

stration Cities and Metropolitan Development Act of 1966 and the community development training program authorized under title VIII of the Housing Act of 1964. In both of these, maximum discretion has been given to the Governor for designation of appropriate State agencies to carry out the programs. In addition, several elements of the section 701 planning assistance program involve grants to the States. There too, particularly in connection with the program of assistance to State planning, we have taken advantage of the administrative leeway permitted under the law in order to assure the involvement and support of the governors.

We also favor the provisions of title III which authorize Federal agencies to provide specialized and technical services to State and local governments on a reimbursable basis. It is premature to identify the specific HUD services that will be called for by the States and localities. They might, for example, utilize aid in connection with certain of our specialized market housing analysis activities or ask us to provide specialized training services as the Department's training capacity becomes further developed.

The Department is in full accord with the objectives of title IV to achieve a more coordinated intergovernmental policy in the administration of Federal urban development programs.

The Department's model cities program has a special pertinence to the objectives of title IV since the very essence of the program is an attempt to bring about the most effective and economical coordination of Federal, State, and local governmental efforts and private efforts to improve model neighborhoods. The program is an experiment in bringing together old programs and new so that they may be focused on the physical and social needs of the area. It involves a multiple funding approach which uses separate established programs; but it also provides supplementary funds to bridge the gaps between existing programs and to permit new and experimental approaches.

In the model cities program, the mayor and his model city agency staff are charged with developing comprehensive, coordinated neighborhood programs and with obtaining widespread participation of neighborhood residents in program planning and execution. For this purpose, Federal programs cannot bypass the city government, and there must be assurance that independent local agencies will not work separately, or at cross purposes with each other. For the model city program to succeed, local activities, though funded from separate sources, must be responsive to an overall strategy for solving the neighborhood's basic problems.

In meeting the challenge presented by the need for comprehensive and coordinated model city activities, local officials have raised hard questions as to the ability and willingness of the Federal Government to respond in a correspondingly coordinated manner. Doubt has been expressed as to the commitment of the Federal Government to change its old and established ways of doing business. They ask whether the Federal Government will provide adequate funds in a timely manner; will provide adequate technical assistance; and whether Federal procedural requirements will be streamlined both in planning and execution stages.

We recognize the problems and share the concerns expressed by local officials. They are very real. We are now actively engaged