

The point I am suggesting here has been expressed by two recent publications of the Committee for Economic Development, one called "Modernizing State Government"; the other, "Modernizing Local Government." The Eighth Annual Report of the Advisory Commission on Intergovernmental Relations pretty well sums up both levels in what it has to say about State government: "Only a handful of States has moved to meet the problems of their urban areas and State governments are on the verge of losing control over the mounting problems of central city deterioration and the rapid growth in urban areas."

So, I think we have to modernize governments, we have to adapt ourselves to metropolitan realities. I would suggest that part of the Federal Government's responsibility in all of this is to provide some impulse and incentive and motivation to improve government down at the State and local level.

I have great faith in the enterprise process and the motive power of money, and I would therefore suggest consideration of the possibility of tying the improvement of State and local government standards to Federal grants.

Of course, this has already been done with many of the grants already outstanding, with greater or less success, but if we are going to have a Heller-type bloc grant system, a system of general grants, then I would suggest that it should be tied to improved capacity on the part of the State and local governments to spend such grants wisely. This suggestion raises some difficult administrative problems but I think a good start toward handling them has been set forth in the bill which Congressman Henry Reuss submitted in January of this year, which attempts to accomplish much of the purpose that I have been describing here.

I agree with other critics that the federal grant program has gotten unduly complicated, especially insofar as it relates to urban improvement. The complexity has reached the point where the art of grantsmanship becomes professionalized, with successful grantsmen like Edward Logue and Mitchell Svirdorff gaining national reputations by their ability to manipulate and package grants. I would suggest that we really need to work at clearing out some of the underbrush and getting the system simplified to the point where it will be more accessible to ordinary mortals.

And one last point. So far we have had virtually no experimentation with very large-scale demonstration grants. We have no models of what can be done to build an urban transportation system, an urban health and hospital system, to create a new city, to start a system of regional subcities in a metropolitan area. There are very many things which we need to experiment with and which we cannot experiment with until we have some very large blocks of money to work with. I realize that this is the hardest thing for the Congress to do but, nevertheless, I want to go on record as advocating the idea. Thank you.

Representative GRIFFITHS (now presiding). Thank you very much, and thank you, Mr. Moorhead, for being here.

Mr. Nathan?