

ment outlays to aid urban areas. Federal aid to State and local governments—the direct flow of resources between governments—has channeled a rising share of funds to meet the needs of the city. Quoting from the President's Message, as reported on page 20 of the *Times*: "In 1964 we spent an estimated \$5.6 billion, or 55% of total Federal grants in such areas. The 1970 budget provides \$16.7 billion for aid in metropolitan areas, about 67% of total Federal grants." This represents almost a tripling in only six years, with the *increase* alone greater than the total aid to urban areas in 1964. Let me repeat that this is only the most easily measured flow of "aid," and does not count direct Federal spending or payments to individuals.

The implications of the editorial are doubly unfortunate in a year in which the budget will provide for a start on more than 500,000 housing units for families with low incomes—more than triple the number started last year. Beyond that, the budget includes President Johnson's proposal of an Urban Development Bank, to channel more private and other governmental resources into badly needed community facilities. Even in a very tight budget, Model Cities grants increase more than \$475 million, and urban renewal outlays rise by over \$175 million. Advance appropriations sought for each of these programs in 1971 will be \$1.25 billion. These facts and others are stated quite clearly in the Budget Message.

This is not to argue that we should be sanguine about our efforts to meet the urgent needs of our cities. As President Johnson said in his State of the Union Message, a great deal of what we have committed needs additional funding. The question is one of what *can* be done. Viewed in this light, I believe the 1970 budget is both attainable and a further step in the direction President Johnson has set in the six budgets he has submitted to Congress. A basic emphasis in all of these budgets has been on social—especially urban—problems.

CHARLES J. ZWICK, *Director*.

Senator JAVITS. Well, I shall read it and we will have other witnesses before us. I am rather hopeful, Mr. Chairman, when we get the Economic Report of this administration with Dr. McCracken as the Chairman, that you gentlemen will be available to testify because I think that the country can profit enormously, Mr. Chairman. These gentlemen will appear in their own private capacity at that point. I hope very much that they will agree to do that because I think it would be extremely important to the Nation to have the addition of debate if any debate is occasioned, or if it is not, so much the better, to have the fortification of support so that we may know what the former chief fiscal officers of the Government believe about the same set of figures and the same set of facts upon which the new fellows will be commenting.

Senator PROXMIRE. Senator Javits, I think that is an excellent suggestion. I certainly favor it and support it and, of course, it will be up to Chairman Patman, but I will support you on that enthusiastically.

Senator JAVITS. I really think you could help the country enormously if you could allow us to have that leave.

I have just one other point about the Urban Development Bank. I have made myself the proposal, and I have the legislation, for a "Domestic Development Bank." Can any of you tell us, perhaps you Mr. Zwick, as you mentioned it, whether there is any fundamental conceptual difference between the administration's proposal and my own. The name is immaterial. I just wondered whether he had something else in mind.

Mr. ZWICK. I am not completely familiar with your proposal except in general terms. I think they are quite consistent, but—

Senator JAVITS. Quite consistent.

Mr. ZWICK (continuing). But I would have to sit down and examine it item by item.