

passing the States by laying down local government requirements for urban development.

Accordingly, we suggest the substitution of "Federal" for "inter-governmental" in the name of title IV and the insertion of the word "Federal" in the first mandatory clause of section 401(a). This would then read, "... The President shall establish rules and regulations for uniform Federal application." These changes would leave no doubt about the intention of title IV.

TITLE V, REVIEW OF GRANTS

We believe the congressional review of grants is necessary for a number of reasons:

The natural "oversight" obligations of the Congress as national policymakers;

The need to adjust programs to the facts as times change and needs alter;

Because the extensive variety of present grant patterns and formulas is difficult to justify;

To check the actual effect of equalization formulas or other specific mechanisms;

To evaluate the shifting emphasis to regional area recipients of grants—either among States or within States;

To appraise the shift from State recipients to community recipients, bypassing the States;

To weigh the significance of the shift from recipients who are local public bodies to private local-agency recipients;

Because the response of State and local officials to the questionnaire study conducted by the Senate Committee on Government Operations in 1963¹ indicated that a large majority felt the functioning and procedures of grant programs needed "continued reevaluation."

Because the executive branch—the departments and agencies administering the grants—is not the appropriate source of review, and might not be able to undertake objective review.

Title V has had the benefit of being 10 years in the making, and it reflects a composition of various views, including suggestions NAM itself has made in past hearings. We commend its inclusion of review of existing grants, retention of the expiration feature for grants which may be enacted in the future, potential termination of grants as a purpose of review, and studies by the General Accounting Office and the Advisory Commission on Intergovernmental Relations.

We approve of title V, believe its implementation will be of great value, and urge its prompt passage—even if its separation from other provisions (except pertinent definitions) is necessary to do this.

But we would hope that our suggested revision of the definition of grants in section 106 would be accepted; otherwise the review process of this title would not apply to grants to non-profit private instrumentalities. And we think review necessary for these programs, as well as those carried out by public bodies.

If the grant *definition*, as such, is not revised to cover private agency recipients, then we think all language in this title which refers to re-

¹ The Federal System as Seen by State and Local Officials, p. 12.