

those relating to physical development—the mechanisms provided in this title will be needed.

Section 402 of this title gives general units of local government preference as recipients of Federal grants and loans, in the absence of substantial reasons to the contrary. It would not affect the authority of special districts to receive such funds, however.

This provision is in full accord with the Commission's position that the Federal Government, like the States, has a basic responsibility for helping to curb the growing fragmentation of local governmental jurisdictions and that part of this responsibility involves an unfreezing of the jurisdictional status quo.

Title V of S. 698 provides for uniform policy and procedure for systematic Congressional review of any grant program established subsequent to the enactment of the legislation. In addition, it provides that new grant programs enacted without a designated termination date shall expire on June 30 of the fifth calendar year which begins after the effective date of the Act, and that each grant of three or more years, authorized in the 90th or any subsequent Congress, shall be reviewed by the Congress during the two years preceding the date upon which the program is to be terminated. As you know, Mr. Chairman, the Advisory Commission has found that the grants-in-aid to State and local governments thus far have been and are the National Government's principal mechanism for securing intergovernmental collaboration in achieving national legislative objectives. Reliance on the grant-in-aid mechanism has increased significantly during the past three years, with the passage of more than 55 new programs covered by more than 165 separate authorizations. With this have come mounting problems of manageability, coordination and fragmentation. In view of the paramount position of categorical grants in the American system of intergovernmental relations, the Commission has adhered to the position that the efficacy, value and public acceptability of this mechanism must be safeguarded and its usefulness as a collaborative device should be strengthened. The Commission's 1961 report entitled "Periodic Congressional Reassessment of Federal Grants-in-Aid to State and Local Governments" spelled out in depth the Commission's recommendations for systematic review and these proposals will be implemented by enactment of this title. The Commission endorsed the stand that there is a general need for providing systematic reassessment of new grant programs, having found that the review and redirection of grants thus far has been treated on an irregular, uncoordinated basis. The findings of the Joint Committee on the organization of the Congress in this area only confirm the Commission's earlier recommendations.

The Commission's position then is that the proposed title would be beneficial on a number of counts. It would stimulate development of more uniform criteria with which Congressional committees could critically assess the effectiveness of grants-in-aid in important subject fields. Further, the provision for systematic committee review would give State and local governments a regular forum for expressing their views concerning problems that have arisen in connection with the administration of individual programs. Finally, the five-year termination provision relating to certain future grants is a salutary feature of the legislation although much confusion has arisen concerning this point. In this connection, it should be noted that this section obviously would in no way affect those grants that have a termination date or those that are specifically exempted from its application. This means that the termination provision merely affects those few programs each session that Congress fails to designate as short-term or long-term joint undertakings. In such cases, this provision along with the review process that in most instances would result are needed safeguards of Congress' legislative oversight role.

With respect to Sections 504, 505, and 506, the Advisory Commission has not taken a formal position. These embody amendments which were adopted by the Senate Subcommittee on Intergovernmental Relations during its deliberations on S. 2114, 88th Congress, and which appeared in Title II of S. 561, 89th Congress, as enacted by the Senate.

The Commission also has not had an opportunity to consider the new Title VI, relating to consolidation of grant-in-aid programs.

Title VII amends the Federal Administrative Property Services Act of 1949 and provides a uniform policy and procedure for the General Services Administration relating to its acquisition, use and disposition of land within urban areas in conformance with local governments' land utilization programs. This title carries out specific resolutions of major organizations representing the municipalities, including the U.S. Conference of Mayors and the National League of Cities.