

imposing any requirement that such funds be deposited in separate bank accounts apart from other funds administered by the State. Another section of Title II would simplify Federal accounting requirements of Federal funds and schedule their transfer to better accord with their actual use by the State. This would eliminate a long-standing controversy over the State's accountability for interest earned on Federal grant funds prior to their actual expenditure and, in effect, would provide a legislative basis for Treasury Circular 1075 whereby a line of credit is established for the State or other recipient unit of government with the area Federal Reserve Board, permitting States to draw upon grant funds as they are needed.

The last section of Title II would alleviate another major point of Federal-State friction by authorizing Federal departments and agencies to waive the requirement for "a single State agency" and to approve other forms of administrative organization, providing the objectives of the grant program are not endangered. The "single agency" requirement is found in about a quarter of the Federal grant programs and in certain, concrete instances, it has been used to shackle the States in their efforts to achieve administrative reorganization.

Title III authorizes Federal departments and agencies to provide specialized technical assistance and services to State and local governments on a reimbursable basis. This concept was formulated first and approved by the Commission in response to the expressed interest of individual Federal agencies and organizations of governmental officials. The title would establish, as a general authority, a practice of intergovernmental comity already enjoyed by several Federal agencies, including the Census Bureau, Bureau of Reclamation, and Internal Revenue Service of the Treasury Department.

This discretionary authority would in no way modify the ability or practice of Federal agencies to provide special technical assistance and consultation services as a direct activity without reimbursement as might be authorized in their substantive legislation and appropriations. Further, the title is wholly permissive; under it, the requesting State or local agency and the affected Federal agency would have to agree on the scope and class of the services to be performed. Finally, the services provided would include only those that the Director of the Bureau of the Budget through rules and regulations determines may be provided by such Federal agencies and these rules must be in harmony with the government's policy of relying on the private enterprise to provide those services that are reasonably and expeditiously available through ordinary business channels. The Commission is of the opinion that this title would encourage intergovernmental cooperation in the conduct of specialized and technical services and enable State and local governments to avoid unnecessary duplication of special service functions and to achieve genuine economies.

Title IV establishes a coordinated intergovernmental policy regarding administration of grants for urban development. The first section of this title (1) authorizes the President to establish governmentwide guides in the formulation, evaluation and review of urban development programs and projects; (2) establishes as a matter of Congressional policy that agencies, to the extent feasible, take into account all viewpoints—national, regional, State and local—in the planning and administration of such programs; (3) declares it to be the intent of Congress that Federal departments and agencies consult with and seek advice from one another through interagency and other mechanisms in order to achieve fuller coordination in this critical area; and (4) requires, insofar as possible, that systematic planning stipulated under various individual Federal programs be geared to local and regional comprehensive planning. This section then seeks to come to grips with some of the basic difficulties impeding a more effective Federal role with respect to metropolitan America, including fragmented decisionmaking with respect to Federal aid for various urban facilities and projects, the absence of effective interagency coordinating machinery for such programs, and the failure to consider State, regional, and local comprehensive planning efforts that might relate to such projects. Regarding the planning problem, it might be noted that of the many Federal programs relating to planning, physical facilities and construction, a considerable number have no requirement for conformance with areawide or local comprehensive planning.

Total Federal aid to urban areas (using the standard metropolitan statistical area as the basis for definition here) increased by nearly \$6½ billion or 165 percent since 1961. Approximately \$10.3 billion of the \$17.4 billion total for fiscal 1968 will be spent in SMSA's to help meet the mounting demand for increased services in these areas. If these funds are to be used wisely—especially