

TABLE 1.—*Level of operations or performance, fiscal years 1964-67*

Measure	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966 estimates	Fiscal year 1967 estimates
Contracts.....	4	4	8	8
(a) Participants:				
State government agencies.....	0	0	0	1
Local governments.....	0	0	1	2
Nonprofit groups.....	1	2	2	2
Universities.....	1	1	2	2
Other Federal agencies.....	2	1	3	1
(b) Federal finances:				
Unobligated appropriations available.....	\$387,000	\$397,000	\$750,000	\$750,000
Obligations incurred.....	\$335,000	\$342,000	\$690,000	\$690,000
(c) Matching expenditures.....	(1)	(1)	(1)	(1)
(d) Number of employees.....	4	4	5	5
(e) Non-Federal employees.....	0	0	0	0

¹ Not applicable.

NOTE.—Fiscal years 1966 and 1967 are estimated. Differences between unobligated appropriations and obligations incurred are represented by administrative expenses.

5. *Estimated magnitude of program in 1970*

It is difficult to estimate the levels of activity under this program for 1970. The broadened role of the Department and the increase in the number and complexities of new housing and urban development programs require a substantially expanded program of research and analysis. The President has emphasized the need to develop and explore new techniques and mechanisms for improving the urban environment and restoring economic vitality to cities.

6. *Prospective changes in program orientation*

(a) A major legislative proposal which is currently pending is the demonstration cities program. The principal emphasis of this program will be upon improved program coordination and integration, with the aim of restoring large sections of various cities to renewed health and vitality through focused and combined programs of physical and human resources development. The effects of this program upon the Department's research efforts will be indirect; actual operation of the program will undoubtedly indicate valuable areas for research and analysis.

(b) In his 1965 message on cities, President Johnson proposed the establishment of an Institute of Urban Development to "administer grants to States and cities for studies and other basic work which are the foundation of long-term programs." This Institute will soon be established within the new HUD organizational structure.

(c) The need for more and improved research will increase, rather than decrease during the coming year. Our Nation's urban areas continue to grow at undiminished rates; by 1990, 8 out of every 10 Americans will live in an urban area. This increased urbanization will be characterized by equally rapid growth of our major metropolitan areas. The increasing amounts of land and housing needed to accommodate this increased population will create problems, which by their very magnitude, will be more complex and more difficult than those which have developed in the past. These will include, for example, how to bring adequate water and sewer services to this increased population, how to improve transportation and commutation, how to keep the air from being polluted, how to develop governmental mechanisms that will allow effective treatment