

of the regions, the Secretary of Health, Education, and Welfare is authorized to make grants for the construction, equipment, and operation of multicounty demonstration health facilities. Grants for such construction shall be made in accordance with the applicable provisions of title VI of the Public Health Service Act and the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963, without regard to any provisions therein relating to appropriation authorization ceiling or to allotments among the States. No grant for construction shall exceed 80 percent of the cost of the project. Grants for operation may be made up to 100 percent of the costs thereof for a 2-year period. For the next 3 years of operations such grants shall not exceed 50 percent. No grants may be made after 5 years following the commencement of operations.

Supplements to Federal grant-in-aid programs are provided for in section 214 of the act and in order to enable States and local communities to take maximum advantage of Federal grant-in-aid programs for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share. The Secretary of Commerce is authorized, pursuant to specific recommendations of the Commission, to allocate funds to the heads of departments of the Federal Government responsible for the administration of such Federal grant-in-aid programs. Funds so allocated shall be used for the sole purpose of increasing the Federal contribution to projects under such programs above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. Funds shall be so allocated for Federal grant-in-aid programs for which funds are available under the act authorizing such programs. Further, the Federal portion shall not be increased to exceed 80 percent of project costs.

3. *History*

The Appalachian region of the United States, while abundant in natural resources and rich in potential, lags behind the rest of the Nation in its economic growth and its people have not shared properly in the Nation's prosperity. The region's uneven past development, with its historical reliance on a few basic industries and a marginal agriculture, has failed to provide the economic base that is a vital prerequisite for vigorous, self-sustaining growth. The State and local governors and people of the region understand their problems and have been working and will continue to work purposefully toward their solution. The Congress recognized the comprehensive report of the President's Appalachian Regional Commission, documenting these findings, and concluded that nationwide development is feasible, desirable, and urgently needed.

The purposes of this program are, therefore, to assist the region in meeting its special problems, to promote its economic development, and to establish a framework for joint Federal and State efforts toward providing the basic facilities essential to its growth and attacking its common problems and meeting its common needs on a coordinated and concerted regional basis. As the region obtains the needed physical and transportation facilities and develops its human resources, it is anticipated that the region will generate a diversified industry, and that it will be able to support itself through the workings of a strengthened free enterprise economy.