accelerated Public Works Act. Funds under this act have been exhausted for some time, but Congress enacted similar legislation last year entitled the Public Works and Economic Development Act of 1965 (Public Law 89-136), administered by the Economic Development Administration of the Department of Commerce. Basic grants of up to 50 percent for public works and development facilities are available for those areas that have been designated as areas of substantial and persistent unemployment. Prior to grant approval, the Secretary of Commerce must make certain findings concerning the project's contribution to economic development. Supplementary grants may also be made which would permit States, or political subdivisions thereof, Indian tribes, or private or public nonprofit organizations and associations to take maximum advantage of Federal