

The Congress has already taken some decisive and significant action by enacting the Safe Streets and Crime Control Act providing for distribution of funds on a pro rata basis to the States. Further, the debate last session on the Mundt Amendment to the Intergovernmental Personnel Act (S. 699) revealed that there is more than just a passing interest in how to grant more fiscal independence to State and local governments. It is hoped that action will be taken soon on additional measures.

The problem grows as a demand for increased public expenditures at all levels of government continues to increase. Even though State and local revenues have increased rapidly (at the rate of 9 percent a year), expenditures have increased at an even higher rate (10 percent annually). Federal grants and borrowing have helped make up the difference. This trend has focused more and more attention on the need to find better ways to channel available public funds to meet specific needs more adequately. For example, the Regional Planning Association of New York recently recommended that the Federal government pay all costs of welfare, anti-poverty, public health and special educational programs which in its view were putting an undue drain on local resources. It pointed out that if these costs, amounting to approximately \$5 billion, were shifted entirely to the Federal government, cities and States would be better able to provide other needed services. It also recommended in its study of projects and services provided in the New York metropolitan region (including Connecticut and New Jersey) that public funds spent on programs to alleviate poverty should be doubled from the estimated 1967 level of \$11.5 billion. In short, the pressures continue to mount for more programs and more investment.

At the same time, it should be noted that there have been major efforts to inform appropriate public officials about existing programs in order to maximize their effective use. In order to inform key State and local officials about the operation of the multiplicity of Federal programs, the Office of the Vice President, and the Office of Emergency Planning have over the past couple of years undertaken to organize comprehensive briefing sessions for Governors, mayors, city managers and others. This concentrated approach has proved to be of great value. However successful communication has its real limitations. As more and more has been learned about the opportunities available under the variety of Federal programs presently in effect, responsible government officials at all levels have increasingly come to understand the inevitable difficulty of dealing with so many diverse and duplicatory programs.

Further it has become more and more apparent that the emphasis under various Federal programs on specific program planning (as opposed to comprehensive planning) often distorts priorities by causing State and local officials to shape plans around the availability of funding. The loss of momentum between the time a grant application is submitted and a project is funded and the uncertainty about the availability of funding are also serious deterrents to a consistent development of public programs. New techniques must be found which provide some assurance to State and local officials that the implementation of programs can proceed in an orderly way.

It is true that the improved communication at all levels of government about common plans has already had many desirable consequences in dealing with some of these problems. Federal officials now deeply involved with PPBS, candidly speak about the great deficiencies in the Federal delivery system and that the Federal government is one of the worst distributors of services. Hopefully, as the cost-effectiveness analysis technique is applied to more areas of Federal government spending, this should ultimately lead to discontinuing less efficient grant-in-aid programs. In turn, the use of the same techniques and improvements can be hoped for at the State and local level. These developments may go far to accomplish some of the objectives which are embodied in the pending bill.

In addition, much other Federal activity at the administrative level is presently being directed toward making the Federal government more efficient in the delivery of services and cash. The Joint Administrative Task Force of September 1967 interagency report to the President, entitled "Reducing Federal Grant-in-Aid Processing Time" has been put into effect. An interagency committee with representatives of the Department of Housing and Urban Development, the Economic Development Administration, the Farmer's Home Administration and the Federal Water Pollution Control Administration has been formed to handle the administration of the various water and sewer grant-in-aid programs. The Department of Housing and Urban Development has established a priority system for various grants-in-aid; an interagency committee is studying