

REGIONAL PLANNING ISSUES

505

HEARINGS
BEFORE THE
SUBCOMMITTEE ON URBAN AFFAIRS
OF THE
JOINT ECONOMIC COMMITTEE
CONGRESS OF THE UNITED STATES
NINETY-SECOND CONGRESS
FIRST SESSION

PART 3

MAY 11, 12, 13, AND 18, 1971

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REGIONAL PLANNING ISSUES

TUESDAY, MAY 11, 1971

CONGRESS OF THE UNITED STATES,
SUBCOMMITTEE ON URBAN AFFAIRS
OF THE JOINT ECONOMIC COMMITTEE,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:05 a.m., in room 1202, New Senate Office Building, Hon. Richard Bolling (chairman of the subcommittee) presiding.

Present: Representative Bolling; and Senators Javits and Percy.

Also present: James W. Knowles, director of research; George D. Krumbhaar, Jr., minority counsel; and Walter B. Laessig and Leslie J. Barr, economists for the minority.

OPENING STATEMENT OF CHAIRMAN BOLLING

Chairman BOLLING. The subcommittee will be in order.

This morning the Subcommittee on Urban Affairs of the Joint Economic Committee begins 3 weeks of hearings which constitute parts 3 and 4 of an extensive study of Regional Planning Issues which began last October with 3 days of hearings. Part 2 of the record of this study consists of several contributed papers. This volume is being released today.

The purpose of the hearings starting this morning is to complete the exploration of the issues involved in regional planning and the relationship of planning efforts of the State and local level to the operations of the various Federal departments. We look forward to developing in these last weeks of public testimony the remaining ideas and facts that will enable the subcommittee to recommend criteria for designing improved relationships between the Federal government and the cooperative efforts by State and local authorities and private interests in the planning and execution of regional operations. We hope that these hearings will bring forward ideas that will contribute to the solution of the apparent contradictions between the demands for increased grass-roots democracy on the one hand, and on the other, the demand to solve the expanding problems of our era through creation of ever larger multijurisdictional authorities. We believe the apparent conflicts and views that seem to prevail can be reconciled and solutions found.

The subcommittee has been deeply impressed by the willingness, the enthusiasm, and the creativity of potential witnesses for these hearings. We have throughout been in the fortunate position of being able to select from among many possibilities. We are most

grateful to all who have been so willing to make sacrifices on our behalf.

Before introducing today's witnesses I would like to announce a couple of changes in this week's schedule of witnesses and meeting rooms. We had originally planned to hear from Mr. Ben W. Heineman, Chairman of the Chicago & Northwestern Railway Co. tomorrow, Wednesday, May 12. Because of unforeseen changes in Mr. Heineman's schedule he will not be able to be with us until some time later this month. We will announce that date when we have it. Tomorrow we will have an additional witness, Mr. Robert N. Young, Chairman of the Metropolitan and Regional Planning Department of the American Institute of Planners. Thursday, May 13, we will meet in Room 318 of the Old Senate Office Building, rather than in S-407, as stated in the press release of May 3.

Today we are particularly fortunate to open these hearings with testimony from the distinguished Chairman of the President's Advisory Council on Executive Organization, Mr. Roy L. Ash. Mr. Ash is also President of Litton Industries. Our other witness is Mr. Dwight A. Ink, Assistant Director of the Office of Management and Budget. He is the OMB expert in the field of regional organization and management.

We have consulted with the two witnesses, and it is agreeable with them for us to hear both of them before beginning our questioning. And we will proceed in that fashion.

Mr. Ash, we are delighted to have you with us. And you may proceed with your own statement in your own way.

STATEMENT OF HON. ROY L. ASH, CHAIRMAN, PRESIDENT'S ADVISORY COUNCIL ON EXECUTIVE ORGANIZATION

Mr. ASH. Thank you, Mr. Chairman.

I am pleased to be with the subcommittee today to discuss with you the proposed reorganization of the executive branch as it relates to the interest of the subcommittee—the adaptation of political structures “to facilitate solutions to regional social and economic problems.”

I have a brief statement to make, and a more extended one, which I will submit for your reading and consideration.

Chairman BOLLING. That will be included in full in the record at the end of your oral statement.

Mr. ASH. The concern of the President's Advisory Council on Executive Organization which I was associated with over the last 2 years was to discern how, through organization changes, the hand of responsible management at the Federal, and State and local levels of government might be strengthened. I would like to briefly outline for the subcommittee our principal recommendations.

The first dealt with reorganization. One recommendation was to reorganize seven domestic program departments into four. Bills have been submitted to Congress, and hearings will be held next month. I will not go into departmental reorganization this morning except to suggest its impact on State and local government.

Basically, reorganization should make it easier to do business with the Federal Government. The four departments organized around major problems will have clear and less complicated lines of authority and less fragmentation of functions and programs. The goals

and objectives of their programs should be much better understood. Also State and local government will be less likely to get caught in the middle between fragmented parts of the Federal bureaucracy acting at cross purposes. It will also be easier to get information and assistance.

A second important element of our recommendations is that relating to decentralization. This broad theme of executive branch reorganization is the delegation of authority out of the President's office and out of Washington. In large and complex organizations rational distribution of authority and responsibility—decentralization—is necessary in order to manage effectively. Undue centralization of decisionmaking overburdens both the Presidency and the departmental leaders with day-to-day operational affairs and detracts from the central management functions of policy formulation, planning, resource allocation, program, and performance evaluation, and staff development. These crucial functions are continually crowded out by the detailed decisions which are passed up the line in a centralized decisionmaking process.

There is an administrative dictum, "to decentralize operations, centralize information." For Federal decentralization this means that Washington officials—both those in the executive branch and the Congress—should be concerned with the careful formulation of policy and goals, and with assuring there are mechanisms to inform them that policy is being followed and goals and objectives achieved. The Federal field staff in turn under the proposed organization, will deal with the operations that implement goals and objectives subject to performance review from Washington of results, and to assure that policy is being followed.

Our key recommendations for Federal decentralization are as follows:

First. Project grant decisionmaking and formula grant plan approval be delegated to regional offices.

Second. The line of authority between departmental secretaries and regional directors be clarified and strengthened, by having a single line of authority from the secretary's office to a top ranking regional director who would have line authority over all departmental executives and their programs in his region.

Third. The Federal regional councils be strengthened and become the principal Federal coordinating mechanism for the 10 Federal regions. This would require at a minimum having regionally based staff for the regional councils and a high level, Washington-based OMB official for each regional council to be a persuader, mediator and force for common action.

Decentralization of authority to Federal field offices should equip Federal representatives who have greater knowledge of local conditions, with the authority to make funding and other decisions. The quality of the decisions should be improved; delays in decisionmaking should be reduced. In addition, there will be increased emphasis on effective planning and evaluation by non-Federal governmental entities as well as by the Federal Government. As a result, coordination of federally assisted programs should be substantially improved.

A third basic recommendation was the simplification and rationalization of the grant-in-aid process.

This set of recommendations focuses on the manner in which the Federal Government provides assistance to non-Federal entities. The critique of the categorical grant system is one with which I am sure this committee is familiar. Suggested reforms include both general and special revenue sharing, welfare reform, grant consideration, joint funding of categorical grants, the Federal Government acting as a collecting agent of State income taxes and federally sourced local budgets. I believe a Federal assistance system needs a mix of resources transfer mechanisms. If proposals for general and special revenue sharing are adopted, there still will remain many categorical grants and clearly others will be created in the future.

Therefore, we will still need to simplify and when possible, standardize procedures and to assign to an organizational unit within the Federal Government the authority to assure this. The council recommended that the Office of Management and Budget be responsible for overseeing the rationalization of the Federal grants management processes.

If the grant process were simplified and procedures made uniform, state and local governmental officials would be better able to manage Federally assisted programs. At the present time, many local governments do not participate in grant programs because they do not know of their availability or the red tape is too confusing and enervating. State and local officials are faced with so many different grant processes that they do not have the time or staff to manage them.

The Council was also concerned with the tendency for creating dissimilar planning boundaries at the local and metropolitan level for Federally assisted programs. Consistency in boundary setting has not been the norm and an overlap of law enforcement planning districts, Community Action Agencies, Cooperative Area Manpower Planning Systems, Economic Development Districts, and others is readily observable. Planning and coordination are made more difficult when municipalities and counties fall into more than one district for similar functions.

We recommended that the Office of Management and Budget have authority to designate the boundaries for local planning jurisdictions and the organizations to carry out such planning for Federal social programs. Such designations would be made after consultation with local officials, Governors, and the concerned agencies.

For State and local governments this would remove some of the heavy and unnecessary demands on local officials whose jurisdictions may be involved with a variety of districts working on similar problems. Furthermore, costly duplication of staffs would be eliminated. It might even lead to consolidated planning at the State and local level.

A fourth and very important element of the recommendations made by the Advisory Council dealt with improving the management capabilities of State and local government.

This area of concern was with the capability of State and local chief executives to manage effectively their entire range of activities including Federally assisted activities.

We, therefore, recommended that Executive Management Grants be made to the States to be administered by the Office of Manage-

ment and Budget. These grants should be on a formula basis and provide for an automatic passthrough for cities and urban counties of over 75,000 population. Each Governor should have the discretion to make grants to smaller general purpose units of Government, or to combinations of these Governments. I understand the essence of this recommendation has been incorporated into one of the special revenue sharing proposals.

And then, fifth, we finally recommend the termination of the regional commissions as they exist. This deals with the Appalachian Regional Commission and the Title V Commissions.

The Regional Commissions are a new organizational mechanism affecting the relationship of the Federal Government and States and localities. Unlike the Tennessee Valley Authority, regional commissions are not operating entities but interstate planning, coordinating, and resource transfer mechanisms.

Although their mission is to promote regional economic development, few distinctively regional programs have been undertaken. Other than highways, all but a few projects are intrastate in character. In actuality, the commissions do little more than provide a technique for funding Governors which bypasses both the State legislatures and the functional bureaucracies of the States.

In our judgment, the Regional Commissions are an unnecessary administrative layer in the Federal grant process. Executive Management Grants to each Governor combined with a redefined role for the Economic Development Administration would provide a more effective way to accomplish the purposes for which the Commissions were established, especially if combined with the President's proposal for revenue sharing with States.

Consequently, we recommend that the regional commissions be terminated, their economic development functions transferred to the Economic Development Administration, and support for State and local planning efforts be provided through Executive Management Grants.

I mention our thinking on the regional commissions in this committee because the experience may be relevant to the structure of institutions at the metropolitan level.

In summary, in many respects these proposals, taken together seem quite a large bite. The direction they establish would substantially change both the structure and processes of the Federal executive branch. However, the specific recommendations are by no means the most drastic alternatives, of which we examined many. Rather, they are feasible and incremental first steps. We have made no proposals that we do not consider can be realistically accomplished now. But these first steps will set a direction of governmental reform which can be followed in the future.

These proposals for the reform of the executive branch, if adopted, should increase the Federal Government's capacity to be responsive to state and local needs. There is also a need for reorganization at those levels so that the entire government apparatus is brought up to date. I would hope that this task too will be undertaken and soon.

(The prepared statement of Mr. Ash follows:)

PREPARED STATEMENT OF HON. ROY L. ASH

THE EFFECTS OF EXECUTIVE BRANCH REORGANIZATION ON STATE
GOVERNMENTAL ENTITIES

Good morning. I am pleased to be with the subcommittee today to discuss with you the proposed reorganization of the executive branch as it relates to the interests of the subcommittee—the adaptation of political structures “to facilitate solutions to regional social and economic problems.”

The concern of the President’s Advisory Council on Executive Organization, with which I was associated over the last two years, was to discern how, through organizational changes, the hand of responsible management at the Federal, State and local levels of government might be strengthened. We concluded that the principal changes which the Federal government might make to contribute to this objective are—

The reorganization of Federal departments themselves around today’s central purposes of government;

The responsible decentralization of Federal programs operating decisions to the field simultaneously shifting the Washington work more towards a policy making and evaluating role;

The simplification, clarification, and rationalization of the entire grant-in-aid process;

The contribution toward management capabilities of State and local government; and

The termination of Regional Commissions.

DEPARTMENTAL REORGANIZATION

Proposals for reorganizing seven departments into four were explained by the President in his State of the Union message, bills have been submitted to Congress, and hearings will be held this month. I will not go into departmental reorganization this morning except to suggest the impact on state and local government.

Reorganization should make it easier to do business with the Federal government. The four departments will be organized around major purposes of government so that the goals and objectives of their programs can be better understood. Lines of authority will be clearer and less complicated. There will be less fragmentation of functions and programs. It will be easier to get information and assistance. State and local government will be less likely to get caught in the middle between fragmented parts of the Federal bureaucracy acting at cross purposes.

DECENTRALIZATION

The second broad theme of executive branch reorganization is the delegation of authority out of the President’s office and out of Washington. These recommendations are less well known, but I think of equal importance to departmental reorganization. In large and complex organizations, rational distribution of authority and responsibility—decentralization—is necessary in order to manage effectively. Undue centralization of decision making over-burdens both the Presidency and the departmental leaders with day to day operational affairs and detracts from the central management functions of policy formulation, planning, budgeting, and program monitoring and evaluation. These crucial functions are continually crowded out by the detailed decisions which are passed up the line in a centralized decision making process.

There is an administrative dictum, “to decentralize operations, centralize information.” For Federal decentralization this means that Washington officials—both those in the executive branch and the Congress—should be concerned with the careful formulation of policies and goals, and with assuring there are mechanisms to inform them that policies are followed and goals and objectives achieved. Where applicable the Federal field staff under the proposed reorganization will deal with the operations that implement goals and objectives subject to performance review from Washington of results and to assure that policy is being followed.

Decentralization requires explicit goals, policies, resources allocation, and results evaluation. In the existing methods of managing many domestic social

programs, clearly defined national goals policies and evaluation are lacking. Rather than having a relatively few broad goals and policies among which resources are allocated we have for example over 1,000 narrowly defined objectives; that is, one for each categorical grant. At the Washington level we must develop a goals and policy setting approach to the allocation of resources rather than a program approach to public problems. Broad problems and alternative policies to meet them must be viewed systematically—that is in their entirety. Programs too narrowly conceived deal with pieces of a problem and even then usually with the symptoms and not basic causes.

Because policy objectives oftentimes are not clearly stated, there is no clear reference on which to evaluate program performance. In private industry, there are a variety of specific, quantitative concepts by which a firm's performance—its utilization of resources—can of course be measured. In government, such analytic tools are rarely applied even for those programs in which they might be used. Of course, some governmental programs it may not be possible to evaluate quantitatively. These points have been employ documented in the recent Urban Institute study, "Federal Evaluation Policy".¹

The key points of Federal decentralization recommended by the President's Advisory Council on Executive Organization are as follows:

(1) Project grant decisionmaking and formula grant plan approval be delegated to regional offices. The key decisionmaking authority is the authority to grant funds. Only by relocating this authority to Federal regional offices can decentralization be accomplished.

The effect of this change would be to significantly alter the roles of Washington and Federal field office personnel. The role of regional staffs would change from providing information on Federal programs and processing grants for central office decisionmaking to actually making grant awards subject to policy direction and performance review from the Washington office. At the Washington level, smaller staffs, freed of operational decisionmaking, could concentrate on the central management functions and technical assistance, staff development, public and Congressional relations. A long overdue benefit for state and local governments of decentralizing grant decision making would be reduced red tape and faster grant processing. Decentralization would also lead to greater cooperation and coordination between Federal agencies and state and local governments since decisionmaking will be closer to the point of delivery. Hopefully, also, the decisions will be wiser because by being closer, Federal officials will have a greater understanding of the facts.

(2) The line of authority of Departmental Secretaries and Regional Directors be clarified and strengthened, by having a single line of authority from the Secretary's office to a top-ranking Regional Director for each department in each region who would have line authority over most departmental executives and their programs in the region.

At the present time there are some 170 separate lines of authority from Washington departments to their field operations, mostly in HEW (55), Labor (15), Agriculture (76), and Commerce (21). The exceptions are HUD which has one and OEO which has two field structures. In many cases the field structures are nearly autonomous or are linked to Washington through routes that are not managerially responsive—through what some call, "the vertical, functional autocracy." The impact for state and local government of clarifying lines of Federal field authority will be similar to those of Washington departmental reorganization. There will be less buck-passing since responsibility and authority will be merged at one place. On the other hand Regional Directors in resolving internal departmental differences will require State and local government to take synoptic views of problems. Narrowly defined interests sustained by all but autonomous Federal Bureaus will find policy has to be consistent with broad departmental missions.

(3) The Federal Regional Councils be designated as the principal Federal coordinating mechanism for the ten Federal regions.

The most recent structural devices to coordinate Federal social programs are the Federal Regional Councils. Created in 1968 by the Bureau of the Budget and composed of the Regional Directors of the Departments of Health, Education, and Welfare; Housing and Urban Development; the Office of Economic

¹ Wholey, Joseph, *Federal Evaluation Policy*, The Urban Institute, 1970.

Opportunity and the Regional Administrator of the Manpower Administration, the ten Regional Councils are designed to effect interagency coordination.

The Regional Councils have no statutory power or authority and have no funds to disburse. However, they do provide a medium for identifying and resolving conflicting agency policies and practices, and developing joint operations. They are the most comprehensive mechanism seeking cooperation at the regional level. A weakness of the Regional Councils is their lack of staff and leadership. The chairman, elected from Council membership, assumes a procedural role. He is a peer of the other members and has loyalties and responsibilities to his own agency. We therefore, recommended for the provision of a regionally-based staff for each Council reporting to the elected Chairman. The staff would serve as liaison with State and local governments and carry out tasks assigned by the Chairman.

We also recommended assigned a Washington-based official of the Office of Management and Budget of high career rank to serve each Regional Council.

The Washington-based Office of Management and Budget staff member would be a persuader, a mediator and a force for common action. Issues unresolved by the Regional Councils would be brought by him to the Office of Management and Budget and through its offices to the individual departments for resolution at the Washington level.

The Council considered having the Regional Chairman or the OMB staff man be the direct representative of the President, appointed by him with powers to resolve differences among agencies. While such an officer would substantially strengthen the Regional Council and vastly improve its coordinating role, we concluded that such regionalization of the Presidency would be inconsistent with our national concept of the separation of Federal, State and local governmental powers and would create a wholly new view of the constitutional delegation of the authority of the President.

The impact on state and local government of strengthening the Federal Regional Councils would be to make coordination of Federal programs more effective. This means less frustration in resolving issues between conflicting Federally-assisted programs: being better able to develop approaches where two or more programs reinforce each other; and avoiding having problems "fall between the cracks."

SIMPLIFICATION AND RATIONALIZATION OF THE GRANT-IN-AID PROCESS

The manner in which the Federal government provides assistance to non-Federal entities has been strongly criticized, particularly the categorical grant system. This is a critique with which I am sure this committee is familiar. Reform ideas include both general and special revenue sharing, welfare reform, grant consolidation, joint fundings of categorical grants, the Federal government acting as a collecting agent of State income taxes, and federally sourced local budgets. I believe a Federal assistance system needs a mix of resource transfer mechanisms. If proposals for general and special revenue sharing are adopted, there still will remain some categorical grants and others will be created in the future.

Therefore, we will still need to simplify and make uniform grant procedures. Further, we require an organizational unit within the Federal Government that can assure this. The Council recommended that the Office of Management and Budget be responsible for overseeing the rationalization of the Federal grants management processes. This task requires that the OMB:

Set Federal grant policy guidelines, set and monitor process standards for Federal assistance programs, and install a government-wide clearance system for grant regulations;

Review similar-purpose grant programs and recommend consolidations, changes in matching ratios and distribution formulas;

Analyze the financial impact of Federal grants on State and local governments and the fiscal capacities of those governments to work with Federal Government programs; and

Provide information centrally to State and local governments on the availability and nature of grant funds.

If the grant process were simplified and procedures made uniform, state and local governmental officials would be better able to manage Federally assisted programs. At the present time, many local governments do not participate in grant programs because they do not know of their availability or the red tape

is too confusing and enervating. State and local officials are faced with so many different grant processes that they do not have the time or staff to manage them.

The Council was also concerned with the tendency for creating dissimilar planning boundaries at the local and metropolitan level for federally assisted programs. Consistency in boundary setting has not been the norm and an overlap of law enforcement planning districts, Community Action Agencies, Cooperative Area Manpower Planning Systems, Economic Development Districts, and others is readily observable. Effective planning and coordination are made almost impossible when municipalities and counties fall into more than one district for similar functions and certainly when a total local program is comprised of elements of more than one Federal program.

We recommended that the Office of Management and Budget have authority to designate both the boundaries for local planning jurisdictions and organizations to carry out such planning for Federal social programs. Such designations would be made after consultation with local officials, governors and the concerned agencies.

For State and local governments this would remove some of the heavy and unnecessary demands on local officials whose jurisdictions may be involved with a variety of districts working on similar problems. Furthermore, costly duplication of staffs would be eliminated. It might even lead to consolidated planning at the State and local level.

IMPROVING THE MANAGEMENT CAPABILITIES OF STATE AND LOCAL GOVERNMENT

We were also concerned with the capability of state and local chief executives to manage effectively their entire range of activities including Federally assisted activities.

We, therefore, recommended that Executive Management Grants be made to the States to be administered by the Office of Management and Budget. The grants would be expended to improve the managerial structure of state and local government. These grants should be made on a formula basis and provide for an automatic passthrough as to a major portion of the grant for cities and urban counties of over 75,000 population. Each governor should have the discretion to make grants to smaller general purpose units of government, or to combinations of these governments. I understand the essence of this recommendation has been incorporated into one of the special revenue sharing proposals.

I cannot overestimate the importance of high quality executives and staff in an organization. The way to attract and retain them is to structure jobs which have substantial responsibility and authority. One of the benefits of effective decentralization and structural reorganization is to create challenging positions. Adequate pay is important also, but in attracting and retaining the best people it does not substitute for the opportunity to accomplish meaningful work.

Staff development is another aspect of improving management capability. The Intergovernmental Cooperation Act of 1968 authorized the use by State and local officials of federal facilities such as the Executive Training Seminars. However, this potential resource has been used only to a limited extent. Such training should be expanded.

TERMINATION OF THE REGIONAL COMMISSIONS

In the early 1960's there was a growing national awareness that certain rural regions of the country were substantially lagging behind the economy of the Nation. In order to assist these areas, legislation was adopted in 1965 establishing multi-state Regional Commissions. There are presently six Commissions: the Appalachian Regional Commission and the five "Title V" Regional Commissions.

They represent a new organizational mechanism in the relationship between the Federal Government and States and localities. Unlike the Tennessee Valley Authority, Regional Commissions are not operating entities but interstate planning, coordinating and resource transfer mechanisms.

Although the mission of the Commissions is to promote regional economic development, few distinctively regional programs have been undertaken. Other than highways, all but a few projects are intrastate in character. In actuality, the Commissions do little more than provide a technique for funding governors

which bypasses both the State legislatures and the functional bureaucracies of the States.

The economic development mission of the Regional Commissions duplicates in a number of ways that of the Economic Development Administration. Both are aimed at improving the economies of lagging areas.

While the lack of accountability to an electorate permits the selective allocation of funds to specific areas, the continued existence of the Regional Commissions creates strong pressures for increases in the Federal budget and generates requests for additional commissions.

In our judgment, the Regional Commissions are an unnecessary administrative layer in the Federal grant process. Executive Management Grants to each governor combined with a redefined role for the Economic Development Administration would provide a more effective way to accomplish the purposes for which the Commissions were established, especially if combined with the President's proposal for revenue sharing with States.

Consequently, we recommended that the Appalachian Regional Commission and the five Title V Regional Commissions be terminated, their economic development functions transferred to the Economic Development Administration, and support for State and local planning efforts be provided through Executive Management Grants.

I mention our thinking on the Regional Commissions to this committee because the experience may be relevant to the structure of institutions at the metropolitan level. In all legislative bodies there is a strong tendency towards legislative courtesy which favors the parts rather than the whole. However, I will leave to others who have studied state and local governmental organization the comments on such issues.

SUMMARY

In conclusion, I would summarize the effects of executive branch reorganization on state and local governments as follows:

Structural reorganization into four major departments based on the central and major purposes of government, if adopted, would make it easier for non-federal entities to do business with the Federal government. There would be clearer lines of authority, less fragmentation of functions and programs, and unified lines of authority to the field.

Decentralization of authority to federal field offices should result in Federal representatives who not only have greater knowledge of local conditions, but the authority to make funding and other decisions; quality of decisions should be improved; delays in decisionmaking should be reduced. In addition, there will be increasing emphasis on effective planning and evaluation by non-federal entities as well as the Federal government. Coordination of Federally assisted programs should be substantially improved.

Simplification and rationalization of the entire grant-in-aid process would reduce red tape and frustration now suffered by state and local governments and make it possible for officials to better plan and manage Federal programs.

Executive Management grants would provide governors and mayors the resources to strengthen their staffs for vital management functions such as policy formulation, planning, and evaluation.

Termination of the Regional Commissions would eliminate an unnecessary administrative layer in the Federal assistance system.

These executive branch reorganization proposals, if adopted, should increase the Federal government's capacity to be responsive to state and local needs. In many respects these proposals, taken together are revolutionary. The direction they establish would substantially change both the structure and processes of the Federal executive branch. However, the specific recommendations are by no means the most drastic alternatives of the many we examined. Rather, they are feasible and incremental first steps. We have made proposals that we think can be accomplished. These first steps can set a direction for governmental reform which can be followed in the future. There is also a need for reorganization at local levels so that the entire government apparatus is brought up to date. I would hope that this task too will be undertaken and soon.

Chairman BOLLING. Thank you, Mr. Ash.
Mr. Ink, you may proceed.

**STATEMENT OF HON. DWIGHT A. INK, ASSISTANT DIRECTOR,
OFFICE OF MANAGEMENT AND BUDGET; ACCOMPANIED BY
WILLIAM K. BRUSSAT**

Mr. INK. Thank you, Mr. Chairman.

In order not to duplicate the areas that Mr. Ash has covered, and also to shorten the statement, if it is permissible, I would like to highlight my testimony and perhaps read over two or three pages from it.

Chairman BOLLING. The whole prepared statement will be included in the record at the end of your oral statement. And you may proceed as you wish, Mr. Ink.

Mr. INK. As Mr. Ash indicated, the problems of fragmentation and the problems relating to the complexity of the Federal system, which apply to planning and grant activities in this country, are well-known to this committee, and I will not take time to go over the specifics.

I would like to begin by concentrating on an area which we at OMB think is very significant; the implementation of the Intergovernmental Cooperation Act of 1968. This Act includes a key policy statement, Section 401(c), which states: "To the maximum extent possible, consistent with national objectives, all Federal aid for development purposes shall be consistent with and further the objectives of State, regional and local comprehensive planning."

A circular was issued by the then BOB called A-95. The circular was implemented to promote the establishment of a network of State, and regional (nonmetropolitan) "planning and development clearinghouses," to be designated by Governors of the States, and metropolitan clearinghouses designated by OMB in consultation with Governors and elected local officials. These clearinghouses review applications for Federal assistance and a wide variety of programs, many of which are of the public facilities type. Since most of the clearinghouses are comprehensive planning agencies, they review these proposals from the standpoint of its impact on State-wide or area-wide development plans and programs. This might include evaluation of the impact on balanced land use and transportation, the distribution of community facilities, the conservation of natural resources, and other environmental considerations. As clearinghouses, however, these agencies also identify specific agencies or local jurisdictions whose plans and programs might be affected by a proposed project in order to bring them in as participants in the review process.

There are, at the present time, 208 metropolitan clearinghouses established nationwide. And we estimate that about 85 percent of the Nation's population reside in the 1,600-plus counties covered by the metropolitan and regional clearinghouses.

The performance of the clearinghouses at this point is varied. We think the majority are taking the review function more seriously and trying to make their comments constructive and useful to the Federal administrator who has to decide whether or not to approve these grants. Some, I am sure, still at this stage do little more than rubber-stamp the applications.

The reviews, at best, can save on—or make more productive—Federal, State and local dollar investments. Sometimes this is an outright dollar savings, as when three proposed waste treatment facilities are combined into one. Sometimes it is prevention of outright project conflicts. And sometimes it is in plain improvement of projects. And we have attached to the prepared statement a copy of A-95, and an explanatory paper that discusses its operation. A group of examples that we felt the committee might find interesting that we developed over the last 18 months indicating how A-95 works and what some of the results have been is also included.

Chairman BOLLING. Without objection, the various documents attached to your prepared statement will be included in the record at the end of your oral statement.

Mr. INK. Another point concerning, A-95 which I think would be of interest to this committee deals with the role of coordinative planning within sub-State multijurisdictional areas.

I would like Mr. Brussat, who is with me, and who administers A-95 to indicate with this chart the problem that we have at the sub-State level, with federally assisted programs developed on a widely varying geographic pattern. The pattern is so widely varied it makes coordinated comprehensive planning almost impossible within States. (Even where there is a desire and a will to do so.) You won't be able to see the individual makeup on the chart, but I think if Mr. Brussat just indicates as he flips the charts the kind of planning involved, you can begin to see the diversity of the patterns which now exist.

Mr. BRUSSAT [showing charts]. Mr. Ash referred to this problem also in his testimony, the various planning regions that have been designated, and the various programs that appear quite independent of each other. The lower portion of the map indicates the River Basin Commissions and Water Resource Planning areas.

The second map shows aerial control regions.

Incidentally, these are as of 1970. They are a little outdated but we will have new charts shortly.

The overlays indicate the growing complexity as more programs are added.

This overlay indicates districts established to receive planning grants from the Law Enforcement Assistance Administration.

And this is the Cooperative Area Manpower Planning System Camps.

A level of murkiness is added by area-wide comprehensive health planning agencies.

Mr. INK. Not that the health planning is murky, but the complexity of the system is.

Mr. BRUSSAT. Department of Agricultural Research Conservation and Development areas.

Metropolitan planning agencies assisted under the HUD 701 program.

Here is Appalachia and its local development districts.

The Economic Development District designated under EDA.

Now, this map is particularly important. This indicates the systems of sub-State planning areas designated by Governors. Part

IV of Circular A-95 looks for increased coordination with these federally designated areas and the State designated planning areas.

Mr. INK. To which I will speak further on sub-State planning.

Mr. BRUSSAT. And, finally, these are the State, metropolitan, and regional clearinghouses established under A-95.

Mr. INK. As I indicated, Mr. Chairman, coordinated planning under these conditions is almost impossible. And we have another set of similar maps that show this kind of overlapping, this kind of geographical profusion as it applies within cities under sections of Federal assisted programs. The picture becomes even more complex when the federally assisted programs are superimposed upon maps showing nonfederally assisted programs which tend also to have overlapping geographic patterns.

And this means, that when someone is speaking about a neighborhood, the neighborhood could mean very different things to different people, depending upon what area of interest they are talking about. And the same definitional problem pertains to the region. And it is surprising that as one goes into it, often the basis on which these patterns are formed are more of an accommodation to what are at the moment existing political considerations, not in terms of partisan politics, but rather in terms of the interest of different communities and different areas within a State, rather than some general rational basis.

Circular A-95 attempts to meet this problem in several ways. It encourages Governors to establish systems of sub-State planning and development districts.

It requires Federal agencies to conform to those district boundaries unless there is clear justification for not doing so—and this is fairly recent.

Furthermore, it requires a checkoff system within agency procedures to require the planning agency being assisted to identify similar related planning agencies in the area and to demonstrate its efforts to coordinate with them.

This system, which is quite new, has been useful with respect to areas designated subsequent to the issuance of the requirement, although we are not fully satisfied with the level of departmental implementation. Its retroactive application, however, has been practically nonexistent. In part, Mr. Chairman, this is because we have concentrated our first year efforts on getting the clearinghouses set up and in operation. And we also have focused on trying to keep new programs from developing new and additional patterns so as to, in effect, hold the line. We are now laying plans for a systematic reexamination of these federally designated areas with as full realignment as can be practically achieved. We do not expect that it makes sense to have everyone, every program, on precisely the same basis. There are programmatic needs which do differ. And so our view is not necessarily total uniformity, but at least a tremendous reduction in the number of divergent patterns.

As a practical matter, of course, this realignment is extremely difficult in States which have not yet established their own sub-State districts, and in States where the Governor has not yet rigorously worked to make these viable. So here is an area in which the leadership of the State is very important. And as that leadership develops

in States, then we have a basis to move in behind the States and assist States in helping to make the Federal programs consistent with the planning districts that are set up within the States.

Some of the States have, we think, developed very effective comprehensive planning agencies. Arkansas, Texas, Mississippi, Vermont, Georgia and Oregon, are some of the States that we think fall in this category.

I mentioned the local area. We then talked about the sub-State area. I would like to now mention the Federal regional boundary problem with which you are familiar, Mr. Chairman.

As you know, the Federal agencies have evolved in a very piecemeal fashion over the period of years, with different regional boundaries and different locational offices for virtually every program.

And I would like to show you one chart that demonstrates the problem of scattered locations of offices. [Showing chart.]

This is a situation which existed about 2 years ago which illustrates how a local official, for example, in Salt Lake City who might be trying to pull together one project that involved several different sources of Federal funds—and I think, Mr. Percy, you may have seen this chart—would have to deal with Federal people scattered from San Francisco to Kansas City, or from Frankfort, Ky., an official putting together a neighborhood service project involving a series of Federal sources of funds, would have to deal with Federal people scattered in Chicago, Atlanta, Charlottesville, the District of Columbia, and Philadelphia. We just took a number of samples across the country, which could have been repeated literally hundreds of times as you move across the Nation.

This places an almost impossible burden on local officials in terms of trying to coordinate with the Federal Government. In Colorado, the Governor's people, told us of having to work with Federal officials in seven cities in four different States to put together a water resource project, for example.

It was this kind of confusion at the field level which made it impossible for the Federal people in the field to coordinate their activities. And that is one of the reasons that it has been so difficult in the past to decentralize. Once you decentralize, then anything that cuts across departmental lines still has to come back up to Washington, in part because their counterparts were dealing with a different geography in the field. As you know, the President did order common geographic boundaries, for a number of agencies that were most heavily involved in social types of problems, HUD, HEW, Labor, OEO and Small Business. Several other departments are studying this arrangement and a number of them are finding that it is useful for their own purposes.

This order also resulted in relocation of the regional offices in these same 10 cities across the Nation. So that they not only had the same geography in these particular departments to deal with, but the same regional offices of particular importance form a planning standpoint. This linking together in the same city, and in a few instances, in the same building, would further facilitate the working together of the departments, and would be one place to which State and local officials could come to deal with the Federal agencies involved in a fairly wide-range of social problems.

Furthermore, by constituting the top field men in HUD, Labor, OEO—and we have added the Department of Transportation for this purpose—as regional councils, we can better and more effectively coordinate the Federal activities out in the field.

This provides a common geographic basis for a large number of important programs, which can then capitalize upon the things that Mr. Ash mentioned which are necessary in our judgment. The decentralization of operating authority out to the field not only cuts time, it not only costs less to administer, and means that the people administering the programs are closer to the communities, closer to the problems, and thereby more responsive to State and local needs. It enables headquarters people to shift their efforts away from the operational details in projects and activities they know very little about, and to refocus them toward program development, toward program assessment and evaluation, and toward the development of new and better legislation. These are true headquarter functions which had been seriously interfered with to the extent that headquarters were diverted by day-to-day operational activities.

We find that decentralization is probably the greatest single step one can take to cut redtape. There are other steps that are needed, such as standardization of requirements. But decentralization is a tremendous step forward under our present system in the way of cutting redtape.

We feel that multijurisdictional sub-State planning is the kind of step which we think is needed to assist States to develop a more rational system for comprehensive planning. We feel that these moves towards common regional boundaries, combined with the steps Mr. Ash mentioned of decentralization and red tape cutting, will be extremely helpful at the Federal level. And we think the reorganization that the Ash Counsel proposed and which the President is proposing to the Congress, will also help in that it greatly lessens the amount of program activities that cut across departmental lines. Water and sewer programs, for example, are now scattered among agriculture, HUD and EDA. They would be brought together in one department, thus greatly lessening the need for ineffective interagency committees, while increasing accountability on the part of the Federal agencies, both in headquarters and out in the field.

Mr. Chairman, those are the highlights of the testimony.

(The prepared statement, with attachments, of Mr. Ink follows:)

PREPARED STATEMENT OF HON. DWIGHT A. INK

Mr. Chairman and members of the subcommittee, it is a privilege to appear before you to address certain aspects of regional planning issues. I will discuss some of the approaches and activities underway in the Executive Branch that I think will have a constructive impact on the fragmentation of government at the regional level.

THE PROBLEM

It is, of course, this very fragmentation of government that is at the heart of many of our developmental problems today. It is elementary to say that pollution, crime, and migration problems are no respecters of jurisdictional lines. This is true not only in a geographic sense, but in other organizational terms as well. We do need intergovernmental mechanisms to formulate and carry out regional strategies and to coordinate the developmental plans and programs of the cities and counties that may comprise a region. But, we also need new organizational and administrative approaches to coordinate resource

inputs from programs and agencies of the several levels of government, if we are to successfully address developmental problems at regional or State or local levels.

I am sure that you have heard enough about the obstacles that these arbitrary city, county, and special district lines place in the way of planned regional development that I need not belabor the point. However, not enough attention has been given in this context to the obstacles presented by the fragmentation of Federal and State government organization and grant-in-aid systems. The development of regional strategies not only requires the collaboration of local governments in, say, a metropolitan area; it also involves policy and program decisions and money—from a host of State and Federal agencies.

So if we are going to find a way by which regional issues can be successfully and systematically attacked, we must first realize that there is no single law, program, policy, or action that the Federal Government can undertake that will unravel the tangled skein of government that has evolved over two centuries at every level of government. The problem is pluralistic, and we believe the solutions must be pluralistic. Yet there must be some unifying thread that knits these many approaches together into some kind of overall system.

We do not yet have that thread as yet.

However, as we have become painfully aware of the need for an overall system, we—the Congress and the Executive Branch—have set in motion activities that can begin to build such a system. These activities are based on a recognition that there is a need for intergovernmental cooperation that is based on action rather than on exhortation. Title IV of the Intergovernmental Cooperation Act of 1968 provides a statutory basis for such action. It has permitted the establishment of means for direct and meaningful participation of State and local government in Federal assistance program decisionmaking. It has permitted the establishment of a counterforce to Federal program tendencies that augment metropolitan and regional fragmentation.

Similarly we have recognized the impact of the Federal administrative maze on State and local government and *their* ability to plan and coordinate programs and serves at local, regional, and State levels. The wildly disorganized and overlapping Federal field structure, the frequent lack of authority of Federal officials in the field to make operational decisions, the tortuous and inconsistent maze of detailed requirements surrounding the myriad categorical grant-in-aid programs—all have been recognized. And a systematic effort has been mounted to bring some measure of order out of this administrative chaos.

Finally, there has been a recognition that the Executive Branch itself needs a thorough overhauling. This was commenced with Reorganization Plan No. 2 of 1970 which has restructured major components of the Executive Office of the President. In continuation of this beginning, the President, as you know, has proposed the reorganization of seven existing Executive Branch departments into four closely-knit purpose-oriented departments.

All of these activities have been initiated within the past few years. Some are well under way and show promise, while other of these activities are barely off the ground or only proposed. But they need to be given a chance, to be empirically tested for their ability to produce results. They are interrelated, and taken together they can produce an overall domestic action program, of which regional planning is an integral aspect.

The remainder of my testimony will be devoted to a description of these activities as they bear upon the problem of coping with regional issues.

INTERGOVERNMENTAL COOPERATION

I will deal first with activities presently underway that deal with coordination of Federal programs at the regional level, based on Title IV of the Intergovernmental Cooperation Act. Let me say, however, that I feel the role of OMB in this area is not so much to be the coordinator but to create the conditions under which coordination can or will take place. OMB Circular A-95 provides a good example of this distinction.

A-95 is an effort to implement some of the broad mandates of Title IV of the Intergovernmental Cooperation Act of 1968. Title IV sets forth policies for the coordination of Federal development assistance programs in an intergovernmental framework. A-95 has several parts, two of which I think would be of special interest to the Committee. The first is based on a key policy statement in section 401(c) of the Act:

"To the maximum extent possible, consistent with national objectives, all Federal aid for development purposes shall be consistent with and further the objectives of State, regional, and local comprehensive planning."

This part of A-95 promotes the establishment of a network of State, metropolitan, and regional (or non-metropolitan) "planning and development clearinghouses." State and regional clearinghouses are designated by Governors of the States; and metropolitan clearinghouses by OMB in consultation with Governors and local elected officials. The clearinghouses review applications for Federal assistance under a wide variety of programs, many of which are of the public facilities type. Since most of the clearinghouses are comprehensive planning agencies, they review these proposals from the standpoint of their impact on statewide or areawide development plans and programs. This might include evaluation of impacts on balanced land use and transportation, distribution of community facilities, conservation of natural resources, and other environmental considerations. However, as *clearinghouses*, these agencies also identify specific agencies or local jurisdictions whose plans and programs might be affected by a proposed project and bring them in as participants in the review process.

A-95 does not tell the Governors that they *must* establish or designate State or regional clearinghouses. Rather, it says, if you wish to set up these review agencies, then the Federal Government obligates itself to seeing that you have the opportunity to review project proposals and to coordinate them with other State, regional, and local plans and programs. The possibilities inherent in this opportunity apparently were not lost on the Governors. State clearinghouses have been designated in every State, and Governors have designated regional, non-metropolitan clearinghouses, 160 to date, in 27 states. There are 208 metropolitan clearinghouses. We estimate that about 85 percent of the Nation's population reside in the 1600 plus counties covered by the metropolitan and regional clearinghouses.

Performance of the clearinghouses—some 360 of them at the sub-State levels—are varied. The majority, take the review function most seriously and try to make their comments constructive and useful to the Federal administrator who has to decide whether or not to approve the grant. Some, I am sure, still do little more than rubber stamp the applications.

The reviews, at best, can save on—or make more productive—Federal, State, and local dollar investments. Sometimes this is in outright dollar savings—as when three proposed waste treatment facilities are combined into one; sometimes it is prevention of outright project conflicts; and sometimes it is in plain improvement of projects. I append to this testimony a copy of Circular No. A-95, an explanatory paper that discusses its *modus operandi*, and a number of examples of the sort of useful comments of the type I noted above.

COORDINATION OF PLANNING IN MULTIJURISDICTIONAL AREAS

The other part of A-95 to which I should like to refer was developed in response to a complaint by the Governors' Conference which had noted the proliferation of overlapping multijurisdictional areas being established under various Federal programs. Under HUD planning programs, EDA economic development district programs, OEO/CAP programs, HEW comprehensive health planning programs, and a host of others, sub-state planning districts were being set up quite independently of each other. They overlapped and enveloped each other. Each functional program would have its own planning organization, duplicating in part the efforts of others. Coordinated planning under these conditions is almost impossible. Governors from States with large rural areas, particularly economically depressed areas, were especially vociferous in their complaints. They pointed out that these overlapping, independent agencies, each with its own requirements, took a serious toll in local matching funds, manpower and leadership. In urban regions they simply added to existing confusion.

Circular No. A-95 attempts to meet this problem in several ways:

(1) It encourages Governors to establish systems of sub-state planning and development districts:

(2) it requires Federal agencies to conform to those district boundaries unless there is clear justification for not doing so; and

(3) it requires a checkpoint system in agency procedures that would require the planning agency being assisted to identify agencies carrying on related planning in the area and demonstrate its efforts to coordinate with them.

This has been useful with respect to areas designated subsequent to issuance of the requirement, although we are not fully satisfied with the level of departmental implementation. Its retroactive application has been practically nonexistent. However, we are laying plans for a systematic reexamination of these federally designated areas with as full realignment as can be practicably achieved. As a practical matter this will be most difficult except in States that have established their own sub-State districts and in which the Governor rigorously works to make them viable. About two-thirds of the States have such sub-State systems. Some of these are little more than lines on a map. Others have viable comprehensive planning agencies or councils of local governments in all districts which are also used by the State in its own planning and administration. Arkansas, Texas, Mississippi, Vermont, Georgia, and Oregon are examples of States falling in this category. I should note that the metropolitan and regional clearinghouses form the organizational base for the districts in these States.

We are hopeful that over the next year we will be able to report a successful realignment in an increasing number of States.

DECENTRALIZATION OF FEDERAL PROGRAM ADMINISTRATION

I should now like to describe some of the purely administrative actions we have undertaken under the broad title of the Federal Administrative Review (FAR), as we call it. FAR is a three year interagency effort under OMB leadership, initiated by the President to modernize the machinery of government for administering Federal aid programs.

A major element of the FAR effort centers on decentralization of Federal program administration. As the Subcommittee itself has observed, there is great variability among communities, States, and regions—whether of the sub-State or interstate variety. It is the belief of this Administration that it is extremely important that these variations be taken into account in administering Federal assistance programs. They can best be understood and taken into account to the extent that program administration can be brought closer to the community and region. This involves several types of actions: standardization of the Federal regional geographic structure; decentralization of operational authority; and, finally, simplification of program requirements that would provide maximum flexibility to State and local government in administering Federally assisted programs, so that Federal objectives could be advanced in a manner that could also accommodate these local variations. Every State is different and every community is different, a fact many Federal programs have failed to recognize.

FEDERAL ADMINISTRATIVE REGIONS

The most dramatic of these actions thus far is the attempt to standardize Federal administrative regions. Other Presidents before Mr. Nixon had noted the tremendous inconsistencies in agency and program field structures and the obstacles these inconsistencies placed in the way of coordinated delivery of Federal assistance. Building on earlier studies, BOB, at President Nixon's direction, developed a proposed set of standard Federal administrative regions, including a standard headquarters city for each region, and an implementation strategy. In March of 1969, the President announced that by September 30, 1970—that is, in 18 months, programs administered by HEW, HUD, the Department of Labor, OEI, and SBA would be administered nationwide out of the same regional headquarters cities in regions having the same boundaries. While these agencies, of course, do not comprise the whole of domestic assistance programs, they do include the largest concentration of programs aimed at urban problems.

What this meant in terms of improvements to the delivery system to State and local recipients of Federal aid, was significant. The Mayor of Louisville for instance, in trying to develop a coordinated anti-slum program, might have to utilize programs from all of these agencies. This meant, in order to develop the necessary grants, visits to Atlanta, Chicago, Philadelphia, Washington, D.C. and Charlottesville, Virginia. Now the Mayor has to visit only Atlanta.

To date, in addition to the original agencies, the standard regional boundaries have been adopted by OEP, by most of the components of DOT, and by four components of Justice. Further, the Civil Service Commission, the Environmental Protection Agency, and GSA are in the process of realigning their

regions into this format, and feasibility studies are underway in Agriculture, Interior, and Commerce.

A most important corollary of this standardization was the opportunity to effect better interagency coordination in the field. We have a long history of interagency coordination efforts in Washington, but the difficulty of translation of policy and program agreements arrived at in Washington to the field level, where regional personnel are widely separated geographically, has frequently vitiated implementation of those agreements. Our wonderful telecommunications technology notwithstanding, communication and coordination are much easier when you're in the same building—or even the same city!

THE FEDERAL REGIONAL COUNCILS

Therefore, concomitant with the establishment of the standard regional headquarters was the establishment of a system for addressing regional problems requiring interagency coordination—the Federal Regional Councils. The Regional Councils are comprised of the top administrative officers of HEW, HUD, Manpower Administration, OEO, and a representative of the Secretary of Transportation in each regional headquarters city.

The Regional Councils receive guidance from a Washington group comprised of the Under Secretaries of the participant agencies. A liaison officer from OMB's Program Coordination Division is assigned to each Council and the PCD also constitutes a central linkage to the Under Secretaries Group.

The Chairman of the Subcommittee, in his letter to us, suggested that the Executive Officer or OMB liaison to the Council be substantially more than a mere liaison.

The Administration approach to improving the coordination of Federal programs having a community or regional impact has as its premise that, in the final analysis State and local government can far better coordinate community and regional programs than can the Federal government. We do need, however, to improve our Federal field system so we can respond to State and local needs through a coordinated range of Federal resources.

A critical problem is that of providing conditions for truly effective collaboration. Central to this is the delegation of equivalent decisionmaking authority from Washington. At first, the agencies were widely disparate in this respect. The discrepancies are narrowing somewhat, but much more progress is required before this very significant problem is eliminated. The day will come, hopefully, when the regional administrators of most major agencies can sit down around a table and make an operational decision without several excusing themselves until they get the go-ahead from Washington.

A new—and as yet rather untested—experiment is the assignment of up to \$50,000 in "flexible funds" to the regional administrator of each participant agency member in five of the ten regions for use in Regional Council projects. The funds, of course, are not as flexible as might be desirable, as they are limited by the conditions of the various appropriations acts. Nevertheless, opportunities are available for their constructive use in concert for projects of interest to the Councils.

The Federal Regional Councils are addressing various aspects of regional development as Council projects. Specific projects include the Denver Regional Council's work with Governor Kneip of South Dakota in developing a State-wide rural development strategy. This is a project utilizing flexible funds. Similarly, in the 10 county Southern Oklahoma Development Association Area, the Dallas Regional Council is testing the feasibility of developing a systematic application of Federal technical assistance resources in helping a rural area formulate a comprehensive planning process and economic development strategy.

The Federal Regional Councils are still in the shakedown phase. However, they show great promise in being able to address State and local problems in a coordinated fashion on the ground. As a more complete roster of Federal programs is administered within the same regional framework and as regional administrators are delegated equivalent authorities, we believe that the efficiency and effectiveness of the Federal assistance delivery machinery will be substantially enhanced.

THE DOMESTIC COUNCIL

A major instrumentality for focussing the attention of the Executive Branch on major problem areas—including regionalism—is the Domestic Council, es-

tablished under Reorganization Plan No. 2 of 1970. The Council is comprised of the Secretaries of all the Departments except State and Defense, and includes the Directors of OMB and OEO and the Chairmen of the Council of Economic Advisers and the Council on Environmental Quality. It has its own staff which is assisted, as needed, by staff of member Departments and agencies.

Council deliberations have addressed a variety of issues of interest to the Subcommittee: metropolitan and regional planning, and national growth policy to name the most pertinent.

The proposal emanating from Council deliberations that is most relevant to the subject of these hearings is the new Planning and Management program that would supplant the existing HUD "701" planning assistance program. The proposed program is substantially broader in scope than the "701" program. It is, as the President said in his Message on Urban Community Development, directed at assisting Governors and local chief executives "to enhance their ability to make well informed policy decisions, to lay intelligent long range plans, to allocate their budget resources wisely, and to coordinate complex development activities in many fields."

The Planning and Management proposal properly identifies comprehensive planning with executive management. We have, over the years, come to realize that planning is not a thing apart from other governmental functions but an integral element in decisionmaking. Private industry was quicker than government to discover that a comprehensive planning capability is necessary to corporate strategy development. The proposed Planning and Management program is aimed at providing Governors and local executives with this capability. The bill also identifies the appropriate regional aspects of planning and provides support for regional comprehensive planning.

The most recent charge to the Domestic Council is found in Title VII of the 1970 Housing and Urban Development Act. Title VII provides the framework for a National Urban Growth Policy and directs the President, through an identified unit of the Domestic Council, to file a biennial report on urban growth, including recommendations for programs and policies for carrying out the Urban Growth Policy. The first such report is due in February of 1972.

The Subcommittee on National Growth Policy, chaired by Labor Secretary Hodgson, will as I understand it, be the Domestic Council unit responsible for preparing the report.

The policy framework established by Title VII is most germane to the concerns of this Subcommittee of the Joint Economic Committee. It shows a particular sensitivity to urban—rural interdependencies and the need for a balanced growth policy. The reports it calls for represent a concrete challenge to the Council, and I am confident that the reports the Council prepares will provide useful inputs to the resolution of regional planning issues.

REORGANIZATION OF THE EXECUTIVE BRANCH

Continuing in the prospective vein, I should like to call the attention of the Subcommittee to the President's proposal for reorganization of the Executive Branch. These proposals have important implications for the coordination of federally assisted programs that are often necessary to effective regional planning.

We realize, of course, as I noted before, that many of our public facilities and services must be planned on a regional basis: transportation, water and sewer, pollution control, manpower, crime prevention, and others. Any comprehensive regional planning program may involve Federal assistance from programs in several agencies. Consequently, negotiating such a package will strain the resources and the patience of any regional planning body.

We have some experience with this on a number of pilot studies. The Puget Sound Governmental Conference in the Seattle area, Unigov in the Indianapolis area, and the Central Lane Planning Council in the Eugene, Oregon, area have all put together integrated planning applications that involved, variously, assistance from programs in HUD, DOT, HEW, LEAA, Agriculture, Interior, and EPA. These have been very cogent and sophisticated documents, but under our internally and externally fragmented organizational pattern, the ability of the Federal agencies to respond in a coordinated fashion has been far too deficient. We have been making improvements, but there is no doubt that the rearrangement of related programs into four purpose-oriented departments, as pro-

posed by the President, to replace seven Federal conglomerates will greatly simplify the response mechanism.

Under the Department of Community Development, for instance, programs assisting the development of community and area physical infrastructure are almost all included: highway, mass transit, water and sewer facilities, and open space, plus housing. Not only that, but *rural* community development programs are included, breaking down the false dichotomy between urban and rural community development.

Similarly with respect to problems of jobs and education—the basic human resources needs in any area will not be addressed by several agencies but by one—the proposed Department of Human Resources, which also addresses the health needs of the community as well.

Community economic development programs, now spread among the Departments of Commerce, Agriculture, and Transportation plus several independent agencies would be dealt with by the proposed Department of Economic Affairs. Finally, of course, executive capability for coping with problems of conserving and enhancing our natural resources in a concerted and coordinated fashion will be immeasurably strengthened by grouping those programs and functions in a Department of Natural Resources.

But it is not simply the transfer of old programs to new and bigger bottles that will improve the capability to coordinate and package. The internal organization of these new departments will reflect the knowledge gained through the painful experience of trying to organize and manage HEW, HUD, and DOT.

This realignment of closely related functions in four purpose-oriented departments would by itself facilitate easier planning and coordination of Federal program resources. When this improvement is coupled with the Administration's action to simplify and standardize procedures and to decentralize program authority to the Chief Administrative Officers of these departments in the ten standard Federal regions, the effective program delivery capabilities of the Executive Branch will be even further strengthened.

CONCLUSIONS

All of these actions—present and prospective—that I have recounted here are part of a pattern reflective of Administration philosophy. These actions and this philosophy were not all directed specifically at regional planning issues. They simply encompass them.

The thinking behind these actions goes something like this:

The Nation's domestic welfare depends on the welfare of State and local government and their ability to serve individual and community needs and provide a healthy climate for business and industry.

This ability depends on considerable measure on Federal government resource inputs to State and local government under conditions that both point up National needs and objectives and permit State and local governments to work toward those objectives within a framework of their own particular needs, priorities, and institutions.

In sum, I have not tried to outline a master solution for resolving regional planning issues. I have simply tried to recount actions under way or proposed that, among other things, can lay a constructive groundwork that will contribute to and facilitate the resolution of these issues. In the beginning of this testimony, I remarked that the problems requiring regional solutions were not only complex but pluralistic and required pluralistic solutions. What I have described are a number of approaches—some legislative, some administrative. They are separate but related. They are, for the most part, directed at broader needs and objectives than the regional issues being considered by the Subcommittee. But if the year as valid and coherent as I think they are, then they will indeed constitute at least a part of the necessary foundation for the resolution of important regional problems.

As we gain experience, we will discover where the system I have described will need strengthening and tightening. This experience will be invaluable in developing further steps toward a fully operative system that can make regional planning an effective reality where implementing action will indeed follow.

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., February 9, 1971.

Circular No. A-95, Revised

To the HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS :

SUBJECT: Evaluation, review, and coordination of Federal and federally assisted programs and projects.

1. *Purpose.* This Circular furnishes guidance to Federal agencies for added cooperation with State and local governments in the evaluation, review, and coordination of Federal assistance programs and projects. The Circular promulgates regulations (Attachment A) which provide, in part, for:

a. Encouraging the establishment of a project notification and review system to facilitate coordinated planning on an intergovernmental basis for certain Federal assistance programs in furtherance of section 204 of the Demonstration Cities and Metropolitan Development Act of 1966 and Title IV of the Intergovernmental Cooperation Act of 1968 (Attachment B).

b. Coordination of direct Federal development programs and projects with State, regional, and local planning and programs pursuant to Title IV of the Intergovernmental Cooperation Act of 1968.

c. Securing the comments and views of State and local agencies which are authorized to develop and enforce environmental standards on certain Federal or federally assisted projects affecting the environment pursuant to section 102(2) (C) of the National Environmental Policy Act of 1969 (Attachment C) and regulations of the Council on Environmental Quality.

This Circular supersedes Circular No. A-95, dated July 24, 1969, as amended by Transmittal Memorandum No. 1, dated December 27, 1969. It will become effective April 1, 1971.

2. *Basis.* This Circular has been prepared pursuant to:

a. Section 401(a) of the Intergovernmental Cooperation Act of 1968 which provides, in part, that

"The President shall . . . establish rules and regulations governing the formulation, evaluation, and review of Federal programs and projects having a significant impact on area and community development . . ."

and the President's Memorandum of November 8, 1968, to the Director of the Bureau of the Budget ("Federal Register," Vol. 33, No. 221, November 13, 1968) which provides:

"By virtue of the authority vested in me by section 301 of title 3 of the United States Code and section 401(a) of the Intergovernmental Cooperation Act of 1968 (Public Law 90-577), I hereby delegate to you the authority vested in the President to establish the rules and regulations provided for in that section governing the formulation, evaluation, and review of Federal programs and projects having a significant impact on area and community development, including programs providing Federal assistance to the States and localities, to the end that they shall most effectively serve these basic objectives.

"In addition, I expect the Bureau of the Budget to generally coordinate the actions of the departments and agencies in exercising the new authorizations provided by the Intergovernmental Cooperation Act, with the objective of consistent and uniform action by the Federal Government."

b. Title IV, section 403, of the Intergovernmental Cooperation Act of 1968 which provides that:

"The Bureau of the Budget, or such other agency as may be designated by the President, shall prescribe such rules and regulations as are deemed appropriate for the effective administration of this Title."

c. Section 204 (c) of the Demonstration Cities and Metropolitan Development Act of 1966 which provides that:

"The Bureau of the Budget, or such other agency as may be designated by the President, shall prescribe such rules and regulations as are deemed appropriate for the effective administration of this section," and

d. Reorganization Plan No. 2 of 1970 and Executive Order No. 11541 of July 1, 1970, which vest all functions of the Bureau of the Budget or the Director of the Bureau of the Budget in the Director of the Office of Management and Budget.

3. *Coverage.* The regulations promulgated by this Circular (Attachment A) will have applicability to:

a. Under Part I, all projects (or significant changes thereto) for which Federal assistance is being sought under the programs listed in Attachment D. Limitations and provision for exceptions are noted therein.

b. Under Part II, all direct Federal development activities, including the acquisition, use, and disposal of Federal real property.

c. Under Part III, all Federal programs requiring, by statute or administrative regulation, a State plan as a condition of assistance.

d. Under Part IV, all Federal programs providing assistance to State, local, and regional projects and activities that are planned on a multijurisdictional basis.

4. *Inquiries.* Inquiries concerning this Circular may be addressed to the Office of Management and Budget, Washington, D.C. 20503, telephone (202) 395-3031 (Government dial code 103-3031).

GEORGE P. SHULTZ,
Director.

Attachments.

Attachment A

REGULATIONS UNDER SECTION 204 OF THE DEMONSTRATION CITIES AND METROPOLITAN DEVELOPMENT ACT OF 1966, TITLE IV OF THE INTERGOVERNMENTAL COOPERATION ACT OF 1968, AND SECTION 102(2)(C) OF THE NATIONAL ENVIRONMENTAL POLICY ACT OF 1969

PART I: PROJECT NOTIFICATION AND REVIEW SYSTEM

1. *Purpose.* The purpose of this Part is to:

a. Further the policies and directives of Title IV of the Intergovernmental Cooperation Act of 1968 by encouraging the establishment of a network of State, regional, and metropolitan planning and development clearinghouses which will aid in the coordination of Federal or federally assisted projects and programs with State, regional, and local planning for orderly growth and development;

b. Implement the requirements of section 204 of the Demonstration Cities and Metropolitan Development Act of 1966 for metropolitan areas within that network;

c. Implement, in part, requirements of section 102(2)(C) of the National Environmental Policy Act of 1969, which require State and local views of the environmental impact of Federal or federally assisted projects;

d. Encourage, by means of early contact between applicants for Federal assistance State and local governments and agencies, an expeditious process of intergovernmental coordination and review of proposed projects.

2. *Notification.*

a. Any agency of State or local government or any organization or individual undertaking to apply for assistance to a project under a Federal program listed in Attachment D will be required to notify the planning and development clearinghouse of the State (or States) and the region, if there is one, or of the metropolitan area in which the project is to be located, of its intent to apply for assistance. Notification will be accompanied by a summary description of the project for which assistance will be sought. The summary description will contain the following information:

(1) Identity of the applicant agency, organization, or individual.

(2) The geographic location of the project to be assisted.

(3) A brief description of the proposed project by type, purpose, general size or scale, estimated cost, beneficiaries, or other characteristics which will enable the clearinghouses to identify agencies of State or local government having plans, programs, or projects that might be affected by the proposed projects.

(4) A brief statement of whether or not an environmental impact statement is required and, if so, an indication of the nature and extent of environmental impact anticipated.

(5) The Federal program and agency under which assistance will be sought as indicated in the *Catalog of Federal Domestic Assistance* (April 1970 and subsequent editions).

(6) The estimated date by which time the applicant expects to formally file an application.

Many clearinghouses have developed notification forms and instructions. Applicants are urged to contact their clearinghouses for such information in order to expedite clearinghouse review.

b. In order to assure maximum time for effective coordination and so as not to delay the timely submission of the completed application to the Federal agency, such notifications should be sent at the earliest feasible time.

3. *Clearinghouse functions.* Clearinghouse functions include:

a. Evaluating the significance of proposed Federal or federally assisted projects to State, areawide or local plans and programs, as appropriate.

b. Receiving and disseminating project notifications to appropriate State agencies in the case of the State clearinghouse and to appropriate local governments and agencies in the case of regional or metropolitan clearinghouses; and providing liaison, as may be necessary, between such agencies or bodies and the applicant.

c. Assuring, pursuant to section 102(2)(C) of the National Environmental Policy Act of 1969, that appropriate State, metropolitan, regional, or local agencies which are authorized to develop and enforce environmental standards are informed of and are given opportunity to review and comment on the environmental significance of proposed projects for which Federal assistance is sought.

d. Providing, pursuant to Part II of these regulations, liaison between Federal agencies contemplating direct Federal development projects and the State or areawide agencies or local governments having plans or programs that might be affected by the proposed project.

4. *Consultation and review.*

a. State, metropolitan, and regional clearinghouses may have a period of 30 days after receipt of a project notification in which to inform State agencies, other local or regional bodies, etc., that may be affected by the project (including agencies authorized to develop and enforce environmental standards) and to arrange, as may be necessary, to consult with the applicant on the proposed project.

b. During this period and during the period in which the application is being completed, the clearinghouse may work with the applicant in the resolution of any problems raised by the proposed project.

c. Clearinghouses may have, if necessary, an additional 30 days to review the completed application and to transmit to the applicant any comments or recommendations the clearinghouse (or others) may have.

d. In the case of a project for which Federal assistance is sought by a special purpose unit of government, clearinghouses will assure that any unit of general local government, having jurisdiction over the area in which the project is to be located, has opportunity to confer, consult, and comment upon the project and the application.

e. Applicants will include with the completed application as submitted to the Federal agency:

(1) Any comments and recommendations made by or through clearinghouses, along with a statement that such comments have been considered prior to submission of the application: or

(2) A statement that the procedures outlined in this section have been followed and that no comments or recommendations have been received.

f. Where regional or metropolitan areas are contiguous, coordinative arrangements should be established between the clearinghouses in such areas to assure that projects in one area which may have an impact on the development of a contiguous area are jointly studied. Any comments and recommendations made by or through a clearinghouse in one area on a project in a contiguous area will accompany the application for assistance to that project.

5. *Subject matter of comments and recommendations.* Comments and recommendations made by or through clearinghouses with respect to any project are for the purpose of assuring maximum consistency of such project with State, regional and local comprehensive plans. They are also intended to assist the Federal agency (or State agency, in the case of projects for which the State under certain Federal grants has final project approval) administering such a program in determining whether the project is in accord with applicable Federal law. Comments or recommendations, as may be appropriate, may include information about:

a. The extent to which the project is consistent with or contributes to the fulfillment of comprehensive planning for the State, region, metropolitan area, or locality.

b. The extent to which the project contributes to the achievement of State, regional, metropolitan, and local objectives as specified in section 401(a) of the Intergovernmental Cooperation Act of 1968, as follows:

(1) Appropriate land uses for housing, commercial, industrial, governmental, institutional, and other purposes;

(2) Wise development and conservation of natural resources, including land, water, minerals, wildlife, and others;

(3) Balanced transportation systems, including highway, air, water, pedestrian, mass transit, and other modes for the movement of people and goods;

(4) Adequate outdoor recreation and open space;

(5) Protection of areas of unique natural beauty, historical and scientific interest;

(6) Properly planned community facilities, including utilities for the supply of power, water, and communications, for the safe disposal of wastes, and for other purposes; and

(7) Concern for high standards of design.

c. As provided under section 102(2)(C) of the National Environmental Policy Act of 1969, the extent to which the project significantly affects the environment including consideration of:

(1) The environmental impact of the proposed project;

(2) Any adverse environmental effects which cannot be avoided should the proposed project be implemented;

(3) Alternatives to the proposed project;

(4) The relationship between local short term uses of man's environment and the maintenance and enhancement of long term productivity; and

(5) Any irreversible and irretrievable commitments of resources which would be involved in the proposed project or action, should it be implemented.

d. In the case of a project for which assistance is being sought by a special purpose unit of government, whether the unit of general local government having jurisdiction over the area in which the project is to be located has applied, or plans to apply for assistance for the same or similar type project. This information is necessary to enable the Federal (or State) agency to make the judgments required under section 402 of the Intergovernmental Cooperation Act of 1968.

6. *Federal agency procedures.* Federal agencies having programs covered under this Part (see Attachment D) will develop appropriate procedures for:

a. Informing potential applicants for assistance under such programs of the requirements of this Part (1) in program information materials, (2) in response to inquiries respecting application procedures, (3) in pre-application conferences, or (4) by other means which will assure earliest contact between applicant and clearinghouses.

b. Assuring that all applications for assistance under programs covered by this part have been submitted to appropriate clearinghouses for review.

c. Notifying clearinghouses within seven days of any action (approvals, disapprovals, return for amendment, etc.) taken on applications that have been reviewed by such clearinghouses. Where a State clearinghouse has assigned an identification number to an application, the Federal agency will refer to such identification number in notifying clearinghouses of actions taken on the application.

d. Assuring, in the case of an application submitted by a special purpose unit of government, where accompanying comments indicate that the unit of general local government having jurisdiction over the area in which the project is to be located as submitted or plans to submit an application for assistance for the same or a similar type project, that appropriate considerations and preference as specified in section 402 of the Intergovernmental Cooperation Act of 1968, are accorded the unit of general local government. Where such preference cannot be so accorded, the agency shall supply, in writing, to the unit of general local government and the Office of Management and Budget its reasons therefor.

7. *HUD housing programs.* Because of the unique nature of the application and development process for the housing programs of the Department of Housing and Urban Development, a variation of the review procedure is necessary. For HUD programs in the 14.100 series listed in Attachment D, the following procedure for review will be followed:

a. The HUD Area or Insuring Office will transmit to the appropriate State clearinghouse and metropolitan or regional clearinghouse a copy of the initial application for HUD program approval.

b. The clearinghouses will have 15 days to review the applications and to forward to the Area or Insuring Office any comments which they may have,

including observations concerning the consistency of the proposed project with State and area wide development plans and identification of major environmental concerns. Processing of applications in the Area or Insuring Office will proceed concurrently with the clearinghouse review.

c. This procedure will include only applications involving new construction and will apply to:

(1) Subdivisions having 50 or more lots involving any HUD home mortgage insurance program.

(2) Multifamily projects having 100 or more dwelling units under any HUD mortgage insurance program, or under conventional or turnkey public housing programs.

(3) Mobile home courts with 100 or more spaces.

(4) College housing provided under the debt service or direct loan programs for 200 or more students.

All other applications for assistance under the HUD programs in the 14.100 series listed in Attachment D are exempt from the requirements of this Circular.

8. *Reports and directories.*

a. The Director of the Office of Management and Budget may require reports, from time to time, on the implementation of this Part.

b. The Office of Management and Budget will maintain and distribute to appropriate Federal agencies a directory of State, regional, and metropolitan clearinghouses.

c. The Office of Management and Budget will notify clearinghouses and Federal agencies of any excepted categories of projects under programs listed in Attachment D.

PART II: DIRECT FEDERAL DEVELOPMENT

1. *Purpose.* The purpose of this Part is to:

a. Provide state and local government with information on projected Federal development so as to facilitate coordination with State, regional and local plans and programs.

b. Provide Federal agencies with information on the relationship of proposed direct Federal development projects and activities to State, regional, and local plans and programs; and to assure maximum feasible consistency of Federal developments with State, regional, and local plans and programs.

c. Provide Federal agencies with information on the possible impact on the environment of proposed Federal development.

2. *Coordination of direct Federal development projects with State, regional, and local development.*

a. Federal agencies having responsibility for the planning and construction of Federal buildings and installations or other Federal public works or development or for the acquisition, use and disposal of Federal land and real property will establish procedures for:

(1) Consulting with Governors, regional and metropolitan clearinghouses, and local elected officials at the earliest practicable stage in project or development planning on the relationship of any plan or project to the development plans and programs of the State, region, or localities in which the project is to be located.

(2) Assuring that any such Federal plan or project is consistent or compatible with State, regional, and local development plans and programs identified in the course of such consultations. Exceptions will be made only where there is clear justification.

(3) Providing State, metropolitan, regional, and local agencies which are authorized to develop and enforce environmental standards with adequate opportunity to review such Federal plans and projects pursuant to section 102(2)(C) of the National Environmental Policy Act of 1969. Any comments of such agencies will accompany the environmental impact statement submitted by the Federal agency.

3. *Use of clearinghouses.* The State, regional, and metropolitan planning and development clearinghouses established pursuant to Part I will be utilized to the greatest extent practicable to effectuate the requirements of this Part. Agencies are urged to establish early contact with clearinghouses to work out arrangements for carrying out the consultation and review required under this Part, including identification of types of projects considered appropriate for consultation and review.

PART III : STATE PLANS

1. *Purpose.* The purpose of this Part is to provide Federal agencies with information about the relationship of State plans required under various Federal programs to State comprehensive planning and to other State plans.

2. *Review of State plans.* To the extent not presently required by statute or administrative regulation, Federal agencies administering programs requiring by statute or regulation a State plan as a condition of assistance under such programs will require that the Governor be given the opportunity to comment on the relationship of such State plan to comprehensive and other State plans and programs. Governors will be afforded a period of forty-five days in which to make such comments, and any such comments will be transmitted with the plan.

3. *State plan.* A State plan under this Part is defined to include any required supporting reports or documentation that indicate the programs, projects, and activities for which Federal funds will be utilized.

PART IV : COORDINATION OF PLANNING IN MULTIJURISDICTIONAL AREAS

1. *Policies and objectives.* The purposes of this Part are :

a. To encourage and facilitate State and local initiative and responsibility in developing organizational and procedural arrangements for coordinating comprehensive and functional planning activities.

b. To eliminate overlap, duplication, and competition in State and local planning activities assisted or required under Federal programs and to encourage the most effective use of State and local resources available for development planning.

c. To minimize inconsistency among Federal administrative and approval requirements placed on State, regional, and metropolitan development planning activities.

d. To encourage the States to exercise leadership in delineating and establishing a system of planning and development districts or regions in each State, which can provide a consistent geographic base for the coordination of Federal, State and local development programs.

2. *Common or consistent planning and development districts or regions.* Prior to the designation or redesignation (or approval thereof) of any planning and development district or region under any Federal program, Federal agency procedures will provide a period of thirty days for the Governor(s) of the State (s, in which the district or region will be located to review the boundaries thereof and comment upon its relationship to planning and development districts or regions established by the State. Where the State has established such planning and development districts, the boundaries of designated areas will conform to them unless there is clear justification for not doing so. Where the State has not established planning and development districts or regions which provides a basis for evaluation of the boundaries of the area proposed for designation, major units of general local government and Federal agencies administering related programs in such area will also be consulted prior to designation of the area to assure consistency with districts established under interlocal agreement and under related Federal programs.

3. *Common and consistent planning bases and coordination of related activities in multijurisdictional areas.* Each agency will develop checkpoint procedures and requirements for applications for planning and development assistance under appropriate programs to assure the fullest consistency and coordination with related planning and development being carried on under other Federal programs or under State and local programs in any multijurisdictional areas.

The checkpoint procedures will incorporate provisions covering the following points :

a. Identification by the applicant of planning activities being carried on for related programs within the multijurisdictional area, including those covering a larger area within which such multijurisdictional area is located, subareas of the area, and areas overlapping the multijurisdictional area. Metropolitan or regional clearinghouses established under Part I of this Circular, may assist in providing such identification.

b. Evidence of explicit organizational or procedural arrangements that have been or are being established by the applicant to assure maximum coordination of planning for such related functions, programs, projects and activities within

the multijurisdictional area. Such arrangements might include joint or common boards of directors or planning staffs, umbrella organizations, common referral or review procedures, information exchanges, etc.

c. Evidence of cooperative arrangements that have been or are being made by the applicant respecting joint or common use of planning resources (funds, personnel, facilities, and services, etc.) among related programs within the area; and

d. Evidence that planning being assisted will proceed from base data, statistics, and projections (social econot, demographic, etc.) and assumptions that are common to or consistent with those being employed for planning related activities within the area.

4. *Joint funding.* Where it will enhance the quality, comprehensive scope, and coordination of planning in multijurisdictional areas, Federal agencies will, to the extent practicable provide for joint funding of planning activities being carried on therein.

5. *Coordination of agency procedures and requirements.* With respect to the steps called for in paragraphs 2 and 3 of this Part, departments and agencies will develop for relevant programs appropriate draft procedures and requirements. Copies of such drafts will be furnished to the Director of the Office of Management and Budget and to the heads of departments and agencies administering related programs. The Office, in consultation with the agencies, will review the draft procedures to assure the maximum obtainable consistency among them.

PART V: DEFINITIONS

Terms used in this Circular will have the following meanings:

1. *Federal agency*—any department, agency, or instrumentality in the executive branch of the Government and any wholly owned Government corporation.

2. *State*—any of the several States of the United States, the District of Columbia, Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a State, but does not include the governments of the political subdivisions of the State.

3. *Unit of general local government*—any city, county, town, parish, village, or other general purpose political subdivision of a State.

4. *Special purpose unit of local government*—any special district, public purpose corporation, or other strictly limited purpose political subdivision of a State, but shall not include a school district.

5. *Federal assistance, Federal financial assistance, Federal assistance programs, or federally assisted program*—programs that provide assistance through grant or contractual arrangements. They include technical assistance programs, or programs providing assistance in the form of loans, loan guarantees, or insurance. The term does not include any annual payment by the United States to the District of Columbia authorized by article VI of the District of Columbia Revenue Act of 1947 (D.C. Code sec. 47-2501a and 47-2501b).

6. *Comprehensive planning*, to the extent directly related to area needs or needs of a unit of general local government, includes the following:

a. Preparation, as a guide for governmental policies and action, of general plans with respect to:

(1) Pattern and intensity of land use,

(2) Provision of public facilities (including transportation facilities) and other government services.

(3) Effective development and utilization of human and natural resources.

b. Preparation of long range physical and fiscal plans for such action.

c. Programming of capital improvements and other major expenditures, based on a determination of relative urgency, together with definitive financing plans for such expenditures in the earlier years of the program.

d. Coordination of all related plans and activities of the State and local governments and agencies concerned.

e. Preparation of regulatory and administrative measures in support of the foregoing.

7. *Metropolitan area*—a standard metropolitan statistical area as established by the Office of management and Budget, subject, however to such modifications and extensions as the Office of Management and Budget may determine to be appropriate for the purposes of section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, and these Regulations.

8. *Area wide agency*—an official State or metropolitan or regional agency empowered under State or local laws or under an interstate compact or agreement to perform comprehensive planning in an area; an organization of the type referred to in section 701(g) of the Housing Act of 1954; or such other agency or instrumentality as may be designated by the Governor (or, in the case of metropolitan areas crossing State lines, any one or more of such agencies or instrumentalities as may be designated by the Governors of the States involved) to perform such planning.

9. *Planning and development clearinghouse or clearinghouse includes:*

a. An agency of the State Government designated by the Governor or by State law.

b. A nonmetropolitan regional comprehensive planning agency (herein referred to as '*Regional Clearinghouse*') designated by the Governor (or Governors in the case of regions extending into more than one State) or by State law.

c. A metropolitan areawide agency that has been recognized by the Office of Management and Budget as an appropriate agency to perform review functions under section 204 of the Demonstration Cities and Metropolitan Development Act of 1966.

10. *Multijurisdictional area*—any geographical area comprising, encompassing, or extending into more than one unit of general local government.

11. *Planning and development district or region*—a multijurisdictional area that has been formally designated or recognized as an appropriate area for planning under State law or Federal program requirements.

12. *Direct Federal development*—planning and construction of public works, physical facilities, and installations or land and real property development (including the acquisition, use, and disposal of real property) undertaken by or for the use of the Federal Government or any of its agencies.

Attachment B

SECTION 204 OF THE DEMONSTRATION CITIES AND METROPOLITAN DEVELOPMENT ACT OF 1966, AS AMENDED (80 STAT. 1263, 82 STAT. 208)

"Sec. 204. (a) All applications made after June 30, 1967 for Federal loans or grants to assist in carrying out open-space land projects or for planning or construction of hospitals, airports, libraries, water supply and distribution facilities, sewerage facilities and waste treatment works, highways, transportation facilities, law enforcement facilities, and water development and land conservation projects within any metropolitan area shall be submitted for review—

"(1) to any areawide agency which is designated to perform metropolitan or regional planning for the area within which the assistance is to be used, and which is, to the greatest practicable extent, composed of or responsible to the elected officials of a unit of areawide government or of the units of general local government within whose jurisdiction such agency is authorized to engage in such planning, and

"(2) if made by a special purpose unit of local government, to the unit or units of general local government with authority to operate in the area within which the project is to be located.

"(b) (1) Except as provided in paragraph (2) of this subsection, each application shall be accompanied (A) by the comments and recommendations with respect to the project involved by the areawide agency and governing bodies of the units of general local government to which the application has been submitted for review, and (B) by a statement by the applicant that such comments and recommendations have been considered prior to formal submission of the application. Such comments shall include information concerning the extent to which the project is consistent with comprehensive planning developed or in the process of development for the metropolitan area or the unit of general local government, as the case may be, and the extent to which such project contributes to the fulfillment of such planning. The comments and recommendations and the statement referred to in this paragraph shall, except in the case referred to in paragraph (2) of this subsection, be reviewed by the agency of the Federal Government to which such application is submitted for the sole purpose of assisting it in determining whether the application is in accordance with the provisions of Federal law which govern the making of the loans or grants.

"(2) An application for a Federal loan or grant need not be accompanied by the comments and recommendations and the statements referred to in paragraph (1) of this subsection, if the applicant certifies that a plan or description of the project, meeting the requirements of such rules and regulations as may be prescribed under subsection (c), or such application, has lain before an appropriate areawide agency or instrumentality or unit of general local government for a period of sixty days without comments or recommendations thereon being made by such agency or instrumentality.

"(3) The requirements of paragraphs (1) and (2) shall also apply to any amendment of the application which, in light of the purposes of this title, involves a major change in the project covered by the application prior to such amendment.

"(c) The Bureau of the Budget, or such other agency as may be designated by the President, is hereby authorized to prescribe such rules and regulations as are deemed appropriate for the effective administration of this section."

TITLE IV OF THE INTERGOVERNMENTAL COOPERATION ACT OF 1968
(82 STAT. 1103)

"TITLE IV—COORDINATED INTERGOVERNMENTAL POLICY AND ADMINISTRATION OF
DEVELOPMENT ASSISTANCE PROGRAMS"

"Declaration of development assistance policy"

"Sec. 401. (a) The economic and social development of the Nation and the achievement of satisfactory levels of living depend upon the sound and orderly development of all areas, both urban and rural. Moreover, in a time of rapid urbanization, the sound and orderly development of urban communities depends to a large degree upon the social and economic health and the sound development of smaller communities and rural areas. The President shall, therefore, establish rules and regulations governing the formulation, evaluation, and review of Federal programs and projects having a significant impact on area and community development, including programs providing Federal assistance to the States and localities, to the end that they shall most effectively serve these basic objectives. Such rules and regulations shall provide for full consideration of the concurrent achievement of the following specific objectives and, to the extent authorized by law, reasoned choices shall be made between such objectives when they conflict:

"(1) Appropriate land uses for housing, commercial, industrial, governmental, institutional, and other purposes;

"(2) Wise development and conservation of natural resources, including land, water, minerals, wildlife, and others;

"(3) Balanced transportation systems, including highway, air, water, pedestrian, mass transit, and other modes for the movement of people and goods;

"(4) Adequate outdoor recreation and open space;

"(5) Protection of areas of unique natural beauty, historical and scientific interest;

"(6) Properly planned community facilities, including utilities for the supply of power, water, and communications, for the safe disposal of wastes, and for other purposes; and

"(7) Concern for high standards of design.

"(b) All viewpoints—national, regional, State and local—shall, to the extent possible, be fully considered and taken into account in planning Federal or federally assisted development programs and projects. State and local government objectives, together with the objectives of regional organizations shall be considered and evaluated within a framework of national public objectives, as expressed in Federal law, and available projections of future national conditions and needs of regions, States, and localities shall be considered in plan formulation, evaluation, and review.

"(c) To the maximum extent possible, consistent with national objectives, all Federal aid for development purposes shall be consistent with and further the objectives of State, regional, and local comprehensive planning. Consideration shall be given to all developmental aspects of our total national community, including but not limited to housing, transportation, economic development, natural and human resources development, community facilities, and the general improvement of living environments.

"(d) Each Federal department and agency administering a development assistance program shall, to the maximum extent practicable, consult with and

seek advice from all other significantly affected Federal departments and agencies in an effort to assure fully coordinated programs.

"(e) Insofar as possible, systematic planning required by individual Federal programs (such as highway construction, urban renewal, and open space) shall be coordinated with and, to the extent authorized by law, made part of comprehensive local and areawide development planning."

"Favoring units of general local government"

"Sec. 402. Where Federal law provides that both special-purpose units of local government and units of general local government are eligible to receive loans or grants-in-aid, heads of Federal departments and agencies shall, in the absence of substantial reasons to the contrary, make such loans or grants-in-aid to units of general local government rather than to special-purpose units of local government."

"Rules and regulations"

"Sec. 403. The Bureau of the Budget, or such other agency as may be designated by the resident, is hereby authorized to prescribe such rules and regulations as are deemed appropriate for the effective administration of this title."

Attachment C

SECTION 102(2)(C) OF THE NATIONAL ENVIRONMENTAL POLICY ACT OF 1969 (83 STAT. 853)

"Sec. 102. The Congress authorizes and directs that, to the fullest extent possible; (1) the policies, regulations, and public laws of the United States shall be interpreted and administered in accordance with the policies set forth in this Act, and (2) all agencies of the Federal Government shall— . . .

"(C) include in every recommendation or report on proposals for legislation and other major Federal actions significantly affecting the quality of the human environment, a detailed statement by the responsible official on—

"(i) the environmental impact of the proposed action,

"(ii) any adverse environmental effects which cannot be avoided should the proposal be implemented,

"(iii) alternatives to the proposed action,

"(iv) the relationship between local short-term use of man's environment and the maintenance and enhancement of long-term productivity, and

"(v) any irreversible or irretrievable commitments of resources which would be involved in the proposed action should it be implemented.

"Prior to making any detailed statement, the responsible Federal official shall consult with and obtain the comments of any Federal agency which has jurisdiction by law or special expertise with respect to any environmental impact involved. Copies of such statement and the comments and views of the appropriate Federal, State, and local agencies, which are authorized to develop and enforce environmental standards, shall be made available to the President, the Council on Environmental Quality and to the public as provided by section 552 of Title 5, United States Code, and shall accompany the proposal through the existing agency review processes; . . ."

Attachment D

COVERAGE OF PROGRAMS UNDER ATTACHMENT A, PART I

1. Programs are listed below pursuant to section 204 of the Demonstration Cities and Metropolitan Development Act of 1966 and the Intergovernmental Cooperation Act of 1968. They are referenced by *Catalog of Federal Domestic Assistance* identification numbers.

2. Heads of Federal departments and agencies may, with the concurrence of the Office of Management and Budget, exclude certain categories of projects or activities under listed programs from the requirements of Attachment A, Part I. OMB concurrence will be based on the following criteria:

a. Lack of geographic identifiability with respect to location or impact (e.g., certain types of technical studies);

- b. Small scale or size;
 c. Essentially local impact (within the applicant jurisdiction); and
 d. Other characteristics that make review impractical. OMB will notify clearinghouses of such exclusions.

3. Covered programs.

DEPARTMENT OF AGRICULTURE

Farmers Home Administration

- 10.400 Comprehensive Areawide Water and Sewer Planning Grants
 10.409 Irrigation, Drainage and Other Soil and Conservation Loans
 10.412 Recreation Association Loans
 10.414 Resource Conservation and Development Loans
 10.418 Water and Waste Disposal Systems for Rural Communities
 10.419 Watershed Protection and Flood Prevention Loans

Soil Conservation Service

- 10.901 Resource Conservation & Development
 10.904 Watershed Protection & Flood Prevention

DEPARTMENT OF COMMERCE

Economic Development Administration

- 11.300 Economic Development—Grants and Loans for Public Works and Development Facilities
 11.302 Economic Development—Planning Assistance
 11.303 Economic Development—Technical Assistance

DEPARTMENT OF DEFENSE

Department of the Army, Office of the Chief of Engineers

- 12.101 Beach Erosion Control
 12.106 Small Flood Control Projects
 12.107 Small Navigation Projects
 12.108 Snagging and Clearing for Flood Control

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Environmental Health Service

- 13.001 Air Pollution Control Program Grants (Planning Only)¹
 13.014 Solid Wastes Demonstration Grants¹
 13.015 Solid Wastes Planning Grants¹

Health Services and Mental Health Administration

- 13.206 Comprehensive Health Planning—Areawide Grants
 13.219 Health Facilities Construction—Diagnostic and Treatment Centers
 13.220 Health Facilities Construction—Hospitals and Public Health Centers
 13.221 Health Facilities Construction—Long-Term Care Facilities
 13.222 Health Facilities Construction—Rehabilitation Facilities
 13.235 Mental Health—Community Assistance Grants for Narcotic Addiction (Construction Only)
 13.236 Mental Health—Construction of Community Mental Health Centers
 13.249 Regional Medical Program—Operational and Planning Grants (Planning and Construction Only)

National Institutes of Health

- 13.340 Health Professions Facilities Construction
 13.350 Medical Library Assistance—Regional Medical Libraries
 13.369 Schools of Nursing—Facilities Construction

Office of Education

- 13.408 Construction of Public Libraries
 13.456 Higher Education Academic Facilities—State Comprehensive Planning
 13.457 Higher Education Academic Facilities Construction—Interest Subsidization

¹ These programs are administered by the new Environmental Protection Agency for which there is yet no separate Catalog listing.

- 13.458 Higher Education Academic Facilities Construction—Public and Private Colleges and Universities
- 13.459 Higher Education Academic Facilities Construction—Public Community Colleges and Technical Institutes
- 13.477 School Assistance in Federally Affected Areas—Construction
- 13.487 Supplementary Education Centers and Services (Construction Only)
- 13.493 Vocational Education—Basic Grants to States (Construction Only)

Social and Rehabilitation Service

- 13.711 Juvenile Delinquency Planning, Prevention, and Rehabilitation (Planning and Construction Only)
- 13.716 Mental Retardation Community Facilities Construction
- 13.746 Vocational Rehabilitation Services—Basic Support (Construction Only)

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Housing Production and Mortgage Credit/FHA

(NOTE.—The following programs are subject to the limitations and procedures set forth in paragraph 7, Part I, of the Circular.)

- 14.100 College Housing Debt Service
 - 14.101 College Housing Direct Loans
 - 14.103 Interest Reduction Payments—Rental and Cooperative Housing for Lower Income Families (236)
 - 14.105 Interest Subsidy—Homes for Lower Income Families (235(i))
 - 14.112 Mortgage Insurance—Construction or Rehabilitation of Condominium Projects (234(d))
 - 14.115 Mortgage Insurance—Development of Sales Type Cooperative Projects (213)
 - 14.117 Mortgage Insurance—Homes (203(b))
 - 14.118 Mortgage Insurance—Homes for Certified Veterans (203(b))
 - 14.119 Mortgage Insurance—Homes for Disaster Victims (203(h))
 - 14.120 Mortgage Insurance—Homes for Low and Moderate Income Families (221(d)(2))
 - 14.121 Mortgage Insurance—Homes in Outlying Areas (203(i))
 - 14.122 Mortgage Insurance—Homes in Urban Renewal Areas (220 homes)
 - 14.124 Mortgage Insurance—Investor Sponsored Cooperative Housing (213)
 - 14.125 Mortgage Insurance—Land Development and New Communities (Title X)
 - 14.126 Mortgage Insurance—Management Type Cooperative Projects (213)
 - 14.127 Mortgage Insurance—Mobile Home Courts (207)
 - 14.134 Mortgage Insurance—Rental Housing (207)
 - 14.135 Mortgage Insurance—Rental Housing for Low and Moderate Income Families (221(d)(4))
 - 14.136 Mortgage Insurance—Rental Housing for Low and Moderate Income Families—Below Market Interest Rate (221(d)(3))
 - 14.137 Mortgage Insurance—Rental Housing for Low and Moderate Income Families, Market Interest Rate (221(d)(3))
 - 14.138 Mortgage Insurance—Rental Housing for the Elderly (231)
 - 14.139 Mortgage Insurance—Rental Housing in Urban Renewal Areas (220)
 - 14.146 Public Housing—Acquisition, Construction, Rehabilitation (New Construction Only)
 - 14.149 Rent Supplements—Rental Housing for Low Income Families
- Metropolitan Planning and Development*
- 14.200 Basic Water and Sewer Facilities—Grants
 - 14.203 Comprehensive Planning Assistance
 - 14.204 Historic Preservation Grants
 - 14.207 New Communities—Loan Guarantees
 - 14.208 New Communities—Supplementary Grants
 - 14.209 Open Space Land Acquisition and Development Grants
 - 14.210 Public Facility Loans
 - 14.214 Urban Systems Engineering Demonstration Grants
- Model Cities Administration*
- 14.300 Model Cities Supplementary Grants

Renewal and Housing Management

- 14.602 Community Renewal Planning Grants
- 14.606 Neighborhood Development
- 14.609 Urban Renewal Projects

DEPARTMENT OF THE INTERIOR

Bureau of Outdoor Recreation

- 15.400 Outdoor Recreation—Financial Assistance
- 14.401 Outdoor Recreation Planning—Financial Assistance

Bureau of Reclamation

- 15.501 Irrigation and Drainage Systems Loans
- 15.503 Small Reclamation Projects

Federal Water Pollution Control Administration

- 15.700 Construction Grants for Wastewater Treatment Works¹
- 15.701 Water Pollution Control—Comprehensive Basin Planning Grants¹
- 15.707 Water Pollution Control—State and Interstate Program Grants¹

National Park Service

- 15.904 Historic Preservation

DEPARTMENT OF JUSTICE

Law Enforcement Assistance Administration

- 16.500 Law Enforcement Assistance—Comprehensive Planning
- 16.501 Law Enforcement Assistance—Discretionary Grants
- 16.502 Law Enforcement Assistance—Improving and Strengthening Law Enforcement

DEPARTMENT OF LABOR

Manpower Administration

- 17.205 Cooperative Area Manpower Planning System

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

- 20.102 Airport Development Aid Program

Federal Highway Administration

- 20.201 Forest Highways
- 20.204 Highway Beautification—Landscaping and Scenic Enhancement
- 20.205 Highway Planning and Construction
- 20.206 Highway Planning and Research Studies
- 20.209 Public Lands Highways
- 20.211 Traffic Operations Program to Increase Capacity and Safety (Construction Only)

Urban Mass Transportation Administration

- 20.500 Urban Mass Transportation Capital Improvement Grants (Planning & Construction Only)
- 20.501 Urban Mass Transportation Capital Improvement Loans (Planning & Construction Only)
- 20.505 Urban Mass Transportation Technical Studies Grants (Planning and Construction Only)

APPALACHIAN REGIONAL COMMISSION

- 23.003 Appalachian Development Highway System
- 23.004 Appalachian Health Demonstrations (planning and construction only)
- 23.008 Appalachian Local Access Roads
- 23.010 Appalachian Mine Area Restoration
- 23.012 Appalachian Vocational Education Facilities

NATIONAL SCIENCE FOUNDATION

- 47.036 Intergovernmental Science Programs

¹ See footnote, p. 332.

OFFICE OF ECONOMIC OPPORTUNITY

49.002 Community Action Operations (excluding administration, research, training and technical assistance, and evaluation).

WATER RESOURCES COUNCIL

65.001 Water Resources Planning

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C.

OMB CIRCULAR No. A-95 (REVISED)—WHAT IT IS—HOW IT WORKS

Revised Circular No. A-95, in addition to implementing (in part) Title IV of the Intergovernmental Cooperation Act of 1968 and Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, assists in the implementation of Section 102(2)(C) of the National Environmental Policy of 1969.

Title IV, among other things, directs the President to "establish rules and regulations governing the formulation, evaluation, and review of Federal programs and projects having a significant impact on area and community development." The basic objectives of this mandate center about the importance of sound and orderly development of urban and rural areas on the economic and social development of the Nation. Section 401(b) of the Act requires that "all viewpoints—national, State, regional, and local—shall, to the extent possible, be taken into account in planning Federal or federally assisted development programs and projects." Section 401(c) states, moreover, that "to the maximum extent possible, consistent with national objectives, all Federal aid for development purposes shall be consistent with and further the objectives of State, regional and local planning."

Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, requires that applications for Federal assistance to a wide variety of public facilities type projects (highways, hospitals, etc.), in metropolitan areas must be accompanied by the comments of an areawide comprehensive planning agency as to the relationship of the proposed project to the planned development of the area.

Section 102(2)(C) requires that Federal agencies prepare statements evaluating the impact of any actions they may take that significantly affect the environment. Such statements are submitted to the Council on Environmental Quality. Provision is made for inputs to these "environmental impact statements" by State and local governmental environmental quality agencies.

The following paragraphs are aimed at clarifying the Regulations promulgated by Circular No. A-95.

PART I: PROJECT NOTIFICATION AND REVIEW SYSTEM

The Project Notification and Review System (PNRS) may be thought of as an "early warning system" to facilitate coordination of State, regional, and local planning and development assisted under various Federal programs. Coordination is sought through review of applications for Federal assistance by State and metropolitan or regional clearinghouses. There are State clearinghouses in all fifty States (as well as in the District of Columbia and Puerto Rico). A network of over 350 metropolitan and regional (nonmetropolitan) clearinghouses covers nearly one-half of the Nation's counties which comprise approximately 85 per cent of the population.

The "early warning system"—project notifications

Under earlier regulations implementing section 204 of the Demonstration Cities and Metropolitan Development Act of 1966 the normal course of action for a State or local agency applying for Federal assistance was to prepare the application and submit it to the reviewing agency which had 60 days in which to file comments. However, this approach not only added 60 days to the time necessary for applying for aid, it often did not permit sufficient opportunity for effective coordination or constructive change in the application pursuant to the review. In some metropolitan areas, the areawide reviewing agency was able to persuade the applicant to consult with it prior to completion of the applica-

tion. Early consultation permitted the review agency to assist the applicant in developing the project so as to avoid conflict with plans and programs of other jurisdictions.

It is this early consultation approach that the project notification approach seeks to encourage.

A potential applicant (State or local agency, or other) for assistance under a program covered by Part I is required, when he has decided to apply for a grant, to notify both the State *and*, as appropriate, the regional (nonmetropolitan) or metropolitan clearinghouse of his intent to do so. The notification is to include a brief summary description of the proposed project. The clearinghouses have 30 days in which to indicate their interest and to arrange for consultation on the project. If the clearinghouses notify the applicant that they have no interest in or problems with the proposed project, the applicant has fulfilled his obligation and need consult no further with them before completing and submitting the application to the Federal agency, unless the clearinghouse indicates an interest in reviewing the completed application.

If a clearinghouse indicates during the initial 30 day period a wish to confer with the applicant, conferences are arranged. During this period and subsequently, the applicant will be preparing his application. If conferences with the clearinghouse surface issues or conflicts over the proposed project, the clearinghouse may assist in the resolution of such problems. At any time problems are resolved, the clearinghouse may "sign off", concluding the review.

Thus, with the advice and assistance of the clearinghouses, by the time the application is completed either (1) all issues (if any) will have been resolved or (2) any remaining issues will be clearly identified. If necessary, a clearinghouse may have an additional 30 days in which to file comments to accompany the application.

(NOTE.—The PNRS under the revised Circular no longer distinguishes between programs covered pursuant to Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966 and those added pursuant to Title IV of the Intergovernmental Cooperation Act of 1968. All clearinghouses have 30 days to consider a project description—i.e., the "project notification"—and, if necessary, 30 days to consider the completed application (or a more complete description), prior to its submission to the Federal agency. This is true of all applications whether or not in a metropolitan area.)

Notification: form and content

The amount and detail of information provided at the project notification stage will—because of the great diversity of programs covered—tend to be highly variable. For some projects, the application may be developed quickly and easily. In such cases, the application itself may serve as the notification.

In such cases, of course, the clearinghouse will want to expedite review as much as possible so as not to unnecessarily slow up the application process. For other types of projects, many months may be required to develop the application, and it may be that the information that can be provided at the notification stage may be quite sparse and sketchy. The important thing, however, is that the clearinghouse is put on notice. If information is inadequate, it can be fed in as it becomes available, but the clearinghouse may serve the applicant best if it is informed at the earliest stage. This permits the clearinghouse to steer the applicant away from conflicts or towards opportunity as he develops the specifics of the project for which he is seeking Federal aid.

For some programs, Federal agencies have developed what are, in effect, pre-application forms that can also serve quite effectively as project notifications. Standard Form 101 for water, sewer, and waste disposal assistance from HUD, USDA/FHA, FWQA and EDA is an example, as is OEO Form 46 for community action projects and activities. Inasmuch as a number of clearinghouses have developed their own forms, OMB has told Federal agencies that Federal forms are to be considered optional as project notification forms. However, where these have to be filled out anyway by the applicant, a double burden is put on him. Where this is the case, clearinghouses should consider the effects of this added effort on the applicant. What is important about the notification is the information that it carries, not the form on which it is written.

While the primary purpose of the PNRS is to coordinate Federally supported programs with State, areawide, and local plans and programs, it should be remembered that the purpose of the Federal programs is to help the applicant in the solution of a problem. Therefore, the PNRS emphasis should be on

helping the applicant to develop the best possible project to achieve his objectives in a manner that will not do violence to the plans and programs of other jurisdictions and agencies.

Clearinghouse functions

There are three types of clearinghouses:

(1) *State clearinghouse*, a State agency with comprehensive planning capacity, designated by the Governor.

(2) *Regional clearinghouse*, a nonmetropolitan areawide agency with general planning capability, designated by the Governor.

(3) *Metropolitan clearinghouse*, a metropolitan areawide agency recognized as such as by the Office of Management and Budget for the purposes of section 204 of the Demonstration Cities and Metropolitan Development Act of 1966.

The term, "clearinghouse" is meant to fully reflect the functions of these agencies:

to identify the relationship of any project to Statewide or areawide comprehensive plans,

to identify the relationship of any project to the plans or programs of particular State agencies or local governments.

While clearinghouses are expected to have comprehensive planning capabilities or direct access to such capabilities in order to identify the compatibility of proposed projects to Statewide or areawide plans, the "clearinghouse" aspect is equally important. It can well happen that a project which is not inconsistent with State or areawide comprehensive planning may be in conflict with the plans or programs of a particular State or local agency.

Thus, when an applicant sends a notification to the State clearinghouse, the clearinghouse will not only examine the project from the standpoint of State comprehensive planning but will forward a copy of the notification to any State agencies having plans or programs that might be affected to ascertain their interest in participating in any follow-up conferences with the applicant. The regional or metropolitan clearinghouse to which the applicant also sends the notification will, similarly, contact specific local governments and agencies which might be affected.

For example, community action or model cities agencies should receive notifications of projects which could have an impact on the poor; or agencies responsible for environmental quality should receive notifications of projects having an anticipated environmental impact.

It should be noted that when comments of these other parties are submitted through clearinghouses, the clearinghouses must transmit those comments to the applicant, and they too must accompany the application.

Relationships established with State and local agencies—including quasi-governmental and private agencies—through conscientious application of the "clearinghouse" aspect of the PNRS can enhance the status of the individual clearinghouse as a focal point for planning coordination. In addition the expert inputs of these agencies to the review process represent a useful supplement to the clearinghouse's own review resources and capabilities.

Applications from special purpose units of government

One important aspect of local government liaison function of the regional and metropolitan clearinghouses is the implementation of section 402 of the Intergovernmental Cooperation Act, which provides that:

"Where Federal law provides that both special-purpose units of local government and units of general local government are eligible to receive loans or grants-in-aid, heads of Federal departments and agencies shall, in the absence of substantial reasons to the contrary, make such loans or grants-in-aid to unit of general local government rather than to special-purpose units of local government."

Thus, when an application is to come from a special-purpose unit of government, it is a clearinghouse responsibility to assure that the Federal agency is informed as to the intentions of the general-purpose units within which the project is located so that it can act in compliance with section 402.

Interclearinghouse relationships

1. *State/metropolitan*.—While State and Metropolitan clearinghouses may conduct reviews quite independently of each other, it is desirable that they establish cooperative arrangements for coordinating their reviews. A well coordinated State-metropolitan (or regional) review system will provide much better

service to the applicant. It can reduce duplication of effort by clearinghouses as well as time spent by the applicant in conference and consultation. While it is possible that State and metropolitan clearinghouses may disagree over the merits of a project, a coordinated review is likely to produce a more consistent and thoroughgoing project evaluation.

2. *Metropolitan/regional.*—In some States a rather more complex situation has risen which requires even closer coordination. Some Governors have designated regional clearinghouses that overlap or encompass metropolitan clearinghouse jurisdictions. Thus, an applicant may find himself in two clearinghouse jurisdictions, not knowing where his responsibilities lie.

OMB has urged clearinghouses to develop coordinative arrangements, particularly to alleviate applicant confusion. While such arrangements are being worked out, the OMB Clearinghouse Directory may list overlapped counties (which include municipalities, and other applicants therein) under both clearinghouse jurisdictions. This, however, still leaves the applicant with the burden of sending notifications to *both* metropolitan and regional clearinghouses as well as to the State clearinghouse. OMB has notified overlapping clearinghouses that it will accept any arrangements agreed to by major parties at interest, but it regards the problem as one for State and local determination.

This problem is further exacerbated in the case of interstate metropolitan areas where parts of the metropolitan clearinghouse jurisdiction may be included in regional clearinghouse areas in two or more States. A possible solution is to have notifications from within the metropolitan jurisdiction sent only to the metropolitan clearinghouse. It, in turn, would be required to pass on copies of the notification to the appropriate regional clearinghouse. This approach, of course, is equally possible in the case of intra-State clearinghouse overlaps.

3. *Adjacent clearinghouses.*—Because projects in one region or metropolitan area may adversely affect an adjacent region—airports, pollution facilities, for example—clearinghouses in adjacent areas are required to establish coordinative arrangements to identify and mitigate possible interarea conflicts.

Federal agency responsibilities under the PNRS

Federal agency responsibilities under the PNRS are quite simple, and involve the following:

1. The Federal agency is responsible for informing potential applicants that they are required to submit to appropriate State and metropolitan clearinghouses notifications of intent to apply for assistance under the particular program. Applicants should be told that no applications will be considered unless they have gone through the process. Directories of clearinghouses are supplied to Federal agencies by OMB. Contents of notifications are described in paragraph 5, Part I of the Circular.

2. Any comments accompanying applications are to be utilized by agency people in evaluating applications. A special case exists where an application is from a special purpose unit of government. If comments indicate a similar application is coming from the general purpose unit of government within which the applicant is located, preference will be given to the general purpose unit.

3. When any substantive action is taken on an application—approval, return for amendment, rejection, etc.—the Federal agency must so inform the clearinghouses through which the application has passed within 7 days after such action has been taken.

This latter responsibility is the most frequently overlooked among Federal agency responsibilities, yet it is extremely important to the clearinghouses. Most are comprehensive planning agencies and feedback information permits them to keep a running inventory of what development is taking place—or is *not* likely to happen.

Federal agencies may use any means of transmitting such information. Perhaps the simplest means is by copy of the letter that informs the applicant of the action. For approvals, a copy of Form 240 informing States of grant approvals under Circular No. A-98 may be used.

Environmental impact

Section 102(2)(C) of the National Environmental Policy Act requires Federal agencies to submit to the Council on Environmental Quality—on any action significantly affecting the environment—an “environmental impact statement.” While it is the Federal agency that must submit the statement,

many or most agencies administering grant-in-aid programs will require the applicant to submit information on such projects, on which environmental impact statements can be based.

Section 102(2)(C) provides for an input to environmental impact statements by State and local agencies which are authorized to develop and enforce environmental quality standards. Thus, it is the responsibility of clearinghouses to identify State or local environmental agencies, provide them with project notifications, and assure them opportunity to make such comments as they may deem appropriate. Of course, in some cases the clearinghouse itself may have direct environmental responsibilities.

Beyond this, the clearinghouse, if it so desires, may assist applicants in the preparation of necessary environmental impact data or provide its own comments on the environmental impact of both Federal and Federally-assisted projects, or undertake other related action in assisting or facilitating State and local inputs into environmental impact statements.

Program coverage under Part I

Attachment D of Circular No. A-95 lists—by reference to the Catalog of Federal Domestic Assistance numbers and titles—the programs under which applications for assistance are subject to the requirements of Part I. These are mostly programs assisting physical development, although a number of social or human resource programs are covered as well.

In order to focus the review resources of clearinghouses on projects of area-wide or interjurisdictional significance, provision is made for exclusion of certain categories of projects under various programs. Such exclusions would need to meet certain criteria such as lack of geographical identification (e.g., certain broadly based research projects) or purely local input (e.g., a ½ acre lot). Exclusions would be proposed by the Federal agency administering the program and would need the concurrence of OMB in consultation with appropriate public interest groups. Clearinghouses will be notified of any exclusions. Beyond this, of course, any clearinghouse may choose to further limit the scope of its reviews. Local circumstance and clearinghouse resources will indicate the feasibility of further limitations.

Housing reviews

The revised Circular covers HUD housing assistance and mortgage insurance programs for projects of certain minimum sizes in subdivisions, 50 or more lots; in multi-family projects, 100 or more dwelling units; in mobile home courts, 100 or more units; and in college housing, accommodations for 200 or more students.

The review process under the PNRS is different for these projects

Under HUD housing assistance procedures, a developer submits what is, in effect, a preliminary application to a HUD area or insuring office. The application contains a description of the project, detailed enough for HUD to evaluate it, but lacking detailed construction plans. Generally, the evaluation is made quite rapidly, taking no more than a matter of several weeks, and the developer is notified as to whether the project appears approvable for mortgage insurance commitment or other support. Even if FHA mortgage insurance is not going to be sought, some mortgage lenders will require a favorable FHA report before they will make a construction loan.

The A-95 review process for HUD housing programs will operate with respect to this pre-application phase and consequently may cover not only projects which will be insured or supported by HUD but also some whose financing will be conventional.

The process will operate as follows: when the HUD area or insuring office receives a request for what is called a "feasibility analysis", it will send copies to the appropriate State and metro or regional clearinghouses. The clearinghouses will have 15 days to submit comments on the relationship of the proposed project to State or areawide plans and programs or on any questions of environmental impact. Since HUD approvals require conformance to local zoning and subdivision regulations, the locality normally would already have been contacted by the prospective developer.

While the time span is very short for housing reviews, this stage of the application process is the most critical for clearinghouse inputs. It is also extremely critical for the developer, and to extend the review time for clearinghouse reviews in view of the relatively short HUD processing time at this

stage would be a disservice. Clearinghouses are urged to establish early liaison with the appropriate HUD offices to acquaint themselves with the HUD housing programs and procedures and to acquaint HUD officials with clearinghouse missions and operations in order to maximize the effectiveness of housing reviews.

Because of local zoning and subdivision controls or local comprehensive plan requirements, clearinghouse inputs may be minimal with respect to many or most *individual* projects except those of major size or strategic location. The primary value of notifications to clearinghouses is the intelligence they provide of emerging growth patterns that will have to be considered in the areawide comprehensive planning process.

A-95 and A-98 relationships

The substance of Circular No. A-98 was originally Part III of Circular No. A-95. Circular No. A-98 promulgates a standard form (No. 240) for Federal agencies to use in reporting the amount and purpose of grants-in-aid made within each State as required by Section 201 of the Intergovernmental Cooperation Act of 1968. This information is useful to State for budgetary planning and programming. Many states, particularly where the State clearinghouse also handles grant award information, have developed a computerized system for handling this information and have tied it to the PNRS under A-95. The objective of the tie-in is to trace Federal grants from the initial application to Federal funding. This permits the State to not only know what grants have actually been made (A-98) but to anticipate grants that may be made (A-95), giving additional perspectives for State planning, programming and budgeting.

Of course, the notice of grant awards under A-98 covers a substantially greater range of grant programs than does A-95. At the present time, also, not all States have tried to integrate A-95 and A-98 information, nor have metropolitan and regional clearinghouses who do not receive A-98 information directly, although the States are required to make it available to them.

PART II: DIRECT FEDERAL DEVELOPMENT

Part II requires that Federal agencies engaged in direct development of Federal projects such as Federal civil works, military or scientific installation, public buildings, etc., must consult with State and local governments that might be affected by those projects. Where projects are not in conformity with State, regional or local plans the Federal agency will be required to justify any departures. The requirement applies not only to construction but to the acquisition, use, and disposal of Federal real property.

In addition, in the preparation of environmental impact statements pursuant to Section 102(2)(C) of the National Environmental Policy Act, these Federal development agencies are required to seek the views and comments of State and local environmental agencies. Regulations of the Council on Environmental Quality indicate the clearinghouses as the appropriate channel through which to secure the required State and local views and comments.

The clearinghouses designated pursuant to Part I of the Circular provide the most effective vehicle available to Federal development agencies to assure that all appropriate State and local agencies are consulted on proposed projects. The clearinghouses are generally the State, metropolitan, or regional comprehensive planning agencies; and in conducting the PNRS reviews they have occasion to identify the interests of all development agencies at State and local levels. Thus, Federal agencies will generally need to touch base with clearinghouses in any event. And while the nature of Federal development may not always lend itself to the project notification and review system *per se*, the clearinghouses can greatly facilitate the consultation required under Part II of revised Circular No. A-95.

PART III: STATE PLANS

Numerous Federal assistance programs require, as a condition of assistance, submission of State plans. These are highly variable in nature and content. While some are plans in the normal sense—"What do I want to do and how am I going to do it"—others only indicate the basic administrative apparatus through which the program will be carried out. However, associated documentation required to be prepared or submitted on a periodic basis will generally provide information as to the specific activities for which program funds will

be spent, even though this information does not appear in the "plan" itself.

Part III requires that Governors be given an opportunity to review such plans or associated documents indicating proposed program activities. This will permit the Governor to relate development strategies among the various Federally supported State programs to each other and to any overall strategies developed through the State comprehensive planning process.

PART IV: COORDINATION OF PLANNING AND DEVELOPMENT IN MULTIJURISDICTIONAL AREAS

Part IV of the Regulations was developed to offset a growing tendency among Federal programs to promote the establishment of regional planning activities that were uncoordinated, geographically or functionally. In nonmetropolitan areas this has meant a serious drain on already limited planning resources. In metropolitan areas it has intensified confusion and general duplication of effort.

Part IV of the Regulations is closely related to Part I. By encouraging the States to develop systems of sub-State planning areas, it sets the stage for a more complete geographic coverage of the Project Notification and Review System. Similarly, the PNRS by requiring, clearinghouse review of projected planning and development activities under various Federal programs, sets the stage for the more systematic and continuing planning coordination envisioned under Part IV.

While the most obvious aspect of Part IV is its emphasis on conforming the boundaries of Federally sponsored planning and development districts with each other and State-established districts, an equally significant requirement (paragraph 3) of Part IV is often overlooked. This is the requirement that applicants for Federal assistance to activities planned on a multijurisdictional basis coordinate their planning with planning for related programs in the area. This would involve identifying related planning activities and organizations and demonstrating what coordinative arrangements have been or are being established.

Paragraph 3 of Part IV provides in effect, an operational definition of planning coordination and identifies—but does not prescribe—various coordinative techniques such as the establishment of umbrella organizations under which various organizations could be coordinated operationally and policy-wise while maintaining their own identities, if that is necessary. Metropolitan and regional clearinghouses could lend themselves well to this role in many cases.

Coordinative devices that can prevent overlap and duplication of planning include arrangements for joint staffing and facilities, cooperative research and data gathering, and utilization of common and consistent statistics, projections, and assumptions about the area and its future. The latter is extremely important, both in terms of resource savings and in eliminating one of the most basic sources of plan conflicts.

The achievement of these coordinative arrangements, then, is a necessary concomitant effort with conforming boundaries; for a common territorial base by itself does not assure coordination. There must be contact, communication, and cooperation between organizations planning for various aspects of area development for that to occur.

SUMMARY

OMB Circular No. A-95 is fundamentally an effort to create a climate where intergovernmental cooperation can take root and flourish. It does this by creating opportunities for contact and communication within and between the several levels of government. This contact and communication is a necessary precondition for coordination.

In order to take full advantage of those opportunities, it is important that the various actors have an appreciation of the requirements *as* opportunities, rather than *as* administrative obstacles.

The applicant should recognize the opportunity to develop a better project through avoidance of conflict and the discovery of means for getting "more bang for the buck" out of its investment.

The Federal agency should recognize the opportunity for increasing program effectiveness through the same means and through applicant awareness of the need for sound planning and coordination.

The clearinghouses should recognize the opportunities for providing real service to applicants which will enhance their credibility and status as a constructive force in the area or in the management of the State government.

In sum, the Regulations promulgated under Bureau of the Budget Circular No. A-95 are aimed at promoting more effective coordination of planning and development activities carried on or assisted by the Federal Government. The major device of the Regulation is encouragement of systematic communications between the Federal Government and State and local governments carrying out related planning and development activities. Used judiciously by State and local governments and regional bodies, the processes set forth in the Regulations can result in more expeditious, more effective, and more economical development.

Exhibit 1

PROJECT NOTIFICATION AND REVIEW SYSTEM

The following outlines the process of the "Project Notification System" developed to implement, in part, Title IV of the Intergovernmental Cooperation Act.

Step 1.—Potential applicant desiring Federal assistance makes *inquiries* of Federal agency.

Step 2.—Federal agency informs applicant that, among other things, it must *notify* both State and regional (or metropolitan) clearinghouses about the project for which it intends to apply for assistance.

Step 3.—Applicant notifies clearinghouses.

Step 4.—(a) State clearinghouse notifies State agencies which might have programs affected by proposed project, including where appropriate, environmental agencies.

(b) Regional or metropolitan clearinghouse notifies local government agencies whose interests might be affected by the proposed project, including where appropriate, local and regional environmental agencies.

Step 5.—State agencies or local governments *inform* clearinghouse of interest, if any.

Step 6.—Clearinghouse arranges conference with applicant within 30 days of notification pursuant to its own or other State or local interest.

Step 7.—*Conferences* are held to (a) explore project in greater detail; (b) identify possible conflicts or mutuality of interest.

Step 8.—If continuing interest, applicant and clearinghouses (with any State or local interest), *cooperate* in developing application to (a) resolve conflicts; (b) strengthen project.

Step 9.—If conflicts are not resolved, clearinghouse *notifies* applicant that it will have comments to accompany the application. (*Note:* Conflicts may arise as between clearinghouses or particular State agencies or local governments as to the merit of a project, so such comments may be variably supportive or critical.)

Step 10.—Applicant submits application (or adequate project description) to clearinghouse(s) for comment, providing 30 days therefore.

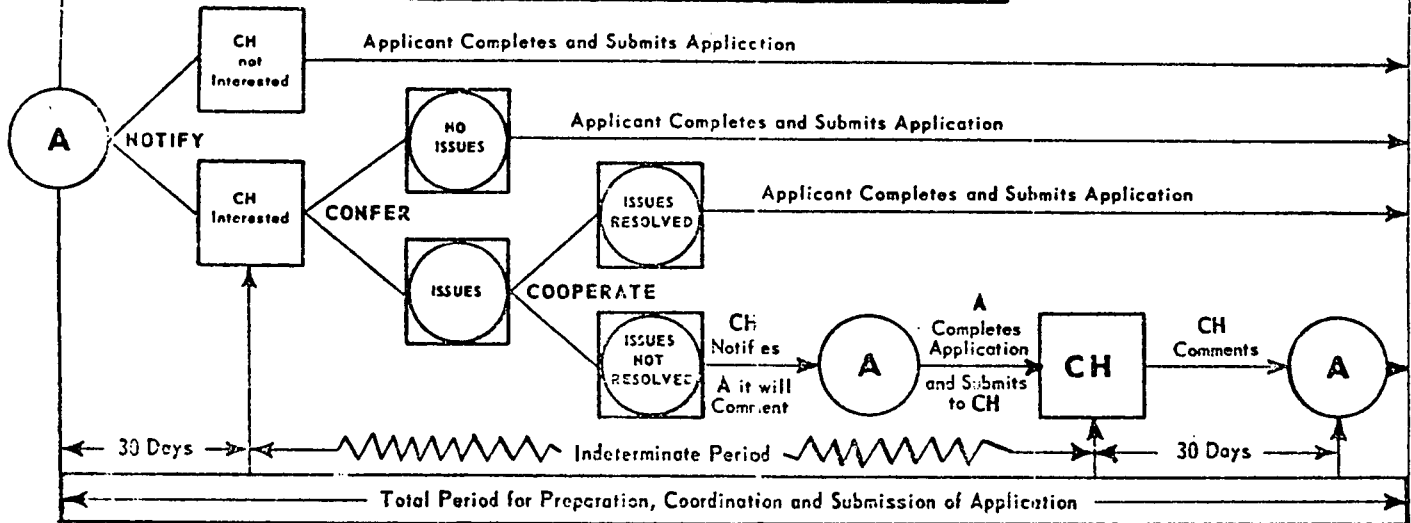
Step 11.—Clearinghouse(s) submits any formal *comments* of its own or of particular State agencies or local governments to applicant.

Step 12.—Applicant submits application to Federal agency, including comments, if any; or, if none, a statement that requirement has been followed.

Step 13.—Federal agency considers application and comments and informs clearinghouses of action taken thereon.

It is possible for the process to come to a satisfactory conclusion at the completion of Steps 5, 7, or 8 as well as, of course, Step 13. At either of the earlier Steps, clearinghouses can inform applicant of general satisfaction with the project and that they will have no (or supportive) comment. In such case, the applicant completes the application and submits it to the Federal agency with a statement that the requirement has been followed (or with any supportive comment). *Step 13—Information to clearinghouses on action taken on the application by the Federal agency is, of course, always required.*

PROJECT NOTIFICATION AND REVIEW SYSTEM



KEY

(A) Applicant

[CH] State, Regional, or Metropolitan Planning and Development Clearinghouse

Exhibit 2

A-95 PNRS IMPROVEMENTS

One of the major features of OMB Circular No. A-95 is the Project Notification and Review System (PNRS). PNRS can generate numerous different benefits including increased intergovernmental communication, cooperation, and coordination; a means for weighing project plans against comprehensive and functional planning; and, the development and strengthening of institutions to conduct areawide planning. One of the most tangible benefits, however, is that of a specific project application improvement.

Following is a sampling of improvements to project applications which have been derived from reviews by metropolitan and regional (nonmetropolitan) clearinghouse include those centering around Aiken, South Carolina; Bryan, Texas; Duncan, Oklahoma; and Gainesville, Georgia. All the other clearinghouses are located in metropolitan areas of varying sizes.

This listing does not include samples from State A-95 clearinghouses. However, in a few more weeks we intend to also have examples from these State agencies.

AIKEN, S.C. (LOWER SAVANNAH REGIONAL PLANNING AND DEVELOPMENT COMMISSION)

Combined rural water systems

Three very small neighboring communities in Barnwell County—Williston, Elko, and Windsor independently decided that they needed extensions of their water and sewer systems. Through the A-95 process, the possibility of developing a joint system to serve all three communities was raised. The resulting combined system was developed at a capital cost savings of \$100,000. Considering the fact that the population of these three municipalities, combined, is slightly under 5,000, this savings was quite substantial in terms of local capital and operating budgets.

Competition among public agencies

A public service authority submitted a Federal application to extend sewerage service to a developing portion of the City of North Augusta at almost the same time that the City of North Augusta submitted a similar application for the very same area. This unnecessary duplication was discovered through the A-95 review process and the application for the public service authority was withdrawn. This preferential treatment of general purpose units of local government is a requirement of Title IV of the Intergovernmental Cooperation Act of 1968.

Improvement of OEO referral service project

In the State of South Carolina, State metropolitan, and regional, (nonmetropolitan) clearinghouses are afforded the opportunities of reviewing all Federal grant-in-aid project applications by virtue of the South Carolina Review System which expands upon A-95. Under the South Carolina Review System a \$40,000 application for three alcohol referral centers came in from the Orangeburg Community Action Agency. Unfortunately, this project duplicated several other alcoholic referral projects. More importantly, however, this project did not provide for alcoholism treatment in addition to referral. Through the review process, the various social welfare and health agencies, including the CAA, were brought together to develop a more comprehensive application which includes referral, treatment, job training, and the like.

ALBUQUERQUE, N. MEX. (MIDDLE RIO GRANDE COUNCIL OF GOVERNMENTS OF NEW MEXICO)

Helipport relocation

A helipport site was proposed in the City of Albuquerque immediately adjacent to the University of New Mexico Bernalillo Medical Center. The site would have been in conflict with Federal Aviation Agency flight patterns and helicopter landing and takeoffs would have been endangered by high tension wires. Various agencies, including the Federal Aviation Agency, were brought together by the clearinghouse and alternative sites were explored. The final site chosen as a result of these deliberations was a land use flood control channel which avoided the problems mentioned above.

Hospital location

A suburban Albuquerque hospital of 150 beds was proposed which had two basic problems: the site location was not well related to the metropolitan highway system, and the internal layout of parking facilities was inadequate. Through the A-95 review a new hospital site, some two miles from the original, was chosen. The latter site is well served by the metropolitan highway system and its internal vehicular circulation and parking system meets high standards.

BOSTON, MASS. (METROPOLITAN AREA PLANNING COUNCIL)

Highway savings

The problem revolves around the widening and improvements (major interchanges and overpasses) of a section of State Highway 2 in eastern Massachusetts that runs through Marlborough, Hudson, Berlin, and Bolton towns. The original project application scheduled improvements the full length of the highway running through the four towns. Marlborough, Hudson, and Berlin had no objection, but Bolton did, requesting the highway terminate at the town line. Through the A-95 review, it was revealed that the comprehensive plan for highways for the region showed the route improvements stopping at the Bolton town limits. State officials concurred on termination, thus preventing an interjurisdictional conflict while simultaneously saving approximately \$1 million.

BRYAN, TEX. (CENTRAL TEXAS COUNCIL OF GOVERNMENTS)

Old river watershed project

The Burleson-Lee Soil and Water Conservation District proposed a multi-purpose watershed improvement project for the Old River Watershed. This project will cover about 110,000 acres and will run south from State Highway 21 along the west side of the Brazos River as far south as the Burleson-Washington County line. Among other things, the project is scheduled to include 17 water retardation structures, 55 miles of channel improvements, and numerous public and private land improvement projects. The Texas State Highway Department, which is planning a highway through this area, was one of the agencies to receive an "early warning notification" from the clearinghouse. Ultimately, this watershed project will cost 6.5 to 7 million dollars, and it is estimated that close to 1 million dollars will be saved by the involvement of the State Highway Department. By getting involved in both the general and detailed design of the 17 water retardation structures mentioned above and facilitated by the A-95 process, it will be able to save on highway bridge structures.

BUFFALO, N.Y. (ERIE AND NIAGARA COUNTIES REGIONAL PLANNING BOARD)

Ransom Oaks, new town

A new town development is proposed for Amherst, New York. Ransom Oaks, to be built with the assistance of HUD's Title IV New Communities program will eventually have 22,500 people and 1,600 acres. It will consist of single family and multi family housing, and various different commercial and public facilities. It will also probably use up to 30 HUD supplemental programs under New Towns legislation.

The initial proposal came in during the "early warning" stage, and the clearinghouse arranged for a convention type meeting between the applicant, the clearinghouse, and all public and private parties in the Greater Buffalo area which might be affected by the new town. This meeting served to initially identify individuals and groups that needed to be involved, as well as issues that would surface during later meetings. Present at the meeting were local and State officials, bankers, fair housing and minority groups, the developer, and clearinghouse personnel. The developer, in concert with the clearinghouse has held numerous follow-up meetings with groups and individuals present at the initial meeting. Also, when the developer applies for supplementary funds he will again go through the clearinghouse, and it is anticipated that these later reviews will move smoothly because of the excellent relationships built up with the clearinghouse and other interested parties.

Because of the clearinghouse mechanism this project has been speeded up by several months, and numerous problems have been avoided during earliest stages of development, thus avoiding added cost and delay at a latter date.

The office of Management and Budget has received a letter from the developer expressing appreciation for the benefits his project has derived from the review process.

DALLAS-FORT WORTH (NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS)

Regional waste water treatment plant comprehensive study

The North Central Texas Council of Governments recently completed a 20 year comprehensive water and sewer treatment plant study for the greater Dallas-Ft. Worth Area. This study envisages that the existing 53 waste treatment plants in the area will be consolidated into 5 much larger and more effective and efficient facilities.

From now on, whenever a community in this Region goes through the A-95 review process for a water and sewer application or similar environmental protection facility, it will be reviewed against the region's comprehensive waste water treatment plan. The first proposal reviewed involved a water and sewer treatment plant to serve the community of Richardson (population 47,000) immediately north of Dallas. The A-95 review weighed this application against the regional waste water treatment plan, and consequently, suggested several changes which were accepted at a savings of \$100,000.

DUNCAN, OKLA. (ASSOCIATION OF SOUTH CENTRAL OKLAHOMA GOVERNMENTS)

Water distribution system

For many years there has been debate concerning the construction of the Waurika Reservoir to serve the Counties of Commanche, Cotton, Jefferson, and Stephens. However, within the last year or so a proposed project to conduct studies for this reservoir came through the A-95 review agency. While this study would have dealt with just the means of building this large reservoir by harnessing the waters of the Red River, it did not deal with means of distributing water to the municipalities throughout the four counties. This was duly noted and the proposed study now contains a study element for water distribution. In addition, the A-95 agency has designed a preliminary integrated water distribution system totalling 70 miles of pipeline leading to the Waurika Reservoir as contrasted to a number of unrelated water systems that had been projected. As the reservoir is completed and elements of the water distribution system are built, the A-95 review system will be used to assure that every component of this distribution system is well integrated.

It is estimated that the design and development of an integrated distribution system, as facilitated to a large degree by A-95, will save several million dollars when compared with independent distribution systems, which might have developed without A-95 reviews.

EUGENE, OREG. (LANE COUNCIL OF GOVERNMENTS)

Deferral of low-priority highway

A State arterial road of 5-6 miles, between Springfield and Criswell was proposed; this arterial would cost \$4,500,000 and would be matched with State funds. Through the A-95 review process it was discovered that the proposed road, which would have an average daily traffic load of eight thousand vehicles, was of very low priority in the Springfield-Eugene Metropolitan Transportation Plan. In fact, it was not scheduled to be built, according to the plan, for another 18-20 years. After considerable discussion among all interested parties, as arranged pursuant to the A-95 process, State and local governments agreed that construction should be deferred for another decade or two. Thus, the \$4,500,000 has been made available for other higher priority roads, which will carry traffic loads of 30-50 thousand vehicles per day.

Shifting of park priorities

The State proposed a riverfront park, complete with recreation facilities, on the banks of the Willamette River to be built with Federal funds. However, this project was not high on the priority list of the Central Lane (Springfield-Eugene and Environs) Outdoor Recreation Plan. Through the A-95 process it was decided that this riverfront site should be acquired for open space, but not as a recreational facility. In addition, State and local interests decided that a new outdoor recreation site in a location more in line with Central Lane priorities was needed. To that end State and local interests are now

working on the possible development of a larger outdoor recreational facility south of metropolitan Springfield-Eugene.

GAINESVILLE, GA. (GEORGIA MOUNTAINS PLANNING AND DEVELOPMENT COMMISSION)

Consolidation of mental health facilities

For the last several years the Georgia Mountains APDC has been operating a planning and review system which very much approximates the A-95 review system, even though the latter process only came into being in October 1, 1969. And therefore, although a given health facility project improvement predates A-95, it nevertheless, should be discussed.

This economically depressed Georgia mountain region had very poor psychiatric services. These services were being provided through various areawide clinics operated on a one to two day per month basis by visiting psychiatrists from Atlanta. Through the Georgia Mountains APDC planning and review process, a 60 bed unit was planned and constructed as an addition to the Gainesville General Hospital. Gainesville is centrally located within this region and is also its most populous center (16,000 people). The construction of this 60 bed mental health wing, in turn, helped to attract three full time psychiatrists to Gainesville, thus adequately serving this 12 county region's mental health needs.

GULFPORT, MISS. (GULF REGIONAL PLANNING COMMISSION)

Combined water and sewer systems

The City of Biloxi, (population 49,000) submitted an application to meet its future water and sewer needs. Through the A-95 review it was learned that the cities of Gulfport (population 44,000) and Long Beach (population 12,000) as well as some of the unincorporated area of Harrison County also needed expanded and improved water and sewer services. Therefore, the clearinghouse suggested that Biloxi amend its application to serve not only Biloxi, but also portions of Gulfport, assuming appropriate reimbursements from Gulfport. Gulfport, in turn, would simultaneously prepare a water and sewer application to serve parts of Gulfport, the City of Long Beach, and unincorporated portions of Harrison County with appropriate reimbursements from these latter entities. All of these suggestions have been followed, and eventually, a total capital cost savings of \$6-7 million dollars will be realized.

The Town of Waveland submitted a water and sewer application to meet its expanding growth needs. Immediately adjacent to Waveland is the City of Bay St. Louis which needs a new water and sewer system inasmuch as this latter City's present system creates a serious environmental hazard by depositing wastes into an already unsanitary lagoon. Through A-95, it was suggested that the two municipalities prepare a joint application to meet the future needs of both municipalities. This suggestion was followed and will eventually result in a capital cost savings of \$3-4 million dollars.

MOBILE, ALA. (SOUTH ALABAMA REGIONAL PLANNING COMMISSION)

Joint sewerage facility

Two municipalities, Brewton with a population of 8,500 and East Brewton with a population of 2,500, were both independently planning enlargement of their sewerage facilities, even though both municipalities are immediately adjacent to each other and separated only by a creek. Through the A-95 review process these two municipalities were brought together in developing an expanded sewerage facility.

Joint sharing of sewerage facilities

The City of Mobile (population 200,000) planned to build an expanded sewerage system in the northern and developing section of Mobile. Unfortunately, connecting sewers, and other special equipment would be needed to pump the sewerage south, up and over a ridge which divides the northern fourth of Mobile from its southern three fourths. As a result of the A-95 review, the question was raised as to whether the northern part of Mobile might not be better served by the City of Pritchard facilities, thus alleviating the need for expensive and special pumping. This alternative was agreed to and the City of Mobile now reimburses Pritchard for this arrangement. The initial cost savings to all parties involved was \$250,000.

Road extension

An eight mile highway extension of interstate standards from a new Theodore Island Industrial Park in Mobile Bay northward to Mobile was initially scheduled to take 20 homes. Through the A-95 review process alternative routes were explored and one was finally chosen which did not necessitate the taking of the 20 homes. In addition to avoiding the social costs, approximately \$200,000 was saved by avoiding relocation of 20 families.

PITTSFIELD, MASS. (BERKSHIRE COUNTY REGIONAL PLANNING COMMISSION)

Sewer systems combined

The town of Williamstown (population 8,000) applied to the Federal government for an interceptor sewerage extension. This extension would be south of North Adams (population 19,000) and south of Clarksburg (population 2,000). The application was sent to the clearinghouse, at the same time that the clearinghouse was preparing a county water and sewer plan. The Berkshire County Regional Planning Commission, in its A-95 review, recommended that a new project application be put together for a water and sewer system which covered the joint needs of Williamstown, North Adams, and Clarksburg inasmuch as these latter two municipalities would also need sewerage facilities in the near future.

The A-95 recommendation was concurred in by the three municipalities and an application has now been prepared which would serve all three communities at an initial cost saving of 1.5 million and an annual operating cost saving of \$65,000. Also, this joint facility alleviates the eventual need for the construction of a pollution generating incinerator.

PORTLAND, OREG. (COLUMBIA REGION ASSOCIATION OF GOVERNMENTS)

Sewer systems combined

Seventeen sewage treatment facilities, in five cities and three counties in the Portland, Oregon area were under condemnation. Application for federal assistance to upgrade these facilities were received by the Columbia Region Association of Governments. GRAG recommended that the jurisdictions construct one larger, more advanced facility to replace the others, rather than upgrading them. This recommendation was unanimously accepted. In addition to savings in operating costs, the consolidation resulted in saving more than \$1.5 million in capital costs.

STOCKTON, CALIF. (CITIES AND COUNTY OF SAN JOAQUIN ADVISORY PLANNING ASSOCIATION)

Sewer systems combined

The City of Manteca and its unincorporated neighbor to the south, Lathrop, were independently planning for separate sewer systems. Through the A-95 review the two municipalities were brought together, and subsequently, planned a joint system which was much better than the two independent systems, and also resulted in a savings of \$300,000. In addition, the Federal Water Quality Administration granted a 10 percent bonus because the two communities put together a joint sewerage facility.

UTICA-ROME, N.Y. (HERKIMER-ONEIDA COUNTIES COMPREHENSIVE PLANNING PROGRAM)

Compatibility of State parks and wildlife sanctuary

The State of New York proposed a 1,700 acre park development near the City of Rome which would have included 300 campsites. The A-95 review process revealed that the campsite would be located in the middle of a wildlife area. This wildlife area is extremely valuable inasmuch as it contains rare varieties of flowers and rare bird types, as a result of A-95 reviews the location of the proposed campsites was moved away from the wildlife area and the number of campsites was reduced to 250. Also the State agreed to build campsite sewerage facilities in such a way that they could more easily be linked with nearby sewerage facilities.

Preservation of a natural trail

A grade-separated access road to the New York State Thruway, some two miles from the City of Little Falls, was proposed. Through the A-95 review

process it was discovered that this access highway as proposed would completely eliminate a nature trail along the Mohawk River. All affected parties were brought together to resolve this problem, and as a result, the alignment of the proposed access road was altered, thus saving this highly prized nature trail.

Construction of sewerage district in compatibility with institution of higher education

The Town of Marcey applied for Federal funds for the construction of a sewerage system. This project, as initially proposed, was adequate to serve the Town of Marcey. However, it was learned through the A-95 review that it was not adequate to serve a new State institution of higher education which is scheduled for construction in Marcey and will have several thousand students. All interested parties were brought together and the project proposal was changed and substantially expanded to serve the eventual needs of both "town and gown."

OMB CIRCULAR NO. A-95—METROPOLITAN AND REGIONAL CLEARINGHOUSES

		Metro	Regional	Counties ¹
Alabama.....	2	1/2 ²	4	46
Alaska.....				
Arizona.....	2			2
Arkansas.....	2	2/2	1/3	9
California.....	9		1/2	75
Colorado.....	3			27
Connecticut.....	3	1/3	5	8
Delaware.....	3	1/3		8
District of Columbia.....		1/3		1
Florida.....	9			19
Georgia.....	4	3/2	17	159
Hawaii.....	1			1
Idaho.....	1			1
Illinois.....	7	2/2		19
Indiana.....	8	2/2	1/3	21
Iowa.....	4	2/2	1/3	7
Kansas.....	2	1/2		5
Kentucky.....	1	2/2	2/3	12
Louisiana.....	6			7
Maine.....	2		2	7
Maryland.....	1	2/3		8
Massachusetts.....	9		3	14
Michigan.....	9			17
Minnesota.....	1	2/2		9
Mississippi.....	2	2/2	1/3	8
Missouri.....	2	2/2		16
Montana.....	2			
Nebraska.....	1	1/2	1/3	1
Nevada.....	2		1/2	1
New Hampshire.....	1			3
New Jersey.....	2	1/2	1/3	5
New Mexico.....	1			1
New York.....	6	1/3		2
North Carolina.....	6		4	39
North Dakota.....		1/2		4
Ohio.....	9	2/2	2/3	
Oklahoma.....	3	1/2		34
Oregon.....	2	1/2		6
Pennsylvania.....	2	1/2		10
Puerto Rico.....	11	1/2		2
Rhode Island.....	4			34
South Carolina.....	1			1
South Dakota.....	3	1/2		7
Tennessee.....	1	1/2	1/3	5
Texas.....	2	1/2	1/3	5
Utah.....	18	1/2		3
Vermont.....	3			3
Virginia.....				14
Washington.....	5	1/3		8
West Virginia.....	2	1/2		
Wisconsin.....	1	2/2	2/3	
Wyoming.....	4	1/2		1
Total.....	184	34/2	21/3=208	159
				2/2=160
				1,614

¹ Number of counties in a State lying wholly or in part in an area covered by a clearinghouse.

² A fraction denotes a multi-State clearinghouse. The denominator indicates the number of States involved. The numerator denotes the number of such bi- or tri-State clearinghouses in which the particular State is involved. Thus, Arkansas is involved in two bi-State and one tri-State clearinghouses.

THE COUNCIL OF STATE GOVERNMENTS,
Lexington, Ky., March 10, 1971.

To: Selected Federal officials.

From: Vincent T. Smith, assistant director of intergovernmental projects.

Subject: Survey of State action in creation of sub-state districts.

The enclosed summary of sub-state districting activities was prepared as part of a Council of State Governments' study of state experience in implementing the Intergovernmental Cooperation Act of 1968.

States are moving rapidly toward official designation of uniform systems of sub-state districts. The extent of this state action means that any report will be rendered out of date shortly after publication. For this reason, our survey attempts to provide a statement of official action to date as well as a brief statement on proposed action.

Our final report will include a more extensive review and analysis of sub-state districting progress. Current information would seem to justify at least two conclusions. First, state and local elected officials view sub-state districts as an increasingly useful management tool in the planning and delivery of governmental services. Second, OMB Circular A-95 has given a significant boost to the creation of sub-state districts.

Your comments on the format and accuracy of the enclosed summary will be helpful to us. Please forward to me any comments you may have.

Please note that the enclosed material is in draft form and for discussion and comment only.

Staff contact: Vincent T. Smith, Assistant Director of Intergovernmental Projects, Council of State Governments, Iron Works Pike, Lexington, Kentucky 40505.

(Draft)

REGION I

CONNECTICUT

Connecticut has adopted a system of fifteen sub-state districts. Since 1969, responsibility for delineation or redelineation of Connecticut's district boundaries has been located in the Office of State Planning. (Public Act 628 of 1969).

District organizations, called Regional Planning Agencies, are formed at local initiative under Chapter 127, General Statutes. Thirteen agencies are presently staffed and operational. Connecticut Statutes also allow for the formation of Regional Councils of Elected Officials within the district boundaries.

State support to the Regional Planning Agencies is by regular appropriation and provision of staff and technical assistance.

A-95 Clearinghouse review is carried out by the Regional Agencies except for those which fall within the jurisdiction of the Tri-State Transportation Commission. The five Regional Agencies within the Commission area are involved in the review process, but the Commission is the official clearinghouse.

Federally initiated sub-state programs generally conform to Connecticut's district delineation.

MAINE

Official designation of sub-state districts has not yet taken place in Maine. The state is, however, moving in this area at present. Background studies place an accent upon districting for state administration, but state officials report that an effort will be made to bring federal program administration into conformance, once the districts have been officially created.

Two metropolitan clearinghouses have been designated for A-95 purposes, but no regional counterparts.

MASSACHUSETTS

Sub-state districting is undergoing rapid change in Massachusetts. The state has utilized a set of twelve planning and development districts. The districts were established under several pieces of legislation over a period of several years. Two districts were established by special legislation at state initiative; three under special legislation at local initiative; and the remaining seven by local initiative under a general enabling statute (Chapter 40B General Laws 1955 as amended in 1964).

These twelve districts, covering the entire state, are primarily utilized for regional planning and development purposes and are supported by state appro-

priations, provision of technical staff by the state, and federal funds under "701" agencies.

In all cases, they are public bodies and must have a professional staff. The percent of public official participation varies with the legislation under which the district was organized. *All twelve districts serve as A-95 Clearinghouses*, one is an EDD, and several coincide with LEAAs.

Massachusetts is currently adopting a new set of eight administrative districts. The change is required under Administrative Bulletin 65 (as amended).

The major accent under the new eight region arrangement will be upon provision of: (1) Administrative districts for state departments; (2) groupings of service delivery areas; and (3) geographic areas for program planning coordination both within and between state agencies and different levels of government. Federal programs administered on a sub-state basis will be brought into conformance as the districts are made operational.

NEW HAMPSHIRE

Seventeen sub-state districts were designated by Executive Order 12/26/68. These are currently utilized for both planning and administration purposes. Two are fully staffed and operational and a third is nearly ready to begin functioning. Organized districts cover 28% of New Hampshire's population. Districts are supported by state matching of federal planning assistance funds and by provision of state staff assistance. District organizations are essentially regional planning commissions under state enabling legislation. No statutory requirements exist as to governing board membership, professional staff, or legal status of the district organization.

RHODE ISLAND

Rhode Island has determined that the development of a system of sub-state districts is unwarranted at the present time. State officials cite Rhode Island's small size and relative economic and social homogeneity as the primary factors in the decision.

VERMONT

Sub-state districting in Vermont is currently undergoing change. At present, the state has fourteen sub-state bodies established under Chapter 24, Vermont Statutes Annotated. District organizations are Regional Planning Commissions and membership by a municipality is voluntary. Members are appointed by participating municipalities with no requirement for elected officials. Professional staff is preferred, and staffing is supported by regular state appropriation. Under the existing arrangement, the districts serve as A-95 Clearinghouses.

Vermont is in the process of making a transition from its existing fourteen districts to a new set of seven. The new districts, delineated by the Planning and Community Services Agency will serve for both administration of state government activities and federal programs.

Further action towards conformance of federal agencies administering sub-state programs is dependent upon acceptance of the new district arrangement by legislative action in the 1971 session.

REGION II

NEW YORK

New York state has established eleven comprehensive planning and development regions. These are utilized for coordination of local planning efforts and provide an areawide focus for functional planning by state agencies. Delineation of boundaries was carried out by the New York State Office of Planning Coordination and regional organizations have been established at local initiative under Sections 5-G and/or 239-b of the New York Statutes. These sections enable multi-jurisdictional planning bodies and inter-local cooperation. All regional agencies are public bodies and professional staffing is a prerequisite for state support.

State support is provided by state matching of federal planning assistance funds, state functional planning funds, and provision of technical and staff assistance.

Federal programs administered on a sub-state level utilize New York's regional boundaries and regional boards have been designated as A-95 Clearinghouses in ten of the eleven regions.

New York's accent in sub-state districting has been upon supporting local initiative. A Gubernatorial directive requires state agencies to utilize regional boundaries in their functional planning activities.

NEW JERSEY

New Jersey has not designated sub-state districts. Sixteen of New Jersey's twenty-one counties are metropolitan and participate in metropolitan areawide planning bodies. The remaining five counties are not contiguous and each is considered an areawide planning unit. Each serves, as well, as a nonmetropolitan A-95 Clearinghouse.

REGION III

DELAWARE

Because of its small size and relative social and economic homogeneity, Delaware has not undertaken a sub-state districting system.

The state clearinghouse carries out A-95 review of non-metropolitan areas of the state.

MARYLAND

A statewide system of officially designated sub-state districts does not yet exist in Maryland. At present, the state utilizes an incomplete set of sub-state units created incrementally and for varied purposes. Now in existence are two councils of government, two regional planning councils, sections of multistate planning and development agencies and a council on Appalachian Maryland created by Executive Order.

Maryland is moving incrementally toward adoption of a system of seven officially designated districts and delineation is complete. Formal adoption of the system is expected to be accomplished by Executive Order. A-95 review for non-metropolitan districts is carried out by the Maryland Department of State Planning.

PENNSYLVANIA

Pennsylvania has a long standing tradition of sub-state organization, although, at present, no single set of districts has been officially designated for general use. Beginning with the definition of thirteen State Planning Regions in 1964, a variety of activities are being carried out on a sub-state, multi-county basis. In 1968, six Human Service Regions were adopted by Gubernatorial action as a framework for the administration of nine major state programs.

Ten regional planning and development organizations are now operating within Pennsylvania, six of which are outgrowths of the Appalachia Program.

Pennsylvania's basic regional policy is currently undergoing extensive reexamination. Among other things, a uniform system of ten districts are being proposed as a basis for unifying the fragmented districting situation now existent in the Commonwealth.

VIRGINIA

A statewide system of sub-state districts was adopted by Virginia in June 1968 under the legislative mandate of the Virginia Area Development Act.

The state has twenty-two districts which are utilized for areawide coordination of local planning and uniform alignment of federally initiated sub-state programs. Nineteen districts have organized Planning District Commissions and seventeen have professional staff.

Districts are public bodies and are supported by regular state appropriation and provisions of technical and staff assistance.

Planning District Commissions must have a majority of elected officials, with at least one from each represented jurisdiction. Professional staff is a prerequisite to state financial assistance. Planning District Commissions carry out A-95 review.

WEST VIRGINIA

At present, West Virginia does not have officially established sub-state districts. The state has utilized an eleven region delineation pattern established

under the Appalachian Redevelopment Act as an ad hoc basis for "areawide" planning.

Legislation has been introduced into the 1971 legislature which would enable a system of multi-purpose, sub-state districts. Under the proposed legislation, delineation would take place within a specific time period from passage. Organizational and functional characteristics of the district organizations are included in the pending bill which accents achievement of uniformity in federal program administration and coordination of local planning and development activities.

REGION IV

ALABAMA

Sub-state districting was mandated by the Alabama Legislature through Act 1126 of 1969. Executive Directive #23, issued in July 1970, designated a set of eight districts and directed all state agencies to move toward adoption of the district pattern.

At least three of the eight districts are organized and staffed. Act 1126 provides that the district organizations be regional planning commissions with a majority of elected officials.

The districts will serve as A-95 Clearinghouses as they achieve sufficient staff capacity.

FLORIDA

State action in establishing sub-state districts has been minimal. A 1968 resolution of the Florida State Planning and Budget Commission recommended a set of uniform districts as a guideline for local initiative. Further action has been limited, however, and the "official" status of the district pattern has become ambiguous due to subsequent governmental reorganization and a change of administration. Multi-jurisdictional areawide planning is carried out in metropolitan areas by regional planning commissions enabled under Chapter 160, Florida Statutes.

GEORGIA

Sub-state districts are an integral part of Georgia's planning structure. There are presently nineteen such bodies, formed at local initiative under Georgia's General Planning Enabling Act of 1957 (as amended).

District organizations, called Area Planning and Development Commissions, exist in all nineteen districts. These are supported by a regular state appropriation based on a matching formula which allows up to fifty-thousand dollars in yearly state contribution.

All district commissions are public bodies and the percent of elected official representation is locally determined. Professional staff is not required by the enabling statute, but is a condition for state support.

While the focus of Georgia's Area Planning and Development Commissions has been upon coordination of areawide multi-jurisdictional planning, they also serve as a basis for coordination of federally initiated sub-state progress. All nineteen commissions have been officially designated as A-95 Clearinghouses, twelve are Economic Development Districts, six serve as total or partial Local Development Districts. In addition, all nineteen are "701" agencies and are used to coordinate Law Enforcement Assistance planning. The districts serve as Comprehensive Health Planning Areas and thirteen provide a basis for Community Action Agencies.

All or part of seven state agencies utilize the district boundaries, but Georgia's accent has not been upon alignment of state program administration with the districts.

KENTUCKY

Executive Order 67-233 established fifteen multi-purpose Area Development Districts for Kentucky. At present, thirteen districts, covering 69% of the population are organized.

State assistance is provided by state matching of federal planning assistance funds and provision of technical and staff assistance on request.

District organizations generally include a ratio of 51% elected officials and 49% appointed, with specific provision for minority representation. Organizational requirements are administrative and are prerequisites for state assistance. Executive Order 69-653 designated the organized districts as A-95 Clearinghouses.

At present, twelve districts serve as "701" agencies, ten as Economic Development Districts, and seven as Local Development Districts. All are utilized as Comprehensive Health Planning Areas. All state agencies are instructed to recognize the district delineation as the basis for administration of state programs.

MISSISSIPPI

Mississippi has encouraged areawide planning by designating a statewide system of Local Development Districts and Economic Development Districts as A-95 Clearinghouses. All ten district organizations are staffed, non-profit corporations and are enabled by state legislation which supports the EDA/ARC organizational requirements. State support is presently provided in the form of staff and technical assistance.

Utilization of EDD's and LDD's as the basic multi-jurisdictional planning organization is considered an ad hoc arrangement, and a proposal before the 1971 legislature would establish state planning and development districts. These districts would organize multicounty boards of both elected and appointed officials and would be supported by a regular state appropriation.

Under the proposed legislations, Mississippi's sub-state district emphasis would shift from coordination of federal programs to multi-purpose areawide planning.

NORTH CAROLINA

Seventeen multi-jurisdictional planning regions were designated by Executive Order #3 in May, 1970. State responsibility for encouraging multi-jurisdictional planning is mandated in Section 143-341(6): North Carolina General Statutes (as amended in 1969).

At least six districts have organized and motion toward organization is underway in all of the remaining eleven. Districts are organized at local initiative under general state statutes enabling council of governments and interlocal cooperation. There is, therefore, no single predominant organization structure at present. A proposal which would encourage the council of governments form is currently under study.

State support is provided through staff and technical assistance and proposed legislation would, if enacted, offer a regular state appropriation.

Motion toward alignment of federally initiated sub-state programs is underway. Comprehensive Health Planning Areas and Law Enforcement Assistance Areas approach complete alignment. Economic Development Districts and Local Development Districts are undergoing realignment into the district pattern. No district has yet been designated as an A-95 regional clearinghouse. State agencies are adopting the delineation at present.

SOUTH CAROLINA

A set of ten multi-purpose sub-state districts was adopted by Executive Order in March, 1969. Characteristics of the district organizations are in accordance with Act 487, 1967. Under the Act, area-wide organizations are formed at local initiative and may be councils of governments or regional planning commissions. All are public bodies.

Organization has taken place in nine of the ten districts and 94% of the state's population is covered. State assistance is provided by staff and technical assistance on a regular basis and professional staff is a requirement for state support.

AH ten districts serve as A-95 Clearinghouses, Comprehensive Health Planning Areas, and Law Enforcement Assistance Areas. Six are funded by "701" comprehensive planning assistance funds, four serve as Resource Conservation and Development Districts, and one as a Local Development District.

Seventeen state agencies utilize the districts as geographic bases for delivery of state programs.

TENNESSEE

Executive Order #17 of 1968 designated eight planning and development regions for Tennessee. A subsequent amendment added a ninth. The districts are multi-purpose, but focus upon a planning for economic development.

Five of the districts, covering 63% of the population, are organized under the provisions of Chapter 13-1401 through 13-1411, Tennessee Code Anno-

tated. State support is offered through a regular appropriation (covering fixed at 25,000 dollars), and provision of staff assistance.

Eligibility for state assistance requires membership reflecting an 80% public official/20% non-public official ratio. Minority representation is required. Districts are additionally required to be public bodies and have professional staff in order to receive state support.

Federally initiated sub-state programs are largely in alignment with the district delineation.

REGION V

ILLINOIS

As of December 31, 1970, Illinois had not carried out a sub-state districting process. In early 1971, however, the state undertook an effort to establish a two-tiered system of districts focused, initially, upon creation of uniform areas for administration of state programs. The proposal includes a first tier of large regions for state purposes and, ultimately, a second tier of smaller sub-regions for state purposes and, ultimately, a second tier of smaller sub-regions for regional planning and administration of federal sub-state programs.

Formal adoption of the system is expected to have been accomplished by Executive Order by April 1, 1971.

INDIANA

Executive Order 18-68 designated fourteen multi-county planning and development regions. The order urges recognition and adoption of the regions by state agencies and establishes the Indiana Division of Planning as administrating agency. Seven state agencies currently utilize the boundaries.

At present, none of the state designated districts have organized, and federal sub-state program administration is only partially in conformance with regional boundaries. A proposal for a statewide network of regional planning agencies is currently under consideration by the Indiana Legislature. A number of councils of government are in existence under general state statutes for interlocal cooperation.

MICHIGAN

Thirteen state planning and development regions covering the entire state are officially designated by Executive Directive. The directive requires conformance where possible by state agencies in functional planning and delivery of governmental services. While Michigan's emphasis to date has been upon utilization of regional boundaries for state administration, delineation was designed to support the evolution of a uniform system of multi-purpose, sub-state units.

Michigan Statutes (Act 281, Act 46, and Act 7) enable multi-county regional planning commissions and economic development commissions upon local initiative. Sub-state organizations presently include two councils of governments, two metropolitan area regional planning commissions and six organizations which combine the characteristics of regional planning commissions and economic development commissions under Michigan's Enabling Statutes.

The state does not yet provide support to sub-state regional and a uniform comprehensive planning capability does not yet exist within the regional boundaries.

Administration of federally initiated sub-state programs does not generally conform to the state regional delineation pattern.

MINNESOTA

State action toward establishment of sub-state districts has progressed rapidly in Minnesota since 1969. Under Chapter 1122, 1969, Minnesota Laws, the Governor, in his role as State Planning Officer, is empowered to designate sub-state "development regions".

Executive Order #37 (issued 4/3/69) established a system of eleven such regions to be utilized for multi-jurisdiction regional planning and administration of federally initiated sub-state programs.

Under Chapter 1122, regional organizations are public bodies and are supported by the state through ad hoc appropriations and provision of technical and staff assistance. Two regional organizations encompassing 60 percent of

Minnesota's population had fully organized by December 1970. Establishment of a regional organization is dependent upon exercise of local initiative.

Some degree of modification is expected in Minnesota's delineation pattern. Executive Order #37 provided for realignment of counties upon affirmative petition to the Governor. As of January 1971, the state was considering a realignment into twelve regions. Compliance by federal agencies administering sub-state programs is expected to follow finalization of the districting pattern. Districts, once organized and carrying out a regional planning function, will be designated as A-95 Clearinghouses.

OHIO

Ohio has not yet undertaken official state designation of a uniform set of sub-state districts. The existing structure is based upon an ad hoc arrangement of councils of government and regional planning commissions. These agencies carry out areawide planning and, in metropolitan areas, serve as A-95 Clearinghouses.

State support to sub-state organizations is currently limited to provision of "regional advisors" and technical assistance.

The state is currently studying a proposal for establishment of a two-tiered system of multi-purpose districts and enabling legislation (House Bill #26) has been introduced into the current legislature.

WISCONSIN

Executive Order #22 (August 1970) designated a set of eight sub-state districts in Wisconsin. The districts are multi-purpose; designed to serve as geographic units for planning and delivery of state programs, coordination of local planning efforts, and uniform alignment of federally initiated sub-state programs.

Eight regional planning commissions, enabled under Section 66.945 existed prior to official district delineation and are encouraged to conform over time to the state initiated boundaries. At present, the jurisdictions of three commissions are in or near complete alignment.

Federal program conformance is presently incomplete, but motion toward alignment is underway. Districts will be designated A-95 Clearinghouses as organization progresses.

Eight major state agencies (comprising the Governor's working cabinet) are required by Executive Order #22 to conform to the district pattern.

REGION VI

IOWA

Iowa established a set of sixteen sub-state districts by Executive Order #11 of 1967. The district concept has not been actively utilized, however, until very recently. There are no officially recognized district organizations at present, but Iowa is undertaking a program to invigorate its district system.

District organization will be in accordance with Iowa's Joint Exercise of Power Statutes and state support will be in the form of staff and technical assistance. State planning officials are exploring the possibility of regular state funding to a model district, and are seeking packaging of federal planning funds to support staff for district organizations.

KANSAS

A set of eleven multi-purpose sub-state districts were designated in February 1971 by Executive Order. District organizations will be regional planning commissions enabled by Kansas Statutes (KSA, 1969 Supp. Ch. 12-716).

State support is provided in the form of staff and technical assistance upon request. At present, two districts have organized and have some staff capacity. District commissions will be designated as A-95 Clearinghouses as sufficient staff capacity is reached.

MISSOURI

Missouri established twenty sub-state districts by Executive Order in 1967. The Order, issued under authority of Missouri Senate Bill #14 (Ch. 251, CRSMo, 1967 Supp.), recognizes Missouri's twenty multi-purpose sub-state dis-

districts as necessary to effective coordination of local planning efforts, and encourages state agencies to utilize them in planning and delivery of state grant programs.

All twenty districts are organized and staffed at present. State support is offered by regular appropriation and provision of staff and technical assistance. District organizations are called Regional Planning Commissions, but are composed of elected officials. All are public bodies.

Federally initiated sub-state programs are in conformance with the district patterns, and all district commissions (6 metropolitan and 14 non-metropolitan) serve as A-95 Clearinghouses.

NEBRASKA

Nebraska utilizes a set of twenty-six multi-purpose sub-state districts. These were established by Gubernatorial action on authority of Legislative Bill 536 (1969). District organizations are formed under Nebraska's Interlocal Cooperation Act (Ch's 22-2201 through 23-2207 Neb. Rev. Stat.). All are public bodies.

At present, four districts have organized. Three are metropolitan and one non-metropolitan. State support is offered by a regular (formula) appropriation, state matching of certain federal program funds, and provision of technical and staff assistance on a regular basis.

Compliance with the district pattern by federal sub-state progress is satisfactory. Both Comprehensive Health Planning Areas and Law Enforcement Assistance Areas are in complete conformance. The four organized districts serve as A-95 Clearinghouses and the remainder will be designated as sufficient staff capability is reached.

REGION VII

ARKANSAS

Arkansas utilizes a system of fourteen sub-state districts. Six are metropolitan, areawide Regional Planning Commissions or Councils of Governments enabled under Act 26, 1955. The remaining eight are Economic Development Districts enabled and designated by Act 118, 1969. The district system was established for coordination of local planning and development activities, and as a basis for uniform alignment of federally initiated sub-state programs.

State support for the eight Economic Development Districts is by regular appropriation and provision of technical and staff assistance upon request.

The six metropolitan, areawide agencies are organized in accordance with federal requirements, while the eight Economic Development Districts must organize in accordance with Act 118 in order to receive state support. The act requires that the EDD's be public bodies, composed of a majority of elected officials. Professional staff is a condition of assistance.

All fourteen districts have been designated as A-95 Clearinghouses and receive funding as "701" Comprehensive Planning Agencies. Seven are Comprehensive Health Planning Areas and the boundaries of Arkansas' two Resource Conservation and Development Districts are coterminous with district boundaries.

LOUISIANA

Eight sub-state districts were established by administrative action in 1970 under authority of Act 288 of 1968. These districts provide a geographic basis for statewide planning efforts, A-95 review and comment procedures, and uniform alignment of federally initiated sub-stage programs.

Development of district organizations is underway. The districts were formed in parallel with existing Economic Development Districts and an EDD staff exists within each. Metropolitan areas within the districts have established regional planning commissions within their boundaries, and each district has a district A-95 Clearinghouse board composed of state and local elected officials and representatives of several public bodies.

Federally initiated sub-state programs are reported in satisfactory conformance with the district boundaries. State support to the districts is provided in the form of staff and technical assistance upon request.

NEW MEXICO

A system of six sub-state districts was adopted by Executive Order #1 in January 1969. District organizations are formed at local initiative under New Mexico's Joint Exercise of Powers Statute (Art. 22, Sec. 4-22-1 through Sec. 4-22-7), or under a specific statute enabling regional planning commission. Two districts, one metropolitan Council of Governments and one Economic Development District, have formed.

State support is provided in the form of staff and technical assistance, but alternate proposals are before the 1971 legislature. One proposal would provide a regular appropriation to district organizations, and another would allow district boards to exercise taxing power.

Federally initiated sub-state programs generally conform to the district delineation. A-95 review and comment is carried out by the two existing district organizations.

State agencies are directed to utilize the delineation pattern in planning and delivery of state programs.

OKLAHOMA

Oklahoma has utilized a system of eleven sub-state districts since June, 1968. Senate Bill 290 of 1969 established legislative authority for state action toward further organizing the system. The eleven districts were formed on the basis of existing Economic Development Districts and eight are organized and functioning.

In the absence of specific statutory requirements for district organization, Oklahoma's district organizations are formed in accordance with Economic Development District guidelines. State support is offered through matching of federal planning assistance funds and by provision of staff and technical assistance.

Federally initiated sub-state programs are moving satisfactorily into conformance with the delineation as are Oklahoma's state agencies. The districts are seen as multi-purpose and are intended to provide a basis for coordination of local planning, uniform alignment of federally initiated sub-state programs, and administration of state programs.

TEXAS

Texas' system of twenty-one sub-state planning regions is among the most highly developed in the nation. Regional boundary delineation was accomplished by Official Memorandum (Executive Order) in December 1968 to provide standardization of boundaries for local, state, and federal sub-state activities. District organizations, called Regional Councils, are established at local initiative under Article 1011m V.A.C.S., as amended, to carry out planning and development activities within the standardized boundaries.

There are twenty-three Regional Councils within the twenty-three districts (three districts have two councils and one district has not organized at all). Regional Councils must have at least a majority of elected officials as members in order to receive state assistance. All are public bodies.

Assistance is by regular, formula appropriation; provision of certain state functional planning funds, and staff and technical support when requested. Professional staff is an additional requirement for state assistance.

All Regional Councils serve as A-95 Clearinghouses, Law Enforcement Assistance Areas, and metropolitan or non-metropolitan "701" Comprehensive Planning Agencies. Six Economic Development Districts are coterminous as are three Comprehensive Health Planning Areas.

All major state agencies utilize the Regional Councils in the development of their plans and programs. Eight utilize the district boundaries or combinations in delivery of services.

REGION VIII

COLORADO

Colorado has not designated sub-state districts by legislative or gubernatorial action. A set of twelve districts has been established, however, by the Colorado State Planning Office. These districts are utilized for coordination of local planning, and serve as A-95 Clearinghouses. Six of the twelve have established areawide organizations under statutes enabling multi-jurisdictional planning.

State support is in the form of staff and technical assistance and matching of federal planning funds.

MONTANA

Montana has not yet adopted sub-state districts. A proposed delineation pattern would establish a set of twelve multi-county regions for use by all state agencies.

NORTH DAKOTA

Executive Order #49, issued in September 1969, established eight sub-state districts for planning and administration of state services. Multi-jurisdictional organization within the districts is guided by North Dakota general statutes enabling interlocal cooperation (Chapter 11-35, North Dakota Century Code). At present, no district has staffed organization covering all or most of its area. Insofar as sub-state districts are focused upon delivery of state government services, however, organization has not become an issue in North Dakota.

No regional A-95 Clearinghouses have been designated, and boundary conformance by federally initiated sub-state programs is varied.

The North Dakota Departments of Health and Public Welfare are now in compliance with the delineation pattern.

SOUTH DAKOTA

South Dakota established a network of six sub-state districts by Executive Order in December, 1970. The districts form the geographic basis of multi-purpose organizations for coordination of local planning, uniform alignment of federally initiated sub-state programs, and administration of state agency activities.

At present, one district has an organization which covers most of its territory. The remaining organizations will be formed at local initiative under general statutes enabling multi-jurisdictional planning.

State support to the districts is offered in the form of staff and technical assistance.

Federally initiated sub-state programs are in a high degree of conformance with South Dakota's district pattern. At present, CAMPS, LEAA, CHP and CAA programs are in complete alignment, and others are moving toward conformance.

All state agencies are required to utilize the pattern under the Executive Order and South Dakota reports excellent progress at all levels.

UTAH

Sub-state districts were established by Executive Order in May 1970. The order establishes eight districts and encourages formation of multi-county associations of governments composed of elected officials, and organized under Utah's Interlocal Cooperation Act of 1965. The eight districts are clearly established as multi-purpose bodies for coordination of local planning, uniform alignment of federally initiated sub-state programs, and planning and administration of state agency activities.

At present, state support is in the form of staff and technical assistance, but a current legislative proposal would establish a regular state appropriation and would require organizational conformance as a condition of such assistance.

Federal programs are moving toward compliance with Utah's districts. Two serve as non-metropolitan regional clearinghouses under A-95, and the remainder will be designated when sufficient staff capability is reached. Both Utah's two Economic Development Districts and two Comprehensive Health Planning Areas conform and all eight sub-state districts serve as Law Enforcement Assistance Areas. Utah has two "701" districts, one metropolitan and one non-metropolitan. Both are in conformance.

With the exception of Education and Natural Resources, planning and delivery of services by state agencies will be in accordance with the district alignment by the end of 1971.

WYOMING

Wyoming does not utilize sub-state districts and has no immediate plans to do so.

REGION IX

ARIZONA

Executive Order 70-2 established a system of six sub-state districts in Arizona. Two are metropolitan and the remaining four non-metropolitan. The districts are multi-purpose and are enabled under Arizona Statutes Enabling Joint Exercise of Powers. State officials indicate that organization of all districts will be complete by July 1, 1971. State agencies are moving toward adoption of the district delineation at present.

CALIFORNIA

California has established nine sub-state districts for coordination of local planning and administration of federally initiated sub-state progress. In the absence of specific legislation enabling sub-state organizations, district bodies are established under California's Joint Exercise of Powers Statute and are voluntary in nature.

State support is offered in the form of matching funds for some federal programs. Five of California's nine districts are presently organized.

HAWAII

Hawaii's system of government has precluded the need for sub-state districts. Each of Hawaii's four counties has a planning department and each of the Neighbor Island Counties (Hawaii, Maui, and Kauai) has an economic development agency.

The Department of Planning and Economic Development serves as the coordinator of all planning activities and is the state A-95 Clearinghouse.

NEVADA

Nevada does not utilize a statewide set of sub-state districts at present. There are currently four multi-jurisdictional planning agencies in existence; two metropolitan areawide bodies in the Reno and Las Vegas SMSA's one multi-state agency (Lake Tahoe Regional Planning Agency—California/Nevada), and one multi-county economic development authority established under special enabling legislation. All were formed at local initiative and state support is limited to ad hoc matching of federal funds.

Nevada is undertaking a sub-state districting proposal for submission to the Governor early in 1971. The proposal would create a network of multi-purpose agencies throughout the state. Companion legislation encourages formation of regional planning bodies under Nevada's interlocal cooperation act, and would establish a program of state financial support to agencies so established.

REGION X

ALASKA

Alaska has not adopted a system of sub-state districts.

IDAHO

Idaho does not presently have a system of sub-state districts. A proposal currently under consideration would create a set of six multi-purpose districts by the end of 1971. Adoption would be by Executive Order.

OREGON

Oregon's system of sub-state districts is highly developed and provides a uniform basis for coordination of local planning, alignment of federally initiated sub-state programs, and planning and administration of state programs. The system was adopted by Executive Order #68-11 in 1968 (subsequently modified by Executive Order 01-170-3 in February, 1970). There are fourteen multi-purpose districts in the Oregon system and thirteen have organized District Councils of Governments under Sections 1990.003 through 190.110, Oregon Revised Statutes.

Oregon's system of District Councils provides a single focal point for multi-jurisdictional planning within each of the designated districts. They serve, as well, as the A-95 Regional Clearinghouses.

State support to the District Councils is by regular appropriation as well as through provision of technical and staff assistance. Councils are public bodies and must be composed of at least two-thirds elected officials (these must represent at least three-quarters of the aggregate population within the district).

Federally initiated sub-state programs are generally aligned with the district pattern and all state agencies are directed to utilize the boundaries.

Oregon's system includes flexibility in the coordination of local planning by allowing the formation of sub-district Councils of Governments. Where sub-groupings of local governments within a delineated district experience specific commonality in problems or interests, they may form a council including less than the total jurisdictions in the district. Membership in a sub-council is maintained in addition to the district-wide council membership.

WASHINGTON

Thirteen sub-state districts were established by Executive Order in August, 1969. Washington's district delineation was established to provide a common basis for planning and delivery of services by state agencies.

The establishment of areawide organization for coordination of local planning efforts has been encouraged by the state, but is dependent upon exercise of local initiative. Organization of an areawide planning body may be carried out in accordance with state statutes enabling Regional Planning Commission and Councils of Governments. Six such organizations have been established and are supported by staff and technical assistance from the state.

Federally initiated sub-state programs are in satisfactory compliance and district organizations are designated A-95 Clearinghouses as they reach sufficient staff capacity.

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET

Washington, D.C., January 25, 1971.

THE REGIONAL COUNCIL CONCEPT

"On September 30, 1970, we completed realignment of the field operations of the principal Federal agencies concerned with social programs into ten standard regions, and relocation of the regional headquarters for these agencies in the same city in each region. . . .

"Furthermore, I have directed that the regional directors of HEW, HUD, the Manpower Administration, OEO, and the regional representatives of the Secretary of Transportation in each of these headquarters cities, convene themselves as a Federal Regional Council. These Councils are to develop and maintain close working relationships with State and local governments, to coordinate their grant programs in a manner responsive to other levels of government, and when necessary, to convene their counterparts from other federal departments and agencies to develop means to react better to specific regional, State and local problems."—RICHARD NIXON, JANUARY 22, 1971.

OBJECTIVES

Councils provide a framework for participating agencies to work together in defining and solving shared problems. Experience has demonstrated that as regional directors and their staffs work together, an atmosphere is developed which promotes candid exchanges, mutual respect, and an improved climate for program coordination. In this framework, councils identify problem areas in the operations of interrelated Federal programs of assistance to States and communities; develop multi-agency strategies and mechanisms to coordinate the implementation of Federal programs; and council members direct within their own agencies the necessary actions to support coordinated strategies and management. Where authority or resource are not available in the regions, the councils refer issues to Washington. Within the framework of Washington policy, councils are expected to initiate action and determine their areas of con-

centration. Councils do not arrogate any responsibilities of other levels of government; they are supportive of and responsive to State and local governments.

FUNCTIONS

Regional councils are an evolving mechanism to improve Federal interagency coordination among interrelated programs at the regional level. Experience to date has led to the identification of the council functions listed below. Others will emerge as the council system develops.

(1) *Monitor existing coordination mechanisms.*

Regional councils are responsible for monitoring the effectiveness of such existing interagency groups as the Model Cities Committee (RICC), the regional CAMPS Committee, etc. Problems that cannot be solved by agency representatives in such committees should be brought to the attention of the councils before they are referred to established Washington coordination groups such as the Model Cities Washington Interagency Coordination Committee. Councils should not attempt to review all actions of the regional bodies; they should monitor them to keep informed of the status of the programs, and should be prepared to mediate conflicts or problems that the committees cannot solve.

(2) *Design and initiate new coordination approaches where none exist or where current arrangements are inadequate.*

Councils must actively and continuously seek out new opportunities for improving interagency program coordination. Either formal or informal arrangements could be developed for crosscutting areas such as comprehensive planning, health, migratory labor, urban Indian problems, etc. Councils should be a major source of advance planning to deal with problems that have not reached crisis proportions.

(3) *Solve ad hoc special problems that involve more than one council agency.*

Councils must be prepared to deal quickly with unexpected crises that do not fit established procedures. In some cases, short-term solutions must be devised ad hoc, while longer-term actions are handled under established procedures, e.g., supporting Justice in handling civil disorders or OEP in the case of natural disasters. As a general principle, such actions are designed to support local institutions.

(4) *Develop and strengthen a real partnership with State and local government, and especially with governors and mayors.*

The councils will develop improved systems of communicating and working with State and local governments, especially chief executives. This would include such activities as perfecting the A-95 process, proposing changes in subregional Federal organization structures to mesh with other levels of government, regular consultations on cross-agency functional areas, etc.

(5) *Identify potential or existing interagency conflicts in policies, priorities, or operating procedures, and where possible develop solutions.*

This may constitute a method for dealing with the functions described above, because interagency conflicts may be an obstacle to carrying out any of these functions. Councils must be sensitive to the need for explicit definition of the conflicts that they encounter, and must be willing to confront them, rather than take the easy course of avoidance. Some conflicts may appear insoluble, but if they are serious and cannot be solved at the regional level, they should be identified for Washington action.

(6) *Improve coordination, cooperation and information exchange between agencies in day-to-day operations, and develop systematic information exchange devices.*

Councils must develop the awareness and sensitivities to the positive benefits of improved coordination throughout their organization and in their clientele groups so that the exchange of information, sharing of problems and mutual assistance across agency lines becomes a widely shared and normal part of operations at all levels. In most regions, too few Federal, State and local government officials understand the council approach, and there has been too little accomplished in disseminating the council concept down the operational lines.

The New York and Philadelphia Councils with OMB support have been working toward compatible project control systems. This is a useful first step, but more needs to be done to reduce duplication in information collection and to develop means for ready access to and utilization of a common information base.

REGIONAL COUNCIL SYSTEM

The regional councils cannot successfully perform the functions described above or attain the objectives stated if they are left to operate on their own without strong links to Washington decisionmaking mechanisms.

(1) *Role of OMB*—Responsibility for regional council liaison is lodged in the Program Coordination Division of OMB. Staff of this division will provide continuing representation with councils, participate in council meetings, and work with council staff. They will be responsible for insuring adequate staffing of council-general issues to the point of decision in Washington.

(2) *The Washington Regional Council Working Group*—The Working Group is made up of a representative of each council agency and chaired by OMB. To the extent possible, agency members of this group are those who deal directly with regional directors on program and operational matters. The group is intended to identify and staff council-generated issues and recommendations for the Under Secretaries, to develop agenda items for councils, and to review council actions and status.

(3) *The Under Secretaries*—The Under Secretaries of HUD, HEW, Labor, DOT, and the Deputy Director of OEO and the Associate Director of OMB make up the interagency body that formulates policy recommendations, provides guidance to councils, and responds to council initiatives. This group provides the top level support for and monitoring of council actions. Its members are responsible for insuring that their regional directors and Washington headquarters actively participate in council work. They also see to it that the program elements within their departments and agencies are brought into the decisionmaking process. This group is chaired by the Associate Director of OMB.

(4) *Participation of other departments and agencies*—Other agencies and departments participate in council activities, but on an ad hoc rather than a fully membership basis. In certain cases, e.g., the Office of Emergency Preparedness for natural disasters, arrangements are being developed in advance. CSC and GSA as service agencies and other programmatic agencies (USDA, SBA, Interior, Commerce and Justice) have worked with councils on specific problems. Non-member agencies are encouraged to consult with councils when they need assistance.

(5) *Relationships with Federal Executive Boards (FEBs)*—Councils should develop working relationships as appropriate with the FEBs within their regions. There are a number of areas of common concern on which councils and FEBs could cooperate (recognizing that FEBs are metro-oriented and are not established to provide Federal program coordination). The improvement of the A-95 process is an example. OMB representatives to councils are also responsible for FEB liaison and will actively support the development of effective Council/FEB linkages.

COUNCIL ORGANIZATION AND OPERATION

(1) *Decisionmaking*—Regional councils, because they are composed of peers each of whom is responsible to his own agency hierarchy, must be facilitative of coordinated program decisions, rather than decisionmaking bodies. The Council is not another level in the decisionmaking process; it does not interrupt the chain of command. It provides a forum for developing consistent strategies for decisionmaking by several regional directors with related program responsibilities. A majority of council members cannot impose actions on a minority.

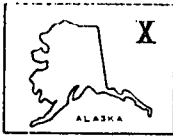
When conflicts arise, whether due to policy inconsistencies or lack of delegated authority in individual council members, they should be candidly reported and resolution sought where possible through normal departmental channels. Thus, many issues of an interagency nature may be resolved without requiring action on the part of the Washington regional council machinery. Any issue or conflict which, because of its complexity, requires decision by the Under Secretaries Group, should be sent to the OMB Secretariat to be staffed out with the Working Group for the Under Secretaries Group. At the same time it should be reported up each agency line by the individual regional

directors. Action directives to regional directors which result from Under Secretaries Group agreements will be transmitted through their line agencies.

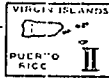
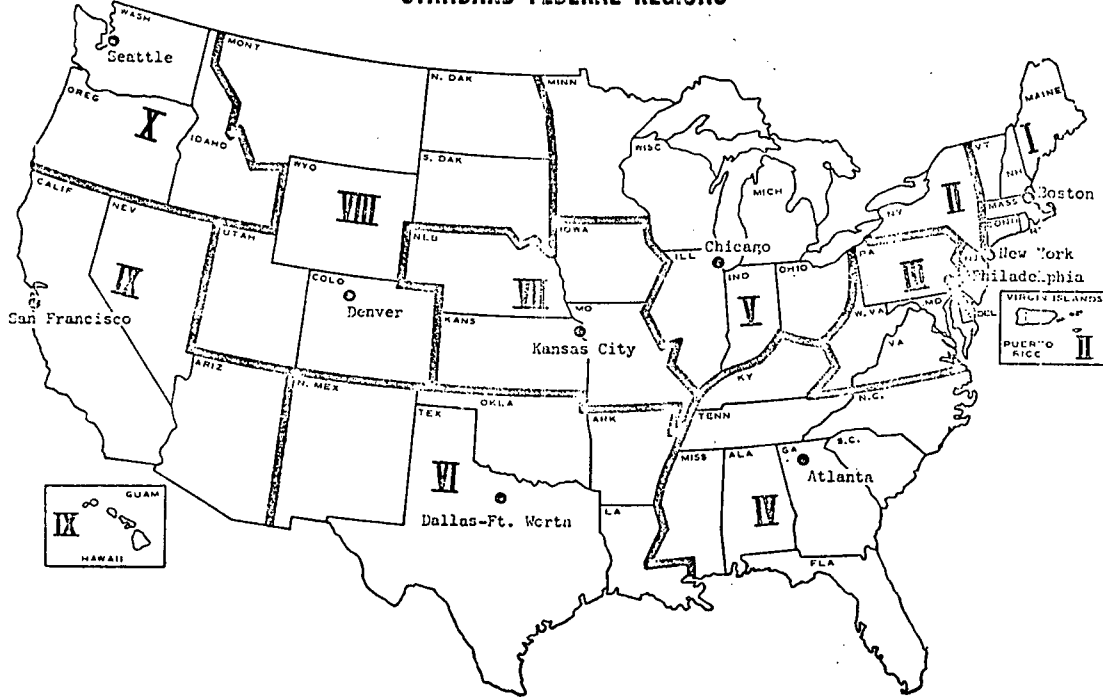
(2) *Staffing*—Regional councils will only be effective if the regional directors themselves participate fully. A commitment of significant time for council matters on the part of regional directors is a necessity. Experience has shown that such participation requires substantial staff work. Each council member should have one senior staff member (GS-14 or 15) assigned to council activities and be prepared to allocate other staff resources as needed. At least for the present, this should be the equivalent of one man-year. It is necessary, also, that the designated staff member have direct access to and frequent consultation with the council member, wherever they happen to be located organizationally. There is a preference for regional directors having a full-time member, but in the interest of flexibility a full-time equivalent may be employed.

(3) *Flexible funding*—Councils frequently identify opportunities for joint action which would significantly improve program operations. Usually, these opportunities require funding from more than one agency, and sometimes councils have been unable to proceed because of lack of flexible funds. An experimental approach has been developed where each council agency will make available to its regional directors \$50,000 which the regional director can commit to council activities. This will give the five pilot councils the ability to respond quickly to local situations, an ability that could pay large dividends in avoiding crisis and enhancing the credibility of government.

(4) *Operations*—Councils meet regularly, usually every two weeks and on the call of the chairman. Minutes or highlights of meetings are circulated to members, staff, Washington agency headquarters, and OMB. A council letterhead and stationery appears to be useful especially in contacts outside the Federal structure. To strengthen the council concept, councils should provide leadership to see that training programs developed by the agencies and CSC stress the council concept and emphasize increased sensitivity to interagency cooperation.



STANDARD FEDERAL REGIONS



Chairman BOLLING. Thank you very much, Mr. Ink.

Before I recognize Senator Percy, I will say that this committee ordinarily operates under a 10-minute rule, but I don't propose to follow that. I will rely on the members to restrain themselves.

Senator Percy has a particular problem. So I suggest, Senator, that you use all of the time you wish until you find it necessary to go on to the next committee.

Senator PERCY. Thank you very much, Mr. Chairman. I do have an appropriations markup at 11 o'clock, and I will have to leave for that.

I would, first, like to commend our chairman for these hearings. I think we have an exceptional group of witnesses coming before us who will be competent to provide very valuable insights into the practical functions of the Government today, and what we can do to make needed improvements.

I don't think there has been a time that we have had, when more people have been more bewildered about how to get at government. They feel somehow left out of the process, and this includes many of our top elected officials. I think our Governors are frustrated. They know that there is a multitude of Federal programs, but these are confusing. And they don't all stay in office as long as Governor Rockefeller of New York. They are there for 4 years, 2 years, 6 years or 8 years. And they have precious little time to figure out how to work with all of these programs. The Governor of Illinois now has a full-time office here to devise ways to use these programs, and see that they reach the people of Illinois.

I had, Mr. Chairman, a conference of mayors here last year, 85 mayors from cities in the State of Illinois, and their main problem was that they weren't in office long enough to discover what kinds of urban programs were available to them. And then when they did figure them out, it took them so long to fill out the paperwork and learn to get at the program, that they really didn't see that the assistance that the Federal Government was offering was as effective as it should be. So, we had a 2-day working session to educate them as to how they could reach the Federal Government.

And I would like, therefore, to commend Mr. Roy Ash, who has taken valuable time over a period of 2 years from a dynamic, growing business, to contribute his services to the Federal Government. It has been of great value and assistance and he has been able to cut through, I think, much of the redtape and to get to the heart of many of these problems. Some of the solutions seem so utterly simple, we wonder why we hadn't thought of them before. But when we learn how complex politically they are going to be to accomplish, I think it will only be through an education program of this type that we will have any hope of enacting them.

I would also like to say that it is a wonderful thing not only to have had such an able council, but also to have been able to retain some of the staff of the council in the White House staff. Andy Rouse—and also to have used some on congressional staffs so that the work that you have done will not be lost, and will have a continuity of staff assistance.

The Committee on Government Operations of the Senate will open its hearings on the 25th and 26th of this month, as you know,

for an overview of the executive reorganization proposals. Today's hearings give us an additional opportunity to study how government at the State and local level really works, and how it can be improved.

Mr. Ash, in your statement you argue very convincingly for a decentralization of the operations of the Federal Government to the regions, leaving the Government at Washington free to set goals and policies, to allocate resources and to evaluate. The executive reorganization bills, as presented to Congress, would create a strong regional structure. But it is going to take time to implement these bills. Can you suggest to the subcommittee any particular steps that might be taken now to promote departmental delegation to regional offices, in the period before the reorganization bills themselves are actually enacted?

Mr. ASH. I think there are a number of steps that will reach in the right direction, short of arriving at a total solution. Regional councils themselves could be strengthened, even as they presently exist, by a staff organization at the regional level. I think this can be a critical contribution.

It may well also be that departments not now represented in the regional council—Agriculture is one, Commerce is one—its Economic Development Administration—have a representation on the regional council. And, also, there can be at the regional council the presence of a strong office of management and budget representative, not with the authority to operate that council, but nevertheless to be a factor for unity, a factor for resolving deadlocks and other impasses, and a factor also for recognizing issues that might arise to a degree of criticality in the region that should be referred to or brought to the Washington level organization, where they, in turn, can deal with it before it has gone on too long. So the regional councils themselves can be, we believe, substantially strengthened even as they presently exist to improve a decentralized operation of government.

One other thing as to the regional council that can be done is that the representatives of each department on those regional councils could have equivalent grades when now there are substantially disparate grades of persons at regional Council level. It is very difficult to bring about effective coordination. So I think this is another opportunity that exists short of grand reorganization.

Senator PERCY. I wonder if you could comment on what you consider to be the greatest obstacles to greater decentralization.

Mr. ASH. Well, I suppose the greatest obstacle to any change are those who soon develop vested interest in the way a system is, whether it is good or bad. And this tends to become self-reinforcing.

As an example, first, of what can be done, and on the other hand the great obstacle to doing it, as Mr. Ink was describing, the Federal operations in Washington have themselves taken on more and more of the detailed operating decisionmaking, what we have called in our report "efficiency in the small," where instead we think they should be working at policy level. Within those departments right now, and without organization change, there can be a substantial move to strengthen the ability of the regional councils and the personnel of the departments in the field by having better people—

which goes hand in hand with having a better and more important job to be done—in effect, by placing more of the final authority for individual and grant decisionmaking in the field. That is possible today without organizational change. And it will have the effect of bringing those decisions closer to the need, closer to the understanding, and also result in better decisions, more speedy decisions, and more responsive decisions. And even as that kind of responsibility is given to the field, opportunity is provided to develop better people. One of the reasons is that better people always gravitate to where the more important problems are. And this also is a self-reinforcing process. So in terms of obstacles, a big obstacle today is that so many of the operating decisions have been reserved for Washington action. Not only does this lead to probably poorer decisions and less timely ones, but also tends to reduce the competence that is in the field. They go hand in hand. I think a big obstacle is the existing entities who resist in a normal bureaucratic way the delegation of their authority and their responsibilities further out into the field.

There is a very interesting, I think, statement made by David Lilienthal, who had considerable responsibility in regional matters. His statement was:

The distinction between authority and its administration is a vital one. For a long time, all of us, administrators, citizens and politicians, have been confused on this point. We have acted on the assumption that because there was an increasing need for centralized authority, the centralized execution of that authority was likewise inevitable. We have assumed that as new power were granted to the Government with its seat in Washington, these powers, therefore, must also be administered from Washington. Out of the lethargy and confusion, we have taken it for granted that the price for Federal action was a top-heavy, cumbersome administration. Clearly, this is nonsense. The problem is to divorce the two ideas of authority and administration of authority.

So I think an obstacle also presents an opportunity. It is the way in which Washington detailed decisionmaking instead could be delegated to the field, and in doing so, allowing the Washington operations to concern themselves properly with policy, goal setting, resource allocation, evaluation and follow-up of programs.

Senator PERCY. Thank you, Mr. Ash.

Mr. Ink, I am delighted to see you again, and Mr. Brussat, and will look forward to working very closely with you.

You described the establishment of State and local clearinghouses. What steps are now needed to make the clearinghouses function more effectively?

Mr. INK. First, I would say that the cleaninghouses have moved along more rapidly than I had anticipated. And overall, they are actually working much better at this stage of time than I had anticipated. In some areas the Federal agencies, I think, have not adequately carried out their responsibility in that direct Federal projects which are planned for different areas, for different communities, have not been referred to clearinghouses on a timely basis, but action on the proposed project by the Federal agency has not been made known on a timely basis. So some of the Federal agencies, I think, should do much more than they are now in this regard.

I think, as one would expect, that the amount of effort that States have put into the system varies. And I think the leadership that some of the States such as Texas and Arkansas and Oregon, for ex-

ample, have exhibited, has been extremely important with respect to the effectiveness of the systems as they are now functioning. Other States need to move more vigorously.

Senator PERCY. Would there be any need for a Federal statute in connection with these State and local clearinghouses?

Mr. INK. It is possible that a need may develop. But, as of now, I do not think the experience that we have to date suggests a problem of sufficient magnitude to warrant legislation. I wouldn't want to rule out that possibility after we have a little more experience with it.

Senator PERCY. And on the same general principle, Mr. Ash, you have pointed out that the 10 Federal regional councils are now little more than regional coordinating groups, and have no statutory power and no funds to disburse. An obvious question, then, would be, should Congress set out in the statutes the funds of the regional councils and establish the nature of their relationship with the departments in Washington and the States?

Mr. ASH. I guess Mr. Ink is more expert on that, on how these things can be done, and the degree to which a statute is required, versus the degree to which executive action can bring it about. And possibly he would like to answer that.

Mr. INK. Although we had earlier experience on a pilot basis, the 18-month time schedule which the President established for the regional boundary, the relocation of offices and the establishment of regional councils expired at the end of September. It is just since the end of September that these have been in operation, and they are in the shakedown period. And, again, I would feel that we ought to have at least a year's experience with something that new before determining what, if any, legislative requirements might be desirable.

I would say that with respect to funding the individuals—it is a little bit like the domestic council. The domestic council doesn't spend program funds. But the members have at their disposal a tremendous amount of funds. And they have a great deal of decision-making authority. Likewise, the regional councils are composed of the top Federal people in the field. And to the extent that decentralization occurs, they do have in totality, a great deal of funds available to them. They need greater uniformity of decisionmaking—I shouldn't say more uniformity, but greater consistency with respect to decentralization.

I might say, Mr. Percy, that I have here a chart, which I won't take the time to explain, which demonstrates what can happen through decentralization. This is a small program which has been bypassing the field and a great deal of actions and steps taking place in Washington. This has now been decentralized. And the requirements call for this quick field action in lieu of that tortuous system. Even if they don't totally achieve this goal, I think it illustrates what Mr. Ash was talking about in terms of how decentralization can tremendously cut back on the amount of time and investment of effort both on the part of the Federal Government and the grantees.

Mr. ASH. May I add one thing here, Senator. Our advisory council recommended strongly that the regional councils have a staff at their disposal serving the council as such. And we do feel

that the most likely way to fund that, probably is through a means other than depending upon the voluntary contribution of each of the departments out of the funds that they husband themselves for their own use. The likelihood of having a stronger staff, we believe, would come from providing its own source of funding. This is not meant for the Regional Council itself be on the level of government that passes through grant money, but it certainly should have enough to support the staff work done. Its staff funding would be to support the point of view of the overall perspective of the Region.

Senator PERCY. I want to thank both of you very much indeed. Our ranking Republican Member, Senator Javits, has arrived, and I would like to yield to both Senator Javits and the Chairman, and to express appreciation to the Chairman for accommodating my schedule so that I can get to Appropriations.

Thank you very much.

Chairman BOLLING. Thank you, Senator.

Senator JAVITS.

Senator JAVITS. You are very kind, Mr. Chairman. I came in because I am deeply interested in the importance of the problem. And if I may, because I am just coming out of the hearing on educational appropriations, I would like to submit to each of the witnesses some questions to be answered for the record. I would also like to express my appreciation to Chairman Bolling for the hearings, and to the witnesses for their testimony, because I consider this problem on how to rationalize the political boundaries of the American governmental units has been a tremendously important challenge but, even more important, the key as to whether anything can really be accomplished in the terms of the structure of the country unless you simply dismantle everything.

If you take my own State of New York, when you pass the New York City line from the Bronx to Yonkers, or when you pass the line in Queens from Queens County to Nassau County, you don't know that you have passed anything, it is absolutely a monolithic, economic, social, and communications system. And yet, New York City is strangled with these millions of good people moving in and out, back and forth, using the same services, the same responsibilities, the same facilities, but one group paying and one group, generally speaking, not paying.

So you are dealing with a critically important factor.

I have only one question to ask either one of you. Obviously, we cannot compel—we can't put them together in the regional organizations unless they want to be put together. What is your opinion of the corporation technique? New York State, for example, has mandated a corporation, the Urban Development Corporation, with vast powers, powers which supervene the powers of any governmental unit in the State. Now, most powers are largely unused for public policy and public opinion reasons, but they could be used. And in looking over very quickly the point you made, I didn't see that there was any particular reference to this corporation technique, that is, a government corporation, it could be government or it could be quasi-government. Do any of you have any opinion?

Mr. ASH. I will provide probably not an expert response, since the work that I have been doing relevant to organization has really con-

cerned itself with the federal government and its role and activities, both centered in Washington and in the field. But with that qualification, I will respond as to what I think is possible.

In the first place, we will probably find, as is in so many other fields, that experimentation itself would be of value. We aren't always able to find that one silver bullet that is the right answer to every problem immediately. And I think in the process of developing solutions to many problems, this being one, we should try a number of possible routes and observe what comes of those. Certainly, a corporation of the kind you mentioned could be one such.

A major example is TVA which was formed as a Government corporation. And its mission clearly was other than a broad set of programs. It was then a specific project.

But given proper authority and responsibilities, corporations, I think, could be effective mechanisms. And I presume the line of the question presumes they will not supplant the Federal Government's role in the sense that it still has one of the higher order of planning, the higher order of resource allocation. But as an implementing activity, corporations could well be very effective, providing they are given the mission authority and responsibility that does allow them to go out and do the job, whatever it is, that is set for that particular corporate entity to do at that time.

Mr. INK. I would only add, Senator, that the efforts that we were describing before you came in focus on joining together the organizational units that now exist at the Federal, State, and local level. If we work together on programs and activities that do cut across jurisdictional lines and if we work together at an early stage before these units and people have taken strong public positions, there will be time for flexibility. We think that there will probably be a need for changes in some of these structures themselves. And we have encouraged experimentation within the States and within metropolitan areas on different approaches. We think that the unigov approach that is being tried in Indianapolis; for example, is something which has a great deal of promise.

But we have not felt that we ought to prescribe for States what these are, whether they should use corporations or whether they should use some other approach. We do however encourage these kinds of pilot and demonstration programs.

Senator JAVITS. Thank you very much. And I will read your testimony with great interest.

Chairman BOLLING. I would like to open up a couple of areas. In the first one, which has been one of my preoccupations, you gentlemen may not want to comment on it, because it gets you a little out of your field in a sense. And in order to state it, it may take a minute or two.

One of the reasons that we have such an incredible hodgepodge in the Executive and in the country is the nature of the way in which the Congress organizes itself. And Senator Javits and I have been here long enough to see most of those developments take place. Once upon a time the Congress functioned in a series of standing committees. In 1946 the Congress had a Reorganization Act and theoretically reduced the number of Standing Committees—it actually reduced the number of Standing Committees. But political power

having its own beam, and the politicians having their own concerns, the Congressional Reorganization Act of 1946 rather promptly became an interesting experiment, because while the number of Standing Full Committees were substantially reduced, there sprang into being more standing subcommittees than there had ever been standing full committees. And we ended up with a much larger number of subcommittees of which individual members could be chairmen. This is one of the political problems of the world of Congress; how many people get to be chairmen.

But in the 20-odd years the involvement of the Federal Government in problem-solving doubled and doubled again. And I think it is now on the order of a geometric progression rather than an arithmetic progression. I think the figure used by Mr. Ash was that there were a thousand categorical programs, roughly speaking. And I am sure that that is not by any means an exaggeration.

One of the reasons that we have rendered such categorical programs is the establishment of all the subcommittees and the legislative process to which the Executive responds both in structure and in political terms has become more and more fractionalized. Consequently, the programs have become more and more fractionalized. There is no such thing as a Federal aid to education as everybody knows. It is, I don't know how many dozens of categorical programs each of which has got some kind of relationship to the subcommittees that created them, and to the response by the Executive within the Executive.

So it seems to me very clear that any rational expectation for an effective, fundamental reorganization of the Executive requires some consideration of the Congress.

Now, it may be inappropriate for a member of one body to ask a distinguished industrialist who has given of his time to the Federal Government, and a worthy public servant who has given many years of his time to the problem involved, to comment on this in any but the most general terms. But I will give you the opportunity to say that you care not to comment, you wish to comment very generally, or if you choose, you may be more specific. But is there any validity in the notion that the present condition of the Executive, in part, is the result of the way in which the Congress organizes itself, and if there is any virtue in that position, is it not necessarily a major part of the problem in achieving any action to improve the organization of the Executive?

Mr. ASH. I will make a brief and general comment.

I certainly join in your observation. And, also, to draw from the language of the logician, power in Washington, that is Congress vis-a-vis the Executive Branch is not a zero-sum game; what one does to improve its operations need not be accompanied by reduced power of the other branch, but both can be improved toward a better total government. I would hope that a consideration of Congressional organization as it relates to proposed Executive Branch organization does realize that this is not a zero-sum game, where one gains at the expense of the other. There is always room for improvement. I think also as we observed regarding the Executive Branch, in today's world, with its pace and scope and complexity, so increasing, as you have indicated, no government organization, no organiza-

tion of any kind can stand still, it really must consider itself always in some kind of transition, good for today but worthy of reconsideration for tomorrow and the next day.

Now, this is obviously difficult in government, and difficult in all kinds of organizations. Vested interest set in, and set in soon, and harden soon. But it seems to me that all of our structures, without talking about Congress in particular, the Executive Branch, or industrial organizations, or professional ones, or educational ones, must be viewed as transitional ones. All organizations must be flexible and responsive to our changing values, our changing goals and objectives, because organizations really are put together to serve goals and objectives, rather than to serve themselves. I think that this is difficult for people in all organizations to live with, the fact that there is always a degree of unsettlement, which they should not only be prepared to live with, but deliberately encourage and introduce into an organization. The balance between stability and its virtues and deliberately induced instability by change is one that has to be brought into our organizations. And I would certainly subscribe to the thesis that all organizations, not centering on the Congress any more than the Executive Branch, should give more effort than they ever have before to properly strengthen themselves to meet the needs of the day, not to meet the needs of earlier days.

Chairman BOLLING. Thank you.

Mr. Ink.

Mr. INK. I would agree that the impact of how Congress is organized and how it functions is much greater with respect to the way in which programs are carried out than most people outside of Washington realize.

I would like to add that much of our problem in my judgment actually results from very sincere, dedicated people in the Executive Branch and in the Congress, and in outside associations and organizations, who see and feel, and I think rightly, a need for zeroing in on a specific social or economic target where a problem exists. In zeroing in there is the natural inclination to want to protect that area, for whatever funds might be fought for and finally achieved, there is a desire on the part of all three groups to build a little fence around it, a protective device of procedures and requirements.

In looking just from the standpoint of that particular target, one can make a pretty good case for the procedures. But what we must look at, I think, from the standpoint of the Congress and from the standpoint of the President, is the way that this really turns out from the standpoint of people across the country, people who are not fragmented in thousands of different ways the way our grant program is. We are concerned with a totality of these fences we have built. The totality of these fences is a maze of administrative requirements and procedures, which is unbelievable. The requirements that are placed upon State and local governments are so numerous and so voluminous that no one has been able to account for them, no one in this country, including Washington, knows how many there are.

We have a computer program that we had developed last year to identify some kind of systematic listing of the requirements of about one-third of these programs.

Now, we had to computerize this, and we grouped the requirements by 15 main categories. Yet we expect the State and local officials to know what all the requirements are and we expect them to comply with the procedures and requirements. We audit them to make sure that they do. And the General Accounting Office audits us to make sure that we audit them. And then we wonder why the State and local governments do not move effectively. We wonder why they don't understand what we have in mind, and why they don't follow all of these procedures. The State and local officials spend so much time trying to follow the procedural requirements that it diverts scarce resources to modernizing their own government.

So that standardization, simplification, and decentralization, all of these things are critically needed, and they are urgently needed. And we do need the support and cooperation of Congress in achieving it.

Chairman BOLLING. Gentlemen, I would like to congratulate you both on having handled a delicate subject very well, and at the same time being very explicit. I think the proof of what you suggest can be easily demonstrated by two examples.

I helped invent, at least intellectually, more than 20 years ago, as a retreat from a general Federal aid to education proposal, something called Federal Aid to Impacted Areas. It was a retreat in the education field, because we couldn't achieve what we thought was better. And that thing has become a monster that nobody can touch. I don't know how many Presidents have recommended some change in its funding. And to the best of my knowledge, it resists any and all Presidential efforts. It is not that it is in itself so bad it is just that there are so many other educational programs that would be so much better.

And the other one is a true story of the political process as the Executive may affect it. Once upon a time—and I can put the names of the State in—redistricting resulted in two Congressmen being in the same District. And one of them was supported politically by the President of the United States, and the then Secretary of Agriculture. The other one was supported politically by a nonpolitical organization, a number of the bureaus of the Department of Agriculture. And when it came to little political goodies that help people seeking reelection to impress their constituency with their power in Washington, it was not the man supported by the President of the United States or by the Secretary of Agriculture who got the political information, the bureaucratic information that was politically valuable. And I just think that it is sort of an interesting example of the relationship between the two problems.

And I happen to believe that while the President's reorganization plan may be very worthy, it so clearly flies into the face of a vast number of powers and subpowers on the Hill, that it is not doomed to ultimate failure, but it is doomed to the most remarkable set of difficulties, none of which will ever be made explicit by anybody. Because all of the different power structures will automatically, as you recognize it—and perhaps you can't say it as brutally as I can—will automatically combine together to avoid any change.

And that leads me to really my next question. I am curious—and you, Mr. Ash, will have to answer this—am curious as to, in devel-

oping the recommendations of your committee that were so much followed, how much consideration was given to this kind of a power dilemma? Because I am trying to figure out in my own mind, what kind of a program we are embarked on. I know when I wrote a book that was considered radical when it was published in 1965, suggesting the reorganization of Congress in rather drastic ways, I was considered not radical but insane by my colleagues. Events changed the circumstances, and some of the arguments that I suggested were about long before I had expected them to be, and clearly hundreds of years before my colleagues had expected them to be. And I am curious about the strategy. And I need to answer that question, not because I am being political but because it is part of the problem that I have in understanding why you didn't propose certain things that I am going to ask you about later. There is no mystery; why not great decentralization of the Presidential power, which is curiously the unitary power of the Executive?

I guess Mr. Ink could give me examples. But there is really only one Executive. Congress has bollixed it up pretty thoroughly, but there is really only one Executive. And he is a man that has a great many assistants, even millions of assistants. But I am curious about the strategic considerations.

Mr. ASH. Right at the beginning of the President's Advisory Council's work, the mandate the President laid down was to consider the ways in which the organization of the executive branch might be improved, unfettered by, and unbiased by, in consideration of the political possibilities of doing it. We were charged with coming to the best organizational solution and the President—the White House—would worry about the political feasibility of it, because if the Council had attempted to second-guess or otherwise determine political feasibility or infeasibility, he would not have had laid in front of him the ideal organizational goal, the desired objective. So in order to provide a product from which he could work himself, he gave us a mandate to consider what the organization should be, and not have our thinking diluted, diverted, and otherwise modified by attempting to guess its political feasibility.

I think there is another element of strategy, if we may use that word. Just as your own book suggests there are many times in the course of events where a subject needs to be legitimized for consideration and discussion even though not every element of it is immediately implemented. I think that at this moment, in this subcommittee of your own and in this hearing today, everything leads to the inescapable conclusion that from the grass roots to the highest levels of government administration, effective organization is today a very proper and legitimate subject for serious deliberation and serious consideration, and it won't die tomorrow just because each and every element of a series of recommendations is not immediately implemented.

Now is the time to do all that is feasible and politically possible. And we believe that we have recommended to the President, and he, in turn, has proposed to Congress, the direction, the goal, and the kind of organizational structure that the Government should have. And this open proposal we believe, is much better than merely letting the discussion go on in the backrooms. To legitimize it at this

time is probably a very timely and proper thing to do from just a strategic point of view, using your term as to why this is up for consideration now.

Chairman BOLLING. I think that is a very frank and very perceptive answer.

Do you care to comment on that, Mr. Ink, or shall I go on?

Mr. INK. A couple of minor comments, Mr. Chairman. The greater receptivity and interest shown on the part of the country to change concerning the boundaries that we are talking about involves a concept that had been considered in earlier days, and which was not found possible to do but was possible now. When we first started out, most of the people we talked to said it couldn't be done; to go nationwide all at once with in this group of departments was literally impossible. And we had all kinds of examples where major steps had been proposed and had gotten nowhere.

Now, because there is a greater receptiveness and a greater interest in change; and, because when one approaches it on an overall basis, so that one can see some overall rationale, it begins to appeal to a much greater group of people than the previous timid piecemeal approaches.

Chairman BOLLING. I think that is valid.

One of the things I have wondered about, having known the proposal in one form or another for about 20-odd years, I have wondered ever since the relatively uneventful success in getting a regional setup agreed to, I wondered if it had been proposed earlier, if it might not have happened too. I don't know. I don't need a comment on that. You just can't tell. That is one of the imponderables. But it wasn't proposed earlier by the President so clearly that this President gets the credit for getting it done.

But I would like to ask you to direct your attention to the section of your prepared statement, Mr. Ash: "The Council considered having the regional chairman of the OMB Staff man be the direct representative of the President, appointed by him with powers to resolve differences among agencies. While such an officer would substantially strengthen the Regional Council and vastly improve its coordinating role, we concluded that such a regionalization of the President would be inconsistent with our national concept of the separation of Federal, State, and local governmental powers, and would create a wholly new view of the constitutional delegation of the authority of the President." In the light of how you responded to the earlier question, I would like to enlarge on that, and perhaps in some detail explain to me why the regionalization of the Presidency would be inconsistent with our national concept for the separation of the Government and so on.

Mr. ASH. Now, our thinking behind this—and we did go through the process of thinking it out as one of the alternatives—was a regional chief executive, in effect. And as we said here, the main limitation to that was that we would be changing the fundamental perception of what government is, the perception not just by Congress as we discussed a few minutes ago, but we feel that the people of the whole country would conclude that this should represent a fundamentally different concept as to the nature of the relationship between the Federal Government and the city and State governments.

We instead concluded that we could get much of the value expected of such an executive without at the same time fundamentally changing the perceived structure of the whole of the Government. That value would be realized by having a strong, competent OMB executive, who would be there as a catalyst, as an expediter, as one in a sense observing on behalf of the President's office, because OMB is an integral element of the President's office, without the authority, however, to be more than a catalyst or an expediter. On the other hand, he should be able to get a lot done, and to be able to refer back to Washington, either to the President's office or to whichever department is involved, those kinds of issues that had come to a point of impasse, come to a point of the need for Washington's attention. So we think that we can get most of the substance of an executive's presence without at the same time creating in the minds of the people the impression that we have fundamentally changed the government structure. In this way only did we consider political feasibility politics right back to the Constitution, and 200 million people's perception of their government. How Congress will respond to this or to that, was not our consideration. For this reason we could not recommend an executive presence with the full authority of the President in each region for we would have gone to a different concept, not just a decentralization, but we would have gone to a fundamentally different concept of government than was originally conceived and is still implicit in the Constitution itself.

Chairman BOLLING. I don't want to unduly prolong this particular question. But how would it differ for the President to have, whatever his title, a man in charge of decisionmaking in region A, and a Commander-in-Chief's designation of a commander? I am not suggesting that we militarize the civilian arm, but it seems to me fairly clear that there is nothing unconstitutional about the Commander-in-Chief having a field commander in Europe and in the Pacific, as in World War II, for example. And I don't understand where the constitutional dilemma is. You are going to have to explain it to me.

Mr. ASH. I think there is one difference that makes such an analogy not exactly fitting. The commander commanded forces in his field toward much more narrowly determined objective, whereas in the programs that we are here talking about, the domestic programs of various kinds, there is still national policy to be set, national resources to allocate and a variety of tradeoffs to be considered centrally. This requires, we believe, the strengthening at the departmental level of its policymaking roles, its program planning within its own broad field, and its evaluation processes. If we were to put the President in each of these 10 districts, we feel that we would have then gone much more nearly to the equivalent of creating 10 countries, because that would be at the expense of a substantial weakening of the Federal Government role that we feel must continue on these domestic programs—determining national policies, national objectives, and an allocation out of the national pools of resources that couldn't be as well done if departmental structures were so weakend. If we were to create the 10 districts, the net effect would be to pretty well create 10 countries. And once you get a president in each of those districts, you may want a congress in each of those districts, too. The net effect of 10 "presidents", it seems to us, will

extend congressional program legislation directly to the regions without the benefit of the Federal policy level structures that we think should exist to translate a congressional intent into programs and policies. We think such an alternative would make less valuable and useful the Federal structure and create a whole different concept in the minds of the people of what government in total is.

As Mr. Ink just stated, I am not referring to the Constitution in the literal sense but in a philosophical one.

Chairman BOLLING. I have no objection to the use of the word. I think it is important, however, to remember the statement that you quoted from Mr. Lillienthal. And it is important to say, since we are dealing in philosophy—and I am glad that we have got it clear that that is what it is—it is very important to recognize that a very limited part of the function of the President would be decentralized to a regional czar, to use the shorthand, who would make decisions on the spot, a very limited part of his total power, because the President has and always has had despite the mythology of some, a vast legislative power. He has got the strongest single legislative power that exists, the right of veto, which is a legislative power. But I don't want to burden you with a detailed argument on this. It seems to me that you can conceive and I think it would be very important for the people to understand exactly what you are doing—it is a very limited delegation of Presidential powers of very important consequences which would not confuse the body politic.

But I honor your adherence to the view that you clearly thought about.

Mr. ASH. Let me elaborate in one other degree here. A fundamental organizational concept that we believe is important is the one of accountability, responsibility for results. The way in which authority is delegated we believe, should always keep in mind the need for a clear accountability for results. If there is a Presidential authority in the fieldmaking decisions relative to programs of individual departments, even in a narrow sense, he would be applying it at the expense of being able to hold accountable the Secretaries of those departments. He would, in effect, be taking back some of the delegated authority for which he later will want to hold them responsible. And it seems to me that that, in itself, would be a step in retrogression. When everybody, as we have said a number of times, is responsible, nobody is responsible. One of our basic thrusts in conceiving of proper organization is to make sure that we fix and focus upon responsibility and accountability. The Theater Commander—let's take TVA or COMSAT, or something like that—in each case the agency to which authorities were delegated also were charged with clean and clear accountability and responsibility for results. But, if you had a Presidential presence making decisions in a region, every decision he made would be relieving the head of a Department from some part of his accountability, some part of his responsibility for those areas that the President and the people and the Congress are looking to him to perform. And you would end up with each being able to point to the other and say, it was his fault. We feel it is indeed a very valuable part of any organization to be able to hold somebody responsible, somebody accountable. The motivation that comes to an organization by knowing clearly that it is responsible,

we feel, is an important matter. So to put the Presidential presence there would be to stay where we are right now with so many programs—where nobody is responsible. And when nobody is responsible, the levels of performance and the levels of motivation really are substantially weakened. But the presence of an OMB man, without authority, allows him to be an influencing factor, but nevertheless has not removed the accountability from others for the results of their own work and that for which they are charged.

Chairman BOLLING. In other words, if I understand the argument, it is that this is an argument that has to be related to the reorganization plans accomplishment, once the plan is accomplished, then you will have a lesser area of conflict between Departments than you now have which gives rise to the dilemma that you seek to solve by decentralizing a portion of the President's power to two regions. Because, of course, the reason I think of the possibility of an alternative approach is the difficulty I find in my observation of getting any clear definition between Departments. It is not only the difficulty we have in education within HEW, but it is the difficulty we have in education between HEW and a range of other Departments, which I am sure the Office of Management and Budget has an interest and experience with on a daily basis. But the dilemma is a conceptual one, really. Or am I wrong?

Mr. ASH. I think you are exactly right. The fact that there have been identified 850 interdepartmental coordinating entities—although some have become inactive but they were all created with the intention of being active—has been a way to attempt to patch a system rather than reconstruct it in a form that might be more effective. So the basic thrust of our organizational recommendations is to eliminate as much of the patching as possible. There still will be interdepartmental coordination necessary. But when one gets to 850 entities at the Federal level alone, dealing with domestic programs alone, and their interdepartmental coordination, one can't help but conclude that there should be a better way.

Chairman BOLLING. Now, the other aspect of this that I am interested in pursuing a little bit is our frame of reference with regard to State and local programs. To be perfectly frank about it, one of the things that disturbs me about the total package of revenue sharing—which in itself, except for the special revenue sharing, seems to me to be very clearly a matter of organization as much as anything else, although it does have other aspects but—there is something more than just a reorganization in special revenue sharing, but the problem that I have with it—I am not going to plead nonpartisanship, although I think in this matter I am probably as close to non-partisan as you can get—the problem I have is not a partisan problem. The problem I have is, it seems to me, a wholly objective problem. I think, just to put it brutally, that if the Federal government is confused and unfit to perform the mission assigned to it, by people in a general election, it is almost incredibly better by comparison than many, not all, State and local governments. The thing that disturbs me about the passage, as we look at it of reorganization, of revenue sharing, is that at least in my view it tends to reinforce what I will call—I don't approve of using moral terms in that area—but the evil ways of State and local jurisdictions. We have tax

systems—not in every case—that are grossly unfair. We have methods of administration which in and of themselves couldn't possibly succeed. I am not talking about corruption, I am talking about just a totally irrational approach to the problems of collecting money for public purposes and using it for public purposes. The dilemma that confronts me is—and I am not in any way questioning anybody's motives in this—it seems to me, that the total package if adopted of revenue sharing and of reorganization, might give a thousand excuses to many local entities not to do a thing.

Mr. ASH. I will answer that, and I am sure Mr. Ink will also.

There is the form of a vicious circle that goes on, and at some point it needs to be broken. And that is the circle by which gradually removing authority and responsibility from local entities tends to atrophy those entities. When the jobs to be done are unimportant, unimportant people tend to gravitate to them. What is necessary is to attempt to turn the circle the other way, to go all the way, and now place into the hands of local officials—that many times are criticized for being ineffective—gradually increasing responsibilities and thus develop their capabilities. I think the direction has to be turned.

Again, Lillienthal observed in some of his works: "The often flabby muscles of community and, individual responsibility will never be invigorated unless the muscles are given work to do."

In effect, there needs to be a gradual succession, it seems to me, of the steps that make more important the local jobs to be done. The executive management grants that have been incorporated in the special revenue sharing proposal, reflect the objective of the Federal government to improve the capability of the local operations, State and city level. Their whole managerial capabilities need to be improved. But they won't be improved in a vacuum, that is, without having sufficient exercise for those muscles to work upon, without having increasingly important duties and authority for them to respond to, to be accountable for. They go hand-in-hand.

I have in mind, without naming it, a major corporation in this country, which took 20 years to go through the cycle of effective decentralization. Over an earlier era, powers had been gradually centralized until the people that represented the decentralized part of the organization were senior clerks, not competent to deal with the higher order of problems. Rather than declaring them executives, the next day, and giving them authority—which wouldn't have made them executives, because over a period of an earlier generation they had gradually atrophied by the better ones leaving, or at least good ones not coming in—a reversal was planned over a 20-year cycle, step-by-step; they paralleled increasing authority and responsibility with selecting and placing better people in the jobs. And I think the key here is to turn the tide, not to declare every city and State government all of a sudden totally competent, but not to declare it incompetent either; to begin a program that parallels the assignment of increasing authority and responsibility with Federal programs to increase the capabilities of the local government structures. But the best way to make sure that we don't have competence in our structure throughout the country is to take all authority and responsibility into Washington. That, more than anything else, will ensure that we will never have the competence that we need in the field.

Chairman BOLLING. I am not impressed by the argument. But I

would be more impressed if I weren't aware of the history which is that without regard to partisan politics in the modern area, the Federal government has taken on more and more tasks because of the failure of the localities, which had plenty of opportunity to exercise responsibilities. The localities and the States, had plenty of opportunities to face the problems. I don't know of anything that the Federal government has sought to do in my time around here in which it has been creeping in to take away from somebody else a chore. Everything that I have observed is a recipient of local political pressure, begging by local people for 25 years, roughly, to come in and do something about education and do something about some of these other things.

Which leads me to the next question. Inevitably, it is wise to give you a mandate, Mr. Ash, you and your group, not to be concerned on how you implement this politically, but inevitably as you consider an organizational structure, you would have to think about the political problem in a very philosophical sense. And, that is, we have a representative government, which chooses policymakers by elections which are regularly scheduled, and at which time there is the opportunity to change them. Some mention was made earlier of how long people serve. I suppose that has some sort of a rough relationship to what kind of confidence people have in the people who serve. I don't know that that is always so but sometimes it is. How do we connect all of this structural change, all of this executive change, how do we connect it back up to the people? Does merely getting decisions make them feel better about government? Do they have to have some kind of a technique for feeling closer? They apparently feel very far away, at least some of them do.

Isn't there a real problem of restoring public confidence in government? There are a great many people who say that the public confidence is lower than I think it is. But is it possible to have public confidence in the government when—I am a Federal official and one of 435 Federal officials who are elected by the smallest number of people, and that small number is well over 400,000—the lowest level public official is elected by that number?

Do you see my point? The problem is, how do you get the government closer to the people at the same time you make it more efficient. That is a fundamental element in the whole problem.

Mr. INK. I have one observation and then Mr. Ash may have a more philosophical observation. But I think this kind of thing illustrates one way in which we do begin to get a government which is more responsive.

Chairman BOLLING. Isn't one set of officials more responsive to another set of officials? I have nothing against officials, clearly.

Mr. INK. This had to do with a private citizen, not a group of officials. And my thought is simply this, that we have in the past tended to look at our governmental operations in the social areas, and in the areas of natural resources, pretty much from the standpoint of those of us that are in the bureaucracy. And if we have had a management group, and they tended to zero in on one part of the process, and perhaps make a major change and improvement in that part of the process, but which in the sum total had so little impact on the totality that, whether you were talking about a mayor or whether you were talking about a private citizen, not much differ-

ence could be deserved. Perhaps while the process was being improved, something else happened at a different level to lengthen the process which offset it. So in some instances, if even with the managerial investment you made, you may only stay even with the Board.

Now, we generally can't make a change as drastic as in this program. It is not a typical change. But when you look at this process from the standpoint of the mayor or the citizens, rather than from the standpoint of those of us in the bureaucracy, time begins to take on a great deal of importance. It takes on a different priority, because if you ask me sitting here at this desk, whether the process is moving effectively or whether it is time-consuming, I will say, it works pretty well. Because to me it only takes a day or two to get from my in-box to my out-box, and I don't care for all the in-boxes and out-boxes that are through the whole process. I don't even know how many there are. Most of our program administrators don't know. But from the standpoint of the grantee, it is the totality of time that makes the difference. And what I am saying is that a partial answer to your question is that to the extent to which we can move our operational activities, not policy, but operational activities, out closer to the people, both through the federal people in the field, and, secondly, back to the State and local officials, I believe, you will get a more rapid response, and a response by people who better understand what those local problems are.

Chairman BOLLING. Thank you.

Mr. Ash.

Mr. ASH. Mr. Chairman, may I make an observation here that I think bears upon your point. And that is how to relate the people's perception of their Government to the job that the Government has to do and not just the matter between executives.

I think there is a function that the Federal government can do over and above the ways in which it can directly contribute to better local management. It seems to me that it can develop a greater grass roots demand for better local government, to in effect, articulate what good local government is, for the people to begin to get some standards in their own mind as to what they can expect from local government; how to recognize it, what to look for, in effect, to have the Federal Government begin to, in the many blunt forms it has, begin to say to the people, the issue is local government largely—not exclusively. We will admit that there are a lot of things we can do here—but at the same time the issue is going to be solved largely by what can be done at the local level, how it can be improved, what constitutes effective local government, begin to develop an awareness and a perception by the people of whether they are or are not being served by good local government, so that they can begin to see that this is an important cog in the wheel, and to begin to have some perception of what constitutes an effective local government, to raise their level of expectations you might say, as to what they should get out of the local government.

So much of the news, so much of the attention, centers on Washington. Most everybody in the smallest town of the country tends to increasingly think of Washington as government. I think the Federal Government can go in some direction to redirect some of their views to their local government—they are important. There are bond-ratings, for example, on municipal bonds. I wonder if there

shouldn't be some managerial rating—in a sense a bond rating is a managerial rating—on the local government. Aren't there some ways by which, instead of all the action being in Washington, that the federal government can begin to redirect the spotlight, in effect, the spotlight that the people follow, to cast more of it on the need to have better local government, and get the people to look at those governments and judge them and raise their expectations and demand more of their governments?

Now that is obviously much easier said than done. But I am afraid that in many ways the Federal Government almost brings on itself the spotlight of all the governmental operations. Instead it could help in redirecting the view of 200 million people towards the cities and States, rather than ending up with the spotlight all pointing here.

Chairman BOLLING. Thank you, Mr. Ash.

Mr. Ink, do you have anything else?

Mr. INK. Just one comment.

I have spent about 25 years in the Federal Government. And although I know of no way to quantify this, it is my personal view that there is not as great a contrast between the effectiveness of the Federal Government in the social areas and that of State and local government as we sometimes speak of them as having.

I think there is a tremendous contrast as you move within the Federal Government, from one area to another, in terms of its effectiveness. In part, it is the subject matter. I think where we are dealing with something like space or atomic energy, the Federal Government, in cooperation with industry, has provided real leadership in forging ahead with new innovative managerial steps. I don't feel we have that kind of record in these social areas.

I came from city government initially. And my initial reaction, after coming to the Federal Government was one of surprise. I didn't see nearly as much emphasis on good management in the Federal Government as I had experienced in local government.

Now, it depends a lot on which local government you are with. And I think the Council Managers cities generally have placed a very high degree of emphasis on good and effective management, not uniformly so, but by and large I think they have done an outstanding job. And you can find other local governments which have lagged badly. But I don't believe that there is as much contrast as we sometimes think when we are dealing with these social areas.

Chairman BOLLING. Have you anything further, Mr. Ash?

Mr. ASH. No.

Chairman BOLLING. Gentlemen, I thank you both for your presence and for your patience, and we are grateful to you.

Tomorrow we will meet in the same room for the next hearing at 10 a.m. The subcommittee is adjourned.

(Whereupon, at 12:10 p.m., the subcommittee adjourned, to reconvene at 10 a.m., Wednesday, May 12, 1971.)

REGIONAL PLANNING ISSUES

WEDNESDAY, MAY 12, 1971

CONGRESS OF THE UNITED STATES,
SUBCOMMITTEE ON URBAN AFFAIRS
OF THE JOINT ECONOMIC COMMITTEE,

Washington, D.C.

The subcommittee met, pursuant to notice, at 10:05 a.m., in room 1202, New Senate Office Building, Hon. Richard Bolling (chairman of the subcommittee) presiding.

Present: Representatives Bolling, Reuss, and Blackburn.

Also present: John R. Stark, executive director; James W. Knowles, director of research; and Walter B. Laessig and Leslie J. Barr, economists for the minority.

OPENING STATEMENT OF CHAIRMAN BOLLING

Chairman BOLLING. The subcommittee will be in order.

Today the Subcommittee on Urban Affairs continues its exploration of regional planning issues. Yesterday we were given a very thorough and enlightening view of the considerations that led to the recommendations that have been forwarded to the Congress by the President or which have been incorporated in his executive order for setting up and administering 10 administrative regions for Federal departments. The picture presented was one of what would be the ideal situation. As we move ahead we shall have to see what criteria must guide us in selecting what can be done, if we cannot immediately move to the ideal.

Both of our witnesses today are highly qualified to assist us in the second day of our journey. Our first witness, Mr. Phillip S. Hughes, is a senior fellow at the Brookings Institution here in Washington. Mr. Hughes is widely known in government circles. He was a long-time career employee at the Bureau of the Budget. We shall look forward to receiving his sage advice. Our second witness is Mr. Robert N. Young of the American Institute of Planners. He shall provide us with some perspective from the viewpoint of the professional planners who staff the State and local planning agencies. We shall hear from both witnesses before proceeding with questions.

Mr. Hughes, you may proceed as you wish.

STATEMENT OF PHILLIP S. HUGHES, SENIOR FELLOW, THE
BROOKINGS INSTITUTION ¹

Mr. HUGHES. Thank you, Mr. Chairman.

I have a statement that I judge will take about 20 minutes, so if it is agreeable, I will present it.

Chairman BOLLING. That is fine, Mr. Hughes.

Mr. HUGHES. Mr. Chairman and members of the committee, it is a real pleasure and privilege to appear before you on the important subject of regional planning issues. I know that members of the subcommittee and particularly the chairman, have been working to improve the regional structure of the government and thereby to facilitate the management of the Federal programs, for a long, long time.

My appearance before this subcommittee is my first witnessing of my own behalf, rather than as a representative of the Bureau of the Budget. My statement may suffer from the absence of the good staff work that went into Bureau of the Budget statements, but I must say that I have found the experience of preparing my own statement and expressing my own views, rather than the views "in accord with the program of the President," or Brookings' views, to be a rather exhilarating one. And I hope I don't get carried away completely with the process.

While I am here as an individual, my association with Brookings reflects a strong interest on the part of the institution in the same kind of major management policy problems as are concerning the subcommittee. We think we may be able to contribute some specific answers to the general question, "Why aren't the programs of the Government working better?" Kermit Gordon, president of Brookings, has asked me to undertake leadership of a new public management studies project which we believe will enable the unique resources and capabilities of Brookings to be applied more effectively to some of the major management problems of government.

A brief historical review from a personal perspective may be a useful backdrop for my comments on the general subject of regional planning and administration, and help to clarify my point of view.

It is hardly a revelation to say that there is a general and pervasive disenchantment with the traditional institutions and standards of our society. While Government at times seems to be bearing the brunt of this disenchantment, certainly other symbols and other segments of our society are undergoing the same questioning and challenge. In the private sector, such old standbys as the profit motive, "GNP," and even "productivity" are under assault. In the public sector, not just the Department of Defense and the Post Office, but the Federal Bureau of Investigation and even the Corps of Engineers are being challenged to change their approaches and their standards. My old institution, the Bureau of the Budget, after about 50 years, has been renamed, restructured, and to some extent re-oriented.

Some part of this general disenchantment appears to arise from the changed needs of our society. Some part of it also arises from our increased awareness (brought about by increased leisure, better

¹ The views expressed in this statement are those of the author and are not intended to represent the views of the trustees, officers, or staff members of the Brookings Institution.

education, better communications and the simple passage of time), that traditional responses to traditional needs were not as adequate as we once thought they were. To some extent, also, the disenchantment may be no greater than it always has been, but our greater affluence and the changed climate of the times gives us more opportunity and encouragement to express our feelings and to make known our dissatisfaction with things as they are.

It seems to me that Government, and particularly Federal Government, has not been given the credit for efforts that it has been making to respond to this disenchantment and to the problems that cause it and flow from it. I believe the evidence is clear that the Federal Government has been trying and really trying rather frantically to respond to the stimuli that it is getting via the elective process, from the communication media and through literally millions of contact points with the public at large. The decade of the sixties, for example, was a period of almost heroic response to these pressures in terms of new programs and more money. Not content with "getting America moving again," we set out to bring about the millenium in the course of a decade or two. Federal aid to education, antipoverty programs, the model cities program—and medicare could be added—were but a few of the new efforts launched. Funds allocated to domestic human resources programs increased spectacularly both in absolute and in relative terms. All of these efforts were undergirded by an emphasis on civil rights and community participation. Clearly, however, the millenium is not at hand, nor is it in sight. Why not?

In a society which tends to assume that all problems are solvable, the logical or normal answer is either that we didn't do it right or that we didn't try hard enough. Perhaps both of these are valid answers. Whatever answers are really valid, our plight has produced a highly constructive new emphasis on public management, on simplification of organization and process and on a number of the principal tools of management—program evaluation, performance measurement and planning, for example.

Simplification seems to me to be the underlying theme of current proposals for revenue sharing, grant consolidation, reorganization and even of decentralization, and the regionalism that goes with it. In each of these areas, we need to move with careful regard for management concerns—Federal, regional, State, and local, so that in trying to simplify the Federal problem, we do not complicate the total problem. A major part of our attention also needs to be directed to postsimplification management needs, so that we avoid throwing out the baby with the bath.

Put another way, it seems to me that much of the support for decentralization and for regionalism is based on the assumption that "they" who are closer to the problem know how to deal with it, whereas "we" do not. Perhaps this is so, but good management requires that we find out the extent to which it is so before we off load our problems and that we carefully develop management plans under which "they" and "we" do what each of us is best equipped to do.

The fundamental lesson of the sixties, from my perspective in the Bureau of the Budget, is that while we were considering and decid-

ing what to do, we did not give enough consideration on how to do it. It is from this perspective that I would like to discuss regionalism and decentralization with you this morning.

One of my colleagues at the Brookings Institution, James L. Sundquist, has written a book in collaboration with David W. Davis, titled "Making Federalism Work." The book is a thoughtful and helpful analysis of some of the issues the committee is addressing. In the final chapter of the book and talking generally about regional bodies, he points out that:

To coordinate is not necessarily to simplify. The innovations that have been introduced over the past decade for purposes of coordination have given us a more complicated Federal system—one with five, six, or even seven levels of Government where three or four sufficed before. Added to the traditional Federal-State-local or Federal-State-county-town structure of Federalism are new bodies with jurisdiction over new areas—multicounty bodies interposed between the States and their local governments, and neighborhood bodies acting as a link between the people and their local governments within the larger cities. And it may be that the experimental multistate regional bodies, like the Appalachian Regional Commission, will also become increasingly significant as an intermediate level between the Federal Government and the States.

These new regional groupings are essentially efforts to put together counties, cities or States in ways that make more sense than traditional political subdivisions. Viewed broadly, these new groupings are part of a general trend away from categorical approaches to national problems and toward essentially community based geographic approaches. Mr. Sundquist goes on to point out that:

Though the new bodies are diverse in origin—created at different times, by different authorities, in response to different sets of concrete problems—they are remarkably similar in function. They are not created to administer substantive programs but rather to act as general agents of the governments that do. Their purpose is to make the Federal system itself work better. They are planners, coordinators, expeditors, facilitators, communicators. They bridge the vertical and horizontal gaps in the Federal structure; they narrow the span of communication; they act, so to speak, as the intermediate pumping stations along the Federal-State-local-citizen pipelines through which demands flow upward and funds flow downwards.

A coordination effort which did simplify was that brought about by the President's directives of March 27th and May 21, 1969, establishing a standard Federal field structure for four departments and one agency and instructing other departments and agency heads to review their field establishments with a view to achieving both greater decentralization and greater uniformity in field structure. The President's courageous action was a milestone in the effort to improve Federal management—in my judgment the most important single management improvement action in many years. From the standpoint of regionalism, it provides a consistent pattern for regional groupings. From the standpoint of decentralization, it provides a single intermediate contact point with the Federal Government for Governors and mayors. From the standpoint of Federal program coordination, it vastly improves the opportunities for regional directors to communicate, to resolve problems and to evolve a Federal rather than just a departmental position.

Starting from a total of nearly 200 separate field structures, the Federal Government is moving and moving successfully to standardize and consolidate regional boundaries throughout the whole spec-

trum of Federal agencies. Some agencies will not fit into this pattern—the Coast Guard for example—but most will, and the burden of proof should continue to be on those agencies who maintain they need to depart from the standard field structure.

In summary, at this point in time it seems clear to me that the 10 standard regions are here to stay and the co-location of regional headquarters in 10 cities has created a whole range of new opportunities.

Many questions remain, however, as to how the Federal Government, other levels of government, and the public can best gain the advantages of the new structure. Who is in charge out there in the region? How does the Governor or mayor get a Federal or Administration answer, rather than an agency or departmental answer without going to the White House or Executive Office? What structures and processes will facilitate the coordination and administration of Federal programs at regional levels? What is the relationship between Administration proposals for four domestic super-departments and the evolving Federal regional structure?

I doubt that a precise or even adequate answer can be given to any of these questions at the present time. The first requisite for getting answers, however, is that some agency close to the President have a specific assignment to aggressively seek the answers. The logical candidates for this opportunity are the Domestic Affairs Council and the Office of Management and Budget. My vote is for the Office of Management and Budget. As I have tried to emphasize, I believe it important that the responsible agency have the time, skill and incentive to focus hard on problems of management policy and to assess the long range consequences of management decisions. It seems to me that the Office of Management and Budget is better equipped to do these things than an organization within the White House itself, like the Domestic Affairs Council.

The second requirement is that the agency in charge have an overall strategy. My general strategy would be to move away from a categorical approach and towards a geographic approach, wherever possible. The present combination of categories and geography creates an administrative matrix which is much too complex for effective management. In more specific terms, I would consolidate narrow categories and block up grants as opportunities arose, keeping an eye on the management and policy consequences. At the same time, I would seize every opportunity to push program administration and control out of Washington and into the regions and out of the regions into the States and localities, keeping an eye on the management consequences of these changes also. This strategy is consistent with present trends and with the concepts of community participation and popular representation of people affected by the Federal programs. However, it is strategy of gradualism, of evolution rather than revolution, and certainly not as sexy as some alternatives.

The third requirement is that the overall strategy be a flexible one. It must take account of the varying needs and capacities of States, counties, and cities, of similar variations among Federal agencies and of differences among programs. Obviously this flexibility needs to be monitored by the responsible agency and applied

across the whole spectrum of Government in a manner consistent with the overall strategy. Properly applied, flexibility would also permit experimentation among agencies and regions with alternative approaches, organizations, processes and management styles.

The Federal regional councils which have been established in each of the 10 regions are a start toward a consistent system and also provide a starting point for additional decentralization of Federal programs. The councils consist of the responsible regional heads of the Federal agencies in the region. At present they are not in the chain of command as councils, nor do they have decisionmaking authority apart from that of individual members within each agency structure. The 10-region structure provides geographic uniformity at present, but not organizational uniformity. While some regional council members, that is, the individual members, have substantial administrative authority and are in the program chain of command, others have no line authority whatsoever. More uniformity is probably desirable, but I doubt whether we will ever reach the point where all regional directors have the identical authority. Federal programs and Federal program objectives differ and it is logical to expect corresponding differences in the delegation of administrative authority. Here again it seems to me that flexibility and experimentation under careful scrutiny and in accord with an overall strategy are essential.

At some point in time, consideration must be given to placing a White House or Executive Office representative as chairman or executive officer of the regional council. From a management standpoint, a council chairman with supra-departmental status has real appeal. This would settle the question of who is in charge and also give State and local people a clear source of Federal, rather than departmental answers. I defer to the committee on the politics of this, but I do recall rather vividly some of our unsuccessful efforts in the Bureau of the Budget to reestablish field offices as outposts of the Executive Office. There are, of course, steps short of this that could be taken, at least experimentally, such as appointing or electing one of the council members as full-time chairman or executive for a year at a time, or providing substantial extra staff assistance for the chairman, or, of course, both.

In any event, regional offices should become larger and more important in all programs with an improved communication network among programs within a region, between the individual regions and Washington, and between each region and the States and cities it serves. Hopefully, larger regional offices will mean relatively smaller Washington offices. My rough test for how decentralization is progressing will be the future trend in the relative size of regional offices and Washington offices.

Unless regional offices grow strong in number and quality of personnel relative to headquarters, they will find it impossible to successfully administer programs.

Perhaps the crucial question with respect to the new Federal regional structure is whether or at what point regional councils should cease to be "planners, coordinators, expeditors, facilitators, communicators," in Mr. Sundquist's terms, and start to administer substantive programs, that is, as counsel, and not as individual de-

partment personnel. I think this time should and will come. But decentralization by whatever definition, from Washington, the seat of power, to regions and individual States and cities is an extraordinarily difficult and complex process. Many forces, factors, and factions exert pressures to maintain information, decisionmaking authority, personnel and hence power, in Washington, D.C. I think decentralization may be a little bit like fiscal responsibility—much easier to get support for in general, than in particular.

I realize that I have talked a great deal about public management issues and not too much about planning issues. I think the two tend to be inseparable. This emphasis also reflects my conviction that planning is apt to be bad, and is certain to be futile, unless it is tied with the management system to which it relates. A former Budget Director, now at Brookings, had something to say on this:

... in designing governmental policies that affect domestic social institutions we often ignore the system of incentives, political processes, and administrative organizations within which the policies must be carried out. In well-controlled "command systems" solutions can, to a degree, be imposed directly from the top. But in programs of education, health, crime control, urban development, pollution abatement, and the like, we must deal with a multiplicity of State and local governments and with a powerful web of private incentives and relationships. A well-designed plan and a fistful of money will not be sufficient to achieve the objectives of Federal programs if the plan runs counter to the motivations, rewards, and penalties of the public and private institutions that must carry it out.

That quotation is from "The Politics and Economics of Public Spending" by Charles L. Schultze.

In conclusion, I would like to return very briefly to Mr. Sundquist's book:

The 1960's were years of defining new objectives for the Nation. The 1970's will see those objectives refined and new ones proclaimed, but it also must be the period in which the Federal system is organized to make possible the achievement of the Nation's goals.

The 1960's have been a decade of spectacular innovation in policy. What is needed now is a decade of innovation in administration that, while it perhaps can never be as spectacular, will be equally historic.

Chairman BOLLING. Thank you, Mr. Hughes.

Mr. Young, you may proceed as you wish.

STATEMENT OF ROBERT N. YOUNG, CHAIRMAN, METROPOLITAN AND REGIONAL PLANNING DEPARTMENT, AMERICAN INSTITUTE OF PLANNERS, AND EXECUTIVE DIRECTOR, BALTIMORE REGIONAL PLANNING COUNCIL, BALTIMORE, MD.; ACCOMPANIED BY PHIL CLAYTON, ASSISTANT DIRECTOR, REGIONAL PLANNING COUNCIL, BALTIMORE, MD.

Mr. YOUNG. Mr. Chairman, and members of the subcommittee, I am Robert N. Young, chairman of the Metropolitan and Regional planning Department of the American Institute of Planners, and executive director of the Regional Planning Council, Baltimore, Md. And I happen to be this year chairman of the Advisory Committee to the National Services to Regional Councils as well as a member of the board of directors of the National Service to Regional Councils.

Mr. Chairman, with your permission, my prepared statement is about 30 pages long, and I think it might be better if I could summarize it rather than read the whole thing.

Chairman BOLLING. Without objection the full prepared statement will be included in the record at the end of your oral statement.

Mr. YOUNG. Thank you, Mr. Chairman.

I have with me here today, Phil Clayton, assistant director on our staff of the Regional Planning Council, who works with us in Federal program coordination.

During this week I am acting as professor for the University of Northern Colorado, teaching a course on regional planning here in Washington. I have with me 25 students from the class. We are meeting all week long, 8 hours a day, so this is a welcome respite for them.

Chairman BOLLING. Mr. Young, I might say that explains the rather larger than usual audience. Thank you.

Mr. YOUNG. I would also like to explain that much of our testimony has been developed from the Governmental Relations Conference of the American Institution of Planners held in Washington in January. That was the last conference in a continuing series of legislative meetings we have every 2 years.

On behalf of the membership of the American Institute of Planners, I would like to thank the subcommittee for this opportunity to appear and present our views.

We have learned that in the last several years a new planning structure is emerging in this country, one that is keyed to the major elements in the Federal system, that is, the President of the country and the Executive Office of the President, Congress, the Governors of the States, and their State offices of planning, planning coordination, and State legislatures, the regional councils of governments, which is a new type of organization, generally speaking, made of elected officials of the local units of government, and then of course, from our point of view on the local scene, one of the most important, the local general governments, the cities and the counties with their planning departments.

Before getting into the details of my statement, I would like to suggest that there are several principles that we would like to work by. One of the most important of these is that those who are elected to government, who are responsible for the condition and functioning of the physical, social and economic environments that we live in are the ones that we as professionals work for. Any kind of governmental arrangements that becloud this system tend to confuse not only those of us in government, but especially the general citizen. The general government, such as the Federal Government, the States, the cities and counties, are the basic building blocks of this Federal system. In other words, special purpose solutions to governmental problems which operate outside these basic fundamental government organizations must be carefully looked at and evaluated as to whether or not they strengthen or weaken the ability of our governments to serve the people and to respond to the people.

We are not saying that these principles in any way negate the need for widespread citizen participation. In fact, what we are saying is that these principles, if they were followed, would make more meaningful citizen participation.

Too often Federal law and policy as adopted by Congress and as administered by Federal agencies has made it difficult to live by these principles. The difficulties arise because of actions all the way from chairman of congressional committees, who have functional powers and responsibilities under their jurisdictions, to various Federal agencies and their regional organizations.

Under this kind of a system a host of single-function kinds of jurisdictions have arisen, making it difficult for those attempting to attack urban and rural regional problems to do so in a meaningful way.

One of our members recently completed a concerted study of a major metropolitan area in northern California and discovered that there was located there a very significant council of governments. But there were at least seven or eight separate functions, that were not under the wings of that council of governments performed by either seven or eight single-function multi-county regional organizations. This makes for a very difficult situation in attempting to solve these problems, because sometimes the solution for one problem may in effect obviate the solution of another problem.

I mentioned that I come from the Regional Planning Council in Baltimore. We are very fortunate in that we have a situation where we really only have one major regional agency, and that is the Regional Planning Council. It consists of a majority of elected local officials. The mayor, the president of the city council, the elected county executive, and the chairman of the county councils and boards of county commissioners in our region are the ones who control the Regional Planning Council. We have under our planning jurisdiction not only comprehensive planning assisted with 701 funding from HUD, but also comprehensive health planning made possible by the Public Health Services Amendments Act of 1966, and Criminal Justice Planning in Cooperation with the State and under contract with them. We also work with and are funded in part at times by the Model Cities Agency of the city of Baltimore, as well as library planning under contract with the State library system. Our efforts in transportation planning have to date emphasized a rapid transit system for the Baltimore region, and have been successful in getting a new transit authority started.

Some organizations like ours in the more rural areas of the county are funded for comprehensive planning by the Economic Development Administration.

Now, to get into some details, at the Federal level, the current situation with respect to planning assistance and planning requirements, which I have alluded to, has become somewhat beclouded. This committee, I know, has heard already of the host of Federal planning programs, many of which have different planning requirements, but up to date have not been too well coordinated. From the American Institute of Planners' viewpoint, we feel that Congress has been on the right track with these planning requirements. We have discovered, though, that something like OMB Circular A-95 is absolutely necessary to try to coordinate these various planning programs and planning requirements.

As we view it, the problem is not to reduce planning requirements or planning assistance, but to relate both of them directly to the framework of our American political decision making process.

We recognize Reorganization Plan No. 2 begins to point in this direction, with both reorganization of the Bureau of the Budget into OMB, and the establishment in the Executive Office of the Domestic Affairs Council. Both of these we feel can point and lead to great progress in the field of regionalism.

Under OMB Circular A-95 we can see perhaps the single, most significant Federal attempt to tie together these grant in aid programs. Even though most of them deal with the review of physical facility construction programs, land purchase, and that kind of thing, there are now quite a few planning programs that require review, the ones that have been separately located in various regional agencies, not in the past under one umbrella or one roof. This at least makes it possible for the review organization at the regional level, generally consisting mostly of locally elected officials, to have at least some say about these other programs.

Of course, in order to successfully review at either the regional level or the State level, the review bodies, the clearing houses, must have competence themselves to carry out this review. Few of us have totally achieved competence in all areas that we are now asked to review; for this we need further strengthening.

We would even be better off, we think, if our regional councils, and also State planning agencies, had the ability to actually suggest to applicants at both the State level and the local level that they ought to apply for a certain kind of grant in order to really coordinate and get thing done as we think we are supposed to in following OMB Circular A-95.

I would like to mention some specific suggestions that we think are desperately needed to implement the framework of Reorganization Plan No. 2, as announced by A-95. First, the strengthening of the comprehensive planning process of the units of general government below the Federal level, including regional councils, is an absolute must. Today there are only two programs that fund these regional organizations for comprehensive planning, that is, 701 under HUD, and Economic Development Administration grants, primarily for rural areas.

Secondly, consistent under-funding of the 701 program continues to be a basic problem. When we first started 701, it was to really assist in planning for urban renewal. Since that time, when it was first introduced, 1954, almost every other year—1959, 1961, 1965, 1966, 1967, 1968, 1970—there were substantial additions to the duties that agencies were to perform under 701, and also an expansion of the kinds of organizations and governments that could receive 701 funds. But the funding, of course, as you must know, has not gone up commensurate with the numbers of organizations required to do this kind of planning, or with their duties.

At the regional scale, we are in a particularly precarious position, because we are not a unit of general government. The Federal Government, the State governments, and the local governments have taxing power and taxing sources. It isn't realistic to expect the local units of government to simply turn over to regional agencies that tend to be voluntary large sums of money to help us solve what are essentially national urban problems. However, most regional organi-

zations have been successful in raising the one-third local financing required to match 701 funds.

Third, there has always been a lack of reliability of not only the amounts but also the timing of 701 funds. Of course, this has always been the fault of HUD. The lateness with which appropriations are passed sometimes helps to add to this problem. And we don't mean to be in any way critical of the hard-working personnel in HUD. Those of us who are to a great extent, perhaps, unfortunately dependent upon this source of funding have great difficulty in maintaining a viable program because of this uncertainty.

Fourth, to solve this funding, it should be projected on a two-year rather than a single year basis. And I would like to add that the American Institute of Planners feels very strongly that this might be the time to fund Section 205 of the Demonstration Cities and Metropolitan Development Act of 1966. This section provided for a bonus of up to 20 percent for several Federal grant programs, with a maximum of 80 percent, if these programs were in concert with regional planning and programming.

Funding of this would provide a major incentive for implementing the planning system outlined in the Chairman's letter of January 11, 1971.

Fifth, since then, transportation planning funds should go to the sole regional planning agency in each SMSA. This is not the case today. There have been movements in this regard. HUD and DOT have met and agreed to do things along this line, but it hasn't really happened as yet.

By and large, the transportation planning programs in most metropolitan areas of the country are controlled by the State highway departments. We don't feel that the State highway departments should be left out of the picture, but we feel that the local elected officials, acting in concert with each other, should have more to say about the situation than they do now.

Six, HUD must promote its own programs and seek to utilize the 701 programs to these ends. To state it differently, many Federal observers and officials feel that comprehensive planning is the glue that enhances the executive management and coordination ability of the several levels of government. Because of the nature of HUD's operational programs and need to establish a record of achievement, this glue function simply cannot win in the long run if it is administered by an agency that must fight for its own programs, particularly its own hardware programs, such as water, sewer, housing, open space.

Seven, there needs to be established a central planning coordination mechanism in the Executive Office of the President. We are suggesting that comprehensive planning should be directed from within the Office of the President. We would leave it to the Committee, if you like this recommendation, to suggest exactly where in the Office of the President it should be, the Domestic Affairs Council, the OMB, or perhaps a new organization.

Getting to the regional level—I am really talking about multi-county regions, not large Federal regions in this case—we have been called sometimes a rubber stamp organization, and sometimes pure voluntary debating forum where local elected officials can get to-

gether. Maybe that is the way it used to be. Because of the facts of life in urban areas, these so-called voluntary councils of government really have to meet, really have to do things to meet problems, with or without Federal requirements.

Regional councils need to be able to speak with a single voice to States, the Governors, to State legislatures, to Congress and Federal administrators. Regional organizations can't do that if the various functions are scattered in several different regional organizations.

We feel very strongly that the governing bodies of these kinds of regional organizations should be made up primarily in most metropolitan and regional areas in the country of local elected officials. There are some situations, of course, where for some reason this may not be the way to do it, at least today. Sooner or later, of course, these kind of organizations are going to have to deal with the one-man, one-vote problem. We think that that will be solved when necessary.

Now to respond to the questions in the chairman's January 11 letter:

One of the requirements of regional organizations today by a host of Federal agencies—HUD, OEO, and others—is that the citizens get more deeply involved in the kind of work that we do. We feel that we are moving in that direction. But to repeat what I said earlier, we feel that the best way to achieve this is to have at the regional local scale one organization made up of primarily elected officials so that the citizens know where to go, they know when they vote for someone that he is going to have in addition to his local responsibilities that additional regional responsibility.

To further the first question, perhaps a way to get more citizen participation in the broad sense at the Federal regional level—we are talking now about the regional councils, for instance, that operate out of the 10 Federal regions now—would be to have committees of Congress, joint committees of Congress from those States making up that Federal region work in cooperation with the executive branch—let's say in the Philadelphia region, for instance.

We would suggest and agree with Mr. Hughes that there should be a chairman of this Federal regional council that we at the local level could work with. We think that this chairman and the Federal regional directors of the various agencies there should be considered primarily expeditors, people to get things done when a decision is made to do them instead of finding ways, as sometimes happens now, of avoiding getting things done.

As far as standards are concerned, we feel that in some cases these Federal agencies have come up with planning requirements and other requirements that local elected officials at least tend to feel are beyond the intent of Congress. And we feel that Congress should set the broad guidelines for standards.

We feel that the powers that these Federal regional councils should have again should be primarily those of expediting, and also working very closely with local governments of the States and with regional planning organizations such as the Councils of Governments.

We think the idea of a pool of unrestricted funds is a good one, because these Federal regional coordinators are going to need some flexibility in order to respond to the problems that need solutions.

Concerning the amount of discretionary funds that might be provided, I would like to use our own example. In the Regional Planning Council's case in Baltimore, we found that something like 20 percent of our budget is necessary in order to enable the local elected officials acting in concert to address problems that come up during the year after we have prepared our program budget.

Thank you very much, Mr. Chairman.

(The prepared statement, with an attached appendix, of Mr. Young follows:)

PREPARED STATEMENT OF ROBERT N. YOUNG

Mr. Chairman and members of the Subcommittee, I am Robert N. Young, Chairman of the Metropolitan and Regional Planning Department of the American Institute of Planners and Executive Director of the Baltimore Regional Planning Council. The American Institute of Planners is the national society of professional urban and regional planners and is devoted to improving the art and science of comprehensive planning. Our 6,000 members work at all levels of government and in private practice. Accompanying me today is Mr. Philip S. Clayton, Director of Federal Program Coordination of my staff.

On behalf of the membership of the American Institute of Planners, I would like to thank the Committee for the opportunity to appear and present our views and recommendations on various regional planning issues, and to offer any assistance our organization can provide.

A new public planning structure is emerging today in the United States. It is specifically geared to increasing the decision making capacity of the elected public officials of the general purpose governments. In this emerging planning structure, the planning function is positioned in direct relation to this most important political decision making capacity. Key elements of this emerging planning structure are:

The President of the United States and the Executive Office of the President;

The Governors of the States and their State offices of Planning or Planning Coordination;

Regional Councils of Governments made up of elected officials of the units of local general government, together with their professional staffs; and

Local general governments, the cities and counties of the country, with their planning departments.

Those who are elected to govern are responsible for the condition and the functioning of the physical, social, and economic environments of jurisdictions they serve.

Any governmental arrangements of programs that becloud, confuse, or in any way inhibit the elected officials of the units of the general government of this country from meeting this responsibility head on must be swept away or otherwise altered.

The units of general government include the Federal government, the States, and the cities and counties of the country. These are the basic building blocks of our Federal system.

Those elected to govern must have the opportunity to govern and must be held responsible for the well being of the people and the government within their jurisdictions.

Special purpose solutions to governmental problems which operate outside this basic general purpose governmental framework must be carefully scrutinized and evaluated in terms of whether or not they strengthen the ability of the elected officials to deal with the problems and opportunities of their individual jurisdictions.

If such programs or governmental arrangements tend to cloud responsibility or weaken the general government elected official's ability to govern effectively, they must be redressed and reordered.

These principles do not in any way negate the great need for widespread citizen participation in the affairs of the government of this country. On the contrary, it is only when political responsibility is clear and understood—only when those responsible can be unequivocally recognized—that citizen groups can have a chance to participate with any hope that their positions will have an effect.

The concerns of planning and of planners are as broad as the concerns of those elected to govern—the chief executives and the legislative bodies.

Planning assists those who are elected to govern in the establishment of goals and targets, in the ordering of priorities, in the mixing of programs and the allocation of resources to achieve identified desired ends, and in the post audit evaluation of results. The planner's rule is inexorably tied to the development, the application, and the evaluation of public policy and the identification of the public interest.

Under these circumstances, the proper positioning of the planners and the planning office is directly under the chief executive and through the chief executive to the legislative body. What I am speaking of here is policy planning, wherein activities of the various agencies, boards, and bureaus and departments of a government are most effectively mixed toward the end of achieving effective government in all of its aspects—where priorities and program targets can be established and the need and content of new program effort can be recognized and set.

The planning of a new town, the planning for the delivery of health services or outdoor recreation, or the planning for the most effective law enforcement system and the administration of criminal justice, important as these things are, are but pieces of the entire system. While functional areas of concern must be effectively and intelligently and creatively planned for and accomplished, they are not ends in themselves; they are parts contributory to the total aim of a healthy community and all subject to overview by responsible elected officials.

Too often, Federal law and policy as adopted by the Congress, and as administered by an agency within one of the major Federal departments, results in the setting-up of a functional planning hierarchy, complete with all of its trappings, all the way from the Chairman of the Congressional Committee who wrote the functional program into law and his counterpart on the Congressional Appropriations Committee, through an Assistant Secretary and a Bureau Chief and their opposite numbers in a functional department in the State government, down to and including, in too many cases, a specialized single purpose Planning Commission at the regional level.

Under these conditions, concepts of a balance or even priority setting in attacking urban problems becomes a mockery to local elected officials as they have to deal with separate and often uncontrollable power centers in special purpose functional areas.

A recent study was conducted concerned with the structure for regional decision making in an eight county area in North Central California, where there is a very effective Council of Governments in operation, doing a very respectable regional planning and coordination job. Remarkably operating within this region, there were, including the Council of Governments, seven separate planning agencies. The Council of Government has a very broadly based planning program, including planning and intergovernmental policy development work in areas of land use, water and waste management, highways, mass transit, airports, open space, recreation, housing, law enforcement, and criminal justice.

But in addition to the responsibilities of this particular agency, planning is being undertaken separately by an Economic Development District, by two Comprehensive Health Planning Agencies, covering different parts of the region, but both organized under PL 89-749, and, in addition, a Regional Medical Program. There is a Multi-County Community Action Planning Agency to coordinate and plan for OEO poverty programs, and a Cooperative Area Manpower Planning System, all of these covering generally the same jurisdiction.

Beyond these seven planning agencies, there are five more special purpose agencies that had a planning responsibility and, in addition, the legislature has given these agencies regulatory responsibilities to enforce their plans. While these regions generally go beyond the boundaries of the eight counties in question, they do cover the jurisdiction or parts of the jurisdiction that was under study. These special purpose agencies deal with planning and regulation in water quality, air pollution, a third one in flood control, and a fourth one in

the planning and regulation of land adjacent to major airports. The fifth one overlaps the region and extends into the adjacent state and deals with the physical development of a major and scenic inter-state recreation area.

In the airport land use case, State law directed counties to establish such Commissions, and one of the counties concerned determined that this responsibility should be carried on by the regional Councils of Governments, so this function is, in fact, fortuitously included under the umbrella agency function of the Council of Governments, even though State law did not require it to be so located.

This is indicative of the kind of thing that has been occurring at the State level and at the regional level throughout the United States as a largely unintended but very real consequence of increasing Federal participation in State and local activities, and the resultant splintering of the political decision making process throughout the country.

Special purpose functional planning removed from local political decision making by local general governments, no matter how highly qualified its staff, simply does not have a broad enough concern to integrate all of these activities into an effective governmental system of services.

Planning for economic development and the expansion of employment, law enforcement and the administration of criminal justice, delivery of health services, particularly to the poor, community action programs, manpower development, to say nothing of planning for education is not being done effectively at the regional level in this country today.

There are laws that require that planning be accomplished in these functional areas. The target population of each of these programs is just about the same people, but we have a half dozen separate public programs going along their uncoordinated ways, supporting highly skilled staffs, and serving a people who must wonder just what is being done to them.

If vitally important American governmental traditions are to be preserved the Federal government must also take strong action to maintain the strength of local government so that it will not be overwhelmed by growing state and Federal governmental power. The Council of Governments movement, which I will discuss later, is a means of strengthening local governments by enabling them to pool technical and other resources and to coordinate efforts.

For a long time, elected officials and planners have worked to tie planning in metropolitan areas and regions more closely with governmental policy making. The Council of Governments movement and expanded participation of elected officials in regional planning agencies over the last decade has gone a long way toward this objective. All of these provide forums through which local officials can discuss common issues and reach cooperative agreements. Most of them provide a mechanism for areawide review and comment on more than 50 categories of local applications for Federal grants. Many of them also have planning and research capabilities. This work often includes social and economic matters as well as physical development plans.

The Regional Planning Council of Baltimore with which I am associated, is one of the oldest of these kinds of organization. Its policy body consists of a majority of elected officials. It is required by state law to maintain a general development plan for the region and is now revising the plan which was adopted in 1967 after public hearings. The Council also conducts an areawide comprehensive health planning program in accordance with the Comprehensive Health Planning and Public Health Services Amendments Act of 1966; it conducts regional planning for Law Enforcement and the Administration of Justice under contract with the State of Maryland and in accordance with the Safe Streets Act; it does library planning under contract with the local and state library agencies in the region; it does some social and economic analysis under contract with the Baltimore Model Cities Agency; under funding from the Urban Mass Transportation Administration the Council did preliminary planning for rapid transit and helped in the creation of an agency to implement the plans. Much of the other work of the council, including housing and land use planning as well as work with local governments to plan and implement areawide utility systems, is financed by HUD under the Comprehensive Planning Assistance Program. The work programs of such agencies vary considerably, partly because of differing needs and interests and partly because of the sporadic financing which I will discuss soon.

Some organizations do economic development planning under financing from the Economic Development Administration; some emphasize joint purchasing

and other aids to efficient administration. Many still have very small staffs. In general, councils of Government and other types of metropolitan and regional agencies have been increasingly effective in enabling member governments to do things together which they couldn't do separately.

The Federal Level

THE CURRENT SITUATION

Planning assistance and planning requirements

In 1969, two parallel Federal Inteagency Task Forces made recommendations to the then Bureau of the Budget, with regard to the various Federal Planning Assistance Programs and the Federal programs that contained within them planning requirements.

They found that there were some 36 Federal Planning Assistance programs on the books, which collectively carried appropriations during FY 1969 of approximately \$300,000,000. These planning assistance programs were administered by 11 Federal departments and agencies; the responsibilities for administering the programs were spread among 18 separate offices or bureaus.

There are over 80 Federal programs that contain within them planning requirements as a condition to the receipt of Federal funds.

During FY 1969, over 40,000 applications were received by Federal agencies dealing with these programs, of which some 33,000 were approved. These programs are administered through 40 separate program offices in 11 Federal departments and agencies.

This, then, is the planning structure of the Federal government. Over 50 program offices currently develop and define planning and administer funds for planning assistance or interpret plans prepared.

From a Congressional point of view, the insistence of planning requirements as a condition to Federal financial assistance makes eminent good sense. Planning requirements are a form of insurance designed to protect and make useful Federal participation in local projects.

To the extent that planning requirements focus on a particular project, they ought to focus on the larger community. Federal planning requirements ought to say, as OMB Circular No. A-95 does say, "These things that we are helping to finance must fit together with related activities in a thought-through manner and be of long-range benefit to the total community." Comprehensive planning assistance works toward the same end.

The problem is not to reduce planning requirements or planning assistance, but to relate them directly to and within the framework of the American political decision making system and thereby the planning structure of the country, as outlined at the beginning of this paper. Under these circumstances, planning can make its maximum contribution.

Reorganization Plan No. 2

In partial reaction to this situation, and recognizing the need for more effective policy development and program management at the Federal executive level, the President issued Reorganization Plan No. 2 of 1970, which changed the name of the Bureau of the Budget to the Office of Management and Budget and established in the Executive Office of the President a new mechanism known as the Domestic Affairs Council.

Within the Executive Office of the President, the Domestic Council is to assume leadership for the development of domestic policy and thereby to tie together and, hopefully, to rationalize the efforts of the various Federal departments and agencies.

On the other hand, the Office of Management and Budget is responsible for the execution of policies and the management of the Federal establishment.

There is some hope that this recent development will be useful in bringing some order and providing direction to the maze of planning related programs scattered throughout the operational Agencies of the Federal government.

Office of Management and Budget Circular No. A-95

OMB Circular No. A-95 is perhaps the single most significant Federal attempt to date to tie together the Federal grant-in-aid system to the planning and coordination efforts of States and local regional intergovernmental planning and development agencies.

Congressional authority upon which this circular is based is contained in Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966 and Title IV of the Intergovernmental Cooperation Act of 1968. The mechanisms established by Circular No. A-95 are also used to secure the viewpoints on certain Federal or Federally assisted projects affecting the environment of State and local agencies which are authorized to develop and enforce environmental standards pursuant to Section 102(2)(c) of the National Environmental Policy Act of 1969.

Although A-95 is addressed to Federal departments and establishments, it calls for these departments and establishments to obtain the viewpoints of affected State and areawide regional clearinghouses on proposed projects for which Federal financial assistance is being sought under specific programs. Such comments and recommendations by the clearinghouses would include information concerning:

"The extent to which the project is consistent with or contributes to the fulfillment of *comprehensive planning* for the State, region, metropolitan area, or locality in the achievement of physical, economic, and social development objectives."

The Circular was recently revised and expanded. The revised list of programs includes 98 Federal assistance programs administered by 21 separate Federal agencies which are housed within 9 Federal departments: Agriculture, Commerce, Defense, Health, Education and Welfare, Housing and Urban Development, Interior, Justice, Labor, Transportation; together with 8 programs in 4 independent Federal agencies: the Appalachia Regional Commission, the National Science Foundation, the Office of Economic Opportunity, and the Water Resources Council.

This is a massive effort which, in accordance with Congressional mandate, seeks to relate significant portions of the Federal grant-in-aid system to State, regional and local planning.

While the bulk of the programs relate to Federally assisted construction of facilities, significantly included are Federal grants for *planning assistance* in such areas as air pollution control, solid waste, comprehensive health planning, the regional medical program, higher education, again, juvenile delinquency, comprehensive planning, community renewal, outdoor recreation, water pollution control, law enforcement, manpower planning, highway planning, urban mass transportation, community action, and water resources planning.

In order to properly comment on these planning proposals, the State and regional clearinghouses should have competence themselves for the enunciation of State, regional, metropolitan, and local objectives in each of these areas of concern.

Few, if any, State or regional planning agencies have totally achieved this competence at the present time.

All but two of the Standard Metropolitan Statistical Areas within the United States have organized regional clearinghouses and metropolitan planning agencies and are currently engaged in the project review process afforded by the circular.

In addition, approximately 150 regional (non-metropolitan) clearinghouses (optional with the Governors) have been designated by the Governors and are operating within the opportunities afforded by the Circular.

Metropolitan and regional clearinghouses today cover approximately one-half of the counties in the country. In these counties live over 80% of the population of the United States.

The list of regional planning agencies will expand and grow as Governors establish a system of planning and development districts to identify intergovernmental interests and to plan on an intergovernmental basis in the non-metropolitan areas of their states.

Needs for Federal policy and action

It would appear from the previous discussion that significant initial beginnings have been made to reverse the destructive and splintering effects on the States and special purpose oriented units of local general government of the hundreds of functional Federal grants-in-aid, including grants for special purpose planning.

The result of the president's Reorganization Plan No. 2 of 1970, establishing the Domestic Council and emphasizing the management side of the Office of Management and Budget within the Executive Office of the President, are sig-

nificant beginnings in the direction of the development of integrated Federal policy, on the one hand, and the management of the Federal grant system in relation to State and regional comprehensive planning, on the other.

The effects of Circular No. A-95 are just beginning to be felt. However, both at the State and regional level, there needs to be considerably more done in the way of State and regional comprehensive planning in order to more fully develop agreed to and enunciated systems of regional goals, objectives, and priorities, and a system of program effort evaluation, all within a comprehensive planning process.

Unless this comprehensive planning process is nourished and accelerated, there is grave danger that the clearinghouse function will become merely a stopping off place for proposed projects and will contribute greatly to bureaucratic paper shuffling, rather than being a part of orderly development to achieve planned objectives.

In the best of all possible worlds, State and regional agencies should be so engrossed in and have such a total handle on the objectives of their jurisdictions that they should be initiating within their constituencies applications for Federal assistance to carry out and implement their plans, rather than reacting to casual and occasional actions on the part of their constituencies.

When the clearinghouses reach this point, their review and comment function becomes much more simple, in that they have played a major part in the initiation and preparation of applications and know in advance that these activities are indeed designed as implementing actions to the realization of their own comprehensive planning objectives. The long-range contribution of A-95 will be the development of orderly comprehensive planning at State and regional levels.

There is still, however, a series of desperately felt needs for additional strengthening of Federal policy and action within the framework established by Reorganization Plan No. 2 and Circular No. A-95.

1. *Strengthening of the comprehensive planning process of the units of general government below the Federal level, including regional organizations, is an absolute must.*

At the present time, there are only two programs which provide comprehensive planning funds. These include the 701 program under the Housing Act of 1954, as amended, administered by the Department of Housing and Urban Development, and the Economic Development Act of 1965 through the Economic Development Administration within the Department of Commerce.

Each of these agencies, understandably, favors institutions organized under their programs and in many parts of the country today, regrettably, there are Economic Development Districts operating within parts of one or more regional planning jurisdictions. Both are engaged in comprehensive planning and there is no consistent Federal policy which would merge these functions under a single agency and provide for joint funding to accomplish the objectives of these two Federal departments.

2. *Consistent under-funding of the 701 program continues to be a basic problem.*

The 701 program was initially conceived within the Urban Renewal Administration for cities of under 25,000 population, on a 50-50 matching basis to permit these cities to engage in comprehensive planning in order that they would become eligible for the urban renewal program. The intent was to underpin a specific Federal categorical program: urban renewal.

In 1959, 1961, 1965, 1966, 1967, 1968, and in 1970, the purposes for which 701 funds could be used were expanded dramatically. The population ceiling for local planning assistance was removed, all countries became eligible, authorization for state-level planning support was included, the Federal grant share increased from 50% to $\frac{2}{3}$, metropolitan Councils of Governments were included, as well as authorization for studies of State statutes, grants to the Appalachia Regional Commission and local development districts were authorized, and finally grants for non-metropolitan districts, Economic Development Districts, non-metropolitan Councils of Governments and Regional Commissions and planning for new communities were included.

Furthermore, the Housing Act of 1968 required that the land use component of all comprehensive planning should specifically contain a housing element for the jurisdiction concerned, at whatever level of government such planning was accomplished.

During this period of time, Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966 and the Intergovernmental Cooperation Act of 1968 were adopted and the number of intergovernmental Regional Planning Agencies increased from a mere handful to over 600, nationwide, at the present time.

In short, from the modest beginnings during FY 1955, when \$1,000,000 was appropriated to the 701 program through FY 1970 and FY 1971, when \$50,000,000 was appropriated, the demand has far outstripped the supply of dollars. In developing budgetary justifications for an adequate supply of 701 monies, there has never been, to my knowledge, an in-depth program analysis as to the needs for funding in relation to the demands established by the various Congressional actions which broadened the 701 program.

At the same time, HUD has set up its own system of priorities and special project categories which administratively broadens the demand areas for these funds.

Regional planning agencies, however, are still in precarious positions as participants in regional planning and decision making. The reason is not, as many allege, that membership in these bodies is voluntary. There is too much at stake in most regions for members to which to pull out—or to stay out long if they do. The problem is financial. These agencies have no taxing powers. Because of the crisis in local finance most of the financing of areawide agencies must come from Federal sources. Federal funding for regional agencies is still inadequate and unpredictable. Most Federal funding for regional agencies comes from the Comprehensive Planning Assistance Program, yet despite rising costs, creation of new planning agencies, and increasing demands on regional agencies by HUD, OMB and other Federal agencies of this program has been about static for four years—and it remains static in the President's FY 1972 budget for comprehensive planning and management even though funding for local and state planning agencies is proposed to be doubled.

Funding regional planning agencies has reached a critical point. Unless increased funding is provided, the planning and decision making capabilities which have been built at great effort in many areas will be lost. Precious time as well as money will then have to be spent later to re-establish these capabilities. Already I have heard several reports of major areawide agencies which have had to lay off experienced professionals. When this happens in the face of urgent national needs to solve regional problems, something is wrong.

The total investment being made in regional planning through HUD's Comprehensive Planning Assistance Program is about \$20 million or ten cents per capita. The cost of public and private investment related to urban development has been estimated by the National Planning Association at 11% of the Gross National Product—with a trillion dollar GNP this would be about \$110 billion per year. Within this total there are certain key investments, mainly public ones such as water and sewer systems, transportation and open space, which help to guide development. The technical tools, utilizing systems analysis and other methods are now available to guide decision makers in making key public investments. In many cases the money is not available from local, state or Federal sources to do the necessary work. In other cases, such work is being done but by agencies which are not linked to local governmental decision making. These points will be discussed further in replying to the Chairman's five questions.

To carry out Congressional intent and to strengthen the comprehensive planning process, to support the structure of general purpose governmental political decision making as it is now evolving, would today require funding of at least \$150,000,000 a year.

3. *There has been a lack of reliability of not only the amounts but the timing of the flow of 701 funding.*

In addition to the problems outlined under Point 2 above, HUD has not developed, to date, consistent procedures which would permit local planning agencies to anticipate funding, either in terms of the time of delivery of dollars or in terms of the dollar amounts that would become available.

This is not intended to be critical of the hard-working personnel that deal with the 701 program. It is, on the contrary, a statement of fact that relates to the lateness of action on the HUD appropriation bill and the fact that the Department, unfortunately, since its organization as a Department in 1965, coupled with successive reorganization plans and the transitions occasioned by

a change of administration over the last two years, has not been in a position to establish internal consistency of policy with regard to the administration of the 701 program.

4. *Funding should be projected on a two year rather than a single year basis. It is very hard to staff and conduct a work program on a year to year basis.*

Another step to improve regional decision making within the framework of present law would be to appropriate funds for implementation of Section 205 of the Demonstration Cities and Metropolitan Development Act of 1966. This section provides a 20% bonus of Federal grants for key urban development projects to governments which participate in regional planning projects and governments which participate in regional planning and programming work. Funding of this section would provide a major incentive for implementation of the planning system outlined in the Chairman's letter of January 11, 1971.

5. *Transportation planning funds should go to the sole regional planning agency in each SMSA.*

Another part of the Federal funding problems is the Department of Transportation's support of regional transportation planning. Under the Highway Act of 1962 SMSA's were required to have a continuing, coordinated comprehensive metropolitan transportation planning process. The Act further provided for 1½% of the highway funds allocated to states be given to state highway departments for planning. Often the metropolitan transportation planning process was not a part of the regional planning agency's program. Thus state highway departments, or autonomous transportation planning agencies rather than regional planning agencies, were the recipients of DOT's 1½% planning funds. It is now widely acknowledged that one regional planning agency in each SMSA should be designated as the land use and transportation planning agency for the SMSA. DOT and HUD should agree upon and designate one regional planning agency in each SMSA as the recipients of their planning funds.

6. *HUD must promote its own programs and seek to utilize the 701 program to these ends.*

Since the Department of Housing and Urban Development is one of several departments and independent agencies responsible to the President and since it stands on equal footing with all of the other departments, by the very nature of its organizational position in the Federal hierarchy, it must seek to establish a record for its own programs and utilize every device at its disposal to support these objectives. This is the psychology of Departmental organization and a part of the endless play of power politics between the large elements of the Federal structure. Its policies with regard to the support of comprehensive planning and coordination on the part of the general purpose governments, including regional councils, may state otherwise, but the fact of its organizational positioning must undermine and weaken the effectiveness of these enunciated policies.

To state it differently, many Federal officials and observers feel that comprehensive planning is regarded as "the glue" that enhances the executive management and coordination ability at the several levels of government. Because of the nature of HUD's operational programs and the need to establish a record of achievement, the "glue" function simply cannot win in the long run, as contrasted to the bricks and mortar of housing, open space, water and sewer, urban renewal, and a host of other hardware oriented construction types of activity that HUD finances and supports.

Perhaps even more importantly, because of its departmental status in the Federal hierarchy, its equality with other departments and programs, the Department of Housing and Urban Development simply is not in a position to knock heads with other Federal agencies as their programs are implemented at the State and regional intergovernmental levels. HUD should require of comprehensive planning agencies that HUD funds be used to coordinate planning funded under other agencies' programs—health planning or law enforcement planning, for instance.

Whatever may be the aims of HUD, even with White House support, to use 701 as a coordinative instrument, its line agency status will always frustrate these objectives.

While it is proper for the Federal government to leave organizational arrangements to the States and localities, the Federal government must and should be in a position to strengthen the local *comprehensive planning process*

and the responsibilities of locally elected officials, particularly in the most important emerging area of regional, intergovernmental, comprehensive planning.

The effective participation of elected local government officials in regional decision making depends on their having an adequate level of authority and accountability with respect to all aspects of planning being conducted in their own community and area of responsibility.

This objective can best be achieved when and if the Federal government, the State governments, and regional planning agencies are able to, as a matter of natural course, jointly package available Federal planning assistance program money in support of units of local general government and their comprehensive planning processes.

Again, given its position of equality with other operating agencies within the Federal structure, HUD does not seem to be in a position to effectively accomplish this very necessary packaging function.

7. There needs to be established a central planning coordination mechanism in the Executive Office of the President.

Such a planning coordination mechanism would have as its principal objective the establishment of clearer and more consistent relationships between the various Federal planning assistance programs and the emerging planning structure of the country below the Federal level, i.e., the Governors and their State planning operations and regional planning and policy development.

Such a central planning coordination mechanism in the Executive Office of the President can perform the packaging function and relate planning assistance programs to the units of general government below the Federal level.

A further function of this central planning coordination mechanism would be to develop consistency between the planning requirements of the over 80 Federal programs that contain planning requirements as the condition to Federal funding.

This planning and coordination mechanism would, of course, relate to the operations of the Domestic Council and the Office of Management and Budget reflective of the domestic policies developed by the Domestic Council and facilitate the management of the Federal establishment.

The President's New Federalism policies should insist on the accomplishment of this point, which is geared to the strengthening of the executive and the legislative functions of the States and the units of local general government.

The Regional Level

EVOLVING STRUCTURE

Adapting political structures within a region to solve contemporary social and economic problems remains an elusive goal. Even though this goal has been repeatedly advocated, organizational solutions to these problems as some form of governmental consolidation, has resulted in only a handful of general government consolidations. Organizing the planning functions of general purpose governments in metropolitan regions in ways that they can deal effectively with regional social and economic problems is a national dilemma that will be faced more and more frequently in the 1970s.

Organizing for the regional planning function will be determined by how we organize general purpose governments. Thus, the institutionalization of the planning process is highly dependent on the governmental structure it is intended to serve. The organization for regional planning will also suggest Federal, state and local governmental roles which can help the planning function meet its objectives.

CONSTITUTIONAL CONSTRAINTS

Because state government is responsible for creating local governments—cities, counties, townships—and for permitting local governments to provide services, state government plays the pivotal role in intergovernmental relations. Intergovernmental relations has been the Achilles heel of effective regional planning. Planning is highly dependent on voluntary cooperation which has proven difficult to attain in regions with a plethora of local government needs and interests to serve.

Voluntary cooperation may be supplanted by legislatively mandated governmental responsibilities at the regional level. This would require establishing a regional agency to provide regional services that can best be provided on a regional scale. State governments could permit or require regional service dis-

tricts. In almost all states constitutional or statutory amendments would have to be passed and many would also require statewide referenda to require or permit regional service districts.

Interstate metropolitan areas represent special legal problems to mandatory regional services or planning. In order to establish regional service areas with taxing, operational and planning responsibilities that cross state lines, each state involved and Congress must pass legislation. There is no suitable alternative to interstate compacts for establishing an agency with these fundamental tasks.

Financing public improvements of area wide importance is a fundamental concern of regional planning agencies. More and more regional planning agencies have begun to realize their responsibility to identify the financial implications of development plans they prepare. Recommendations on regional transportation systems, water and sewer systems and open space are especially important determinants of regional development. The public investment decisions for these and other capital improvements are a continuous concern of many regional planning agencies.

Parameters of citizen participation in the regional planning process are established as a result of the organization for that process. The most effective avenues of communication between citizen organizations and regional planning policy making boards are: (1) through locally elected officials who comprise the boards, and (2) the public hearing process for regional development plans, functional elements of regional plans and regional scale projects at the time land is to be purchased for their construction. The first avenue permits citizens to communicate with their regional representatives through the ballot box and, while he is in office, directly on specific problems. The second avenue encourages organized citizen review and comment at the plan-making and initial public investment decision stages of the regional development process.

Regional planning and decision making on a wholesale scale is a relatively recent phenomenon. It is the newest and one of the most significant building blocks in the emerging planning structure of the United States. At the regional level, there are the following concerns:

1. Regional agencies must be structured so that they are composed exclusively of elected officials of the units of local general government within the region.

Thus structured, regional councils of elected local officials should be viewed as instruments of *an integral part of the system of local general purpose government* in the State. They exist for the purposes of determining the intergovernmental policies and activities of the local general purpose governments within the regions wherein they operate.

Having defined matters of intergovernmental importance, regional agencies should be able to move toward action on a cooperative, intergovernmental basis.

Regional councils, as a part of the system of local general purpose government, should be the sole policy and action "umbrella" agency for the region. They must be *the* agency to coordinate and direct all intergovernmental activities conducted within their region, whether such intergovernmental activities are conducted by special purpose units of government (e.g., special sewer, water, or transit districts), organized under State law, or special organizations established in response to Federal law or policy (e.g., health planning councils organized as non-profit corporations).

Coordination and direction should include at least the approval or modification of proposed work programs, financial arrangements, public works or the delivery of public services, jurisdictional boundaries, budgets, and organizational structure of special purpose agencies within the region should also be subject to regional council review, approval, or modification.

Such reviews by the regional council would be accomplished within a framework of adopted policies and the comprehensive planning program of the regional council.

Regional councils should plan the location, timing of improvements, and capital improvements programming for the public facilities necessary on an intergovernmental basis within the region.

Some local officials fear regional councils as the interposition of a new layer of government. It must be recognized that there generally already *is* another layer of government at the regional scale—the special purpose districts operating in or special purpose groups planning in the region.

Regional councils should be able to easily organize and bring into being new subordinate regional operating agencies that they find necessary to the accomplishment of identified regional, intergovernmental goals, objectives, and needs.

Regional councils need to be able to speak with a single local voice in terms of State actions and Federal actions and programs operating within their areas of jurisdiction. Certainly OMB Circular No. A-95 provides them with this opportunity with regard to Federally assisted activities. They should not, however, stop there. They should not be merely mechanisms to react to applications for Federal assistance. They should be mechanisms for the identification of local needs and local desire and for the allocation of effort to accomplish local needs within the region. States need to recognize this need for coordinating and directing all intergovernmental action in the region as a part of the system of local general government.

2. Members of planning and policy determination agencies at the regional level must be those who are elected to govern and who must stand for re-election on the basis of their records of achievement. *Ex officio* members of regional agencies who are, themselves, State officials or Federal officials or local planning commissioners should have primarily a supportive place in the identification of the public interest at the regional scale.

Federal and State officials have to act as reviewers and judge regional proposals. They should not be placed in the position of being the accused, the prosecutor, the judge, and the jury, of wearing several hats at the same time. Lay planning commissioners of local units of government are not responsible for their actions before the electorate.

Regional councils of elected officials must be in the position, within our present form of government, of deciding upon the relative importance and necessity of concerted regional action vs. local individual action.

Eventually, in some areas of the country, regional councils may evolve and emerge into directly elected metropolitan government. This is a local and State option. Certainly the formation of the Metropolitan Council within the Minneapolis-St. Paul metropolitan area by the legislature of the State of Minnesota is an example of moving from traditional planning commissioner-oriented metropolitan planning toward an action program within the Twin Cities Metropolitan Area. The legislature, in its wisdom, determined that the governing body would be 15 members appointed by the Governor.

In Virginia, regional service districts coterminus with the 23 existing regional planning agencies may be established by local referenda. In other areas, regional councils of elected officials—councils of government—seem to be the best configuration at the present time.

Sooner or later, these councils will have to deal with the one-man-one-vote proposition. Until that day, a conference of elected officials within the region to determine regional and local responsibilities, and most particularly to react to Federal mandates, seems to be the best construct, within the present system of local general purpose government at the local level.

The balance of my comments respond specifically to the five points raised in the Chairman's letter of January 11, 1971.

"Within present Constitutional constraints how can we provide for appropriate popular representation of the people whose lives are affected under the plans drawn up and executed through this regional planning structure"

I assume this question requires a response on two levels of regional planning representation and feedback. The first is the Federal regional level and the second is the local regional level.

An organization of elected officials is called for in response to problems of coordination at the Federal regional level. Joint committees of Congressmen from states comprising each of the ten Federal administrative regions should be established to: (1) monitor how the Federal regional offices are implementing Federal regional development policies, and (2) periodically meet with the heads of regional planning agency policy boards to coordinate the Federal and regional perspectives of regional development policies. Beyond the functions of monitoring and coordinating Federal regional development policies, the ten joint Congressional Committees could initiate Federal legislative changes to better approach and solve regional development problems. Congress could then assume more legislative initiative which departments of the Executive Branch have long cherished.

At the local regional level at this point in time there is much discussion of the American political process. The question of popular representation in re-

gional planning and decision making is closely related to the broader discussion of political process. And, I believe that the answers to representation are to be found in American political tradition. Some ways in which representation is now being achieved in many metropolitan areas are outlined below.

(a) Elected officials should play key roles in regional planning and decision making. This can be done and is being done in a variety of ways. I disagree with those who think that metropolitan government is the only answer. It has been an answer in some cases and should be an alternative which any community can consider. The council of governments movement, in which the policy body or regional agency is made up of local elected officials is another alternative. For many areas today this may be the best alternative. Because of various Federal requirements and incentives for regional decision making and because of recognition of regional problems, councils of government today are more than the voluntary organizations they were five years ago. In many cases they are now thought of as essential components of local government structure. In other cases, regional planning organizations which are not under the direct control of elected officials are seeking greater participation by elected officials.

It is fundamental in our political system that elected officials be given maximum opportunity and information to represent their constituents in making regional decisions. There are different ways of achieving this and each area should be given leeway to use its own inventiveness in finding solutions best fitted to its needs.

(b) Citizens should have access to regional decision making. The most effective representation is usually through the citizen's elected representatives. However, there may not always be effective communication between individual citizens and elected officials. In this event, citizens should have mechanisms through which they can present viewpoints to the policy board as a whole.

Experimentation in means of securing citizen participation is underway by regional planning agencies and should be continued. However, many of the means which have proved effective are well known to members of this committee. These include public hearings on proposed plans and other policies; informal meetings; public meetings of the policy board; citizen representation on advisory groups to the policy board; use of mass media to encourage communication between policy boards and citizens; and similar devices. I do not think that the same mechanisms would be uniformly effective in different areas. Probably what is needed are simple performance objectives which could be met in different ways but which would insure that each citizen at least had a reasonable opportunity to (a) know about proposed regional plans and policies, and (b) express his viewpoints on them.

(c) Key administrative, technical, and professional persons from local and state agencies should also be included in the advisory committee structure.

(d) A single comprehensive regional planning agency is necessary in order to provide for representation of governmental, citizen, and technical viewpoints. A proliferation of regional agencies clearly makes representation inefficient and also makes communication and coordination difficult. Federal policy should strongly encourage development of single regional agencies with comprehensive concerns and with mechanisms for political, citizen, and professional participation. The comprehensive agency should be recognized and supported by the Executive Office of the President, including OMB, and by each Federal agency having regional programs. Where the comprehensive areawide organization provides for adequate representation, it should be authorized to review and comment upon proposals by any agencies in the area to spend Federal funds. Bureau of the Budget Circular No. A-95 requires areawide agencies designated as "Metropolitan clearinghouses" to review Federal grant applications. This program improves regional planning, coordination, and decision making. An extension of it to allow elected officials, working cooperatively, to review at their discretion any proposal for expenditure of Federal funds, while still in the draft stage, would further enhance the potential for cooperation.

"What objectives or goals should be spelled out in the statute as a guide to the operations of this regional set-up?"

Regional planning agencies ought to be given latitude in setting their own objectives. To impose too many objectives, especially through administrative requirements and guidelines, may mean that an agency is required to do things which in its special situation don't need to be done or can't be done and to draw resources from things which can and should be done.

I think it is proper for Congress to require regional planning agencies to consider problems which are of national concern and to develop goals and program work to deal with these problems. It might be made mandatory, for example, for regional planning agencies to consider regional problems of employment and economic development; housing; natural environment; agriculture; and open space; criminal justice; transportation, communication and public utilities; education; and government finance. This consideration could take the form of an overall work program which should be required by law to be brief and general so as to be a useful decision making tool for policy makers. Perhaps half the Federal funds could be required to spread among some of the categories set forth above. The other half would be considered discretionary funds to avoid temptation to force local problems to fit the categories. Having encouraged the areawide organization to be representative and responsible, it then should be given resources to exercise its responsibilities. The major legislative requirement should be broad and general with an emphasis on action. It should generally express the mandate for local governments to work together and with state and Federal agencies and private groups to solve metropolitan and regional problems as expeditiously as possible. (For the information of the Committee a summary of the goals approved by the Baltimore Regional Planning Council is appended to my testimony.)

Most regional agencies which are Federally funded, in whole or part, prepare work programs called Overall Program Designs which provide a mechanism for doing the sort of work discussed above. This would be a good building block provided the Overall Program Design can be adapted to the needs of other Federal agencies *without* becoming so cumbersome as to be useless—this is why I previously stressed the term "brief and general".

One goal should be to provide local governments within regions and the state and Federal governments with recommendations on planning for and coordination of regionally significant expenditures within these areas. No veto power would be involved and the recommendations would be advisory with whatever force and effect their logic merited.

Concerning special and general revenue sharing, I understand and agree with the widespread concern for "cutting red tape". However, I do not think that the public expenditures which might be made under these programs will yield full returns unless major categories of expenditure are required to be considered in the context of coordinated regional plans and programs. There are many administrative areas in which measures to simplify procedures and to expedite action would be helpful and I will discuss some of them later. I do not think that "cutting red tape" means that rational, cooperative decision making by key local elected officials should not be fully encouraged by the Federal government. Increased expenditures for urban development and related matters should be paired with increased emphasis on cooperative planning to help make effective use of limited funds which are available for public improvements.

"What standards would have to be spelled out in the statute as guides for the regional coordinators and as requirements for the performance of local units?"

It would be the opinion of the policy body of my council, and probably that of other councils, that when very important standards are to be set, they should be set legislatively rather than administratively. We seem to have problems between elected officials involved in regional planning and administrators, whether state or Federal, when elected officials feel that administrators have gone beyond the intent of the law in establishing standards, requirements, guidelines, and other controls. This is, of course, a very old governmental problem and one which periodically bothers elected officials and administrators. Other administrative problems are the need for more uniformity among the requirements of various Federal agencies and the need for further administrative simplification. Some of the things which might be considered in establishing standards are:

(a) Requirements for representation as discussed under question 1 and allowing latitude for local innovation.

(b) Requirements for short and readable overall work programs discussed under question 2.

(c) Requirements for uniform application, insofar as possible, for participating Federal agencies of accounting and auditing procedures.

(d) Requirements that both local and Federal procedures emphasize agency self-management and place emphasis on expeditious solution of regional problems. The purpose of this is to help insure that the necessary checks and balances don't impede necessary forward motion. The HEW publication entitled "A Program for Grantee Self-Management" might be of interest to this regard.

"What powers would have to be lodged in the ten regional coordinators and how should they be tied to the Presidential office in Washington?"

Linkages between the ten Federal administrative regions and regional planning agencies should be more formally organized. The Federal regions administrative offices of the Executive Branch could assist in carrying out the Federal government's metropolitan development policies. The heads of each regional office of each Federal Department should develop and maintain lines of communication with the heads of all regional planning agencies in that Federal region. The purposes of this communication would be to assure that Federal regional administrators:

1. Are kept abreast of regional development policies of regional planning agencies;

2. Are aware of long range work programs of regional planning agencies and their relationships to Federal programs;

3. Alert heads of regional planning agencies to new Federal legislation and Federal agency guidelines affecting regional planning and development;

4. Jointly, with heads of regional planning agencies, develop strategies for implementing Federal government metropolitan development strategies for implementing Federal government metropolitan development policies.

Closer communication between the heads of Federal regional offices and regional planning agencies could improve the prospects of implementing regional development policies.

The major power to be lodged in the coordinator should be the power to expedite. Consideration might be given to naming the function "expediter" or something similar. Even within the scope of a single Federal agency things can happen too slowly for a fully effective and efficient attack on fast changing regional problems. It is important that other Federal agencies be systematically brought into the decision making system so that Federal programs dealing with regions are better coordinated. At the same time, it is also important that decision making not be slowed down but speeded up. This could be done if the regional coordinator had the power, responsibility, and the personal qualifications to coordinate the actions of key Federal agencies, to expedite decision, to actively advocate the solution of regional problems, and to promote administrative simplification. He should be responsible for asking such questions as "how can we do it better and faster", and he should have enough power to make things happen when they need to happen. An additional function of the regional coordinator might be to "certify" regional planning agencies as having met legislative objectives.

I do not have specific recommendations on how regional coordinators should be tied to the Office of the President. It is clear that key decisions which must be made by this position should not be made by an administrator buried deep within an agency and removed from elected officials. How he can be given the power necessary to do his job and be properly related to the Presidency is a question better left in the hands of this committee and others who have thought about this problem.

"Should a pool of unrestricted funds be available to each regional coordinator to be allocated by him in whatever manner would promote the objectives of the Act and comply with the standards thereunder in order to supply funds which would not be available under any of the other Federal grant programs but would be vital to the success of a particular plan? If this is needed, how big a pool would be required initially?"

This is a good idea. It would promote flexibility and responsiveness in problem solving. Furthermore, the responsibilities involved would be a further incentive for selection of regional coordinators of a sufficiently high caliber to get this complex job done.

Concerning the amount of discretionary funds which should be available, our experience with the comprehensive planning assistance program might be of some help. In my own agency, we have found that when 20% of planning funds are available to be focused on new problems without need for extensive renegotiation of the planning grant, we have enough latitude to deal with most of the minor but pressing problems which arise.

Appendix

SUMMARY OF REGIONAL GOALS

The underlying purpose of the Baltimore Regional Planning Council provided by its legislation is to assist its member governments in "such activities as the Council finds necessary or desirable for the solution of problems affecting more than one unit of government within the area." Goals listed below indicate current "areas of concern" of the Council and its member governments. The attached pages help define the significance of each goal by indicating the general condition of the region and needs and objectives pertaining to each goal. The activity of the Council in regard to the goals in defined in its work program. Major efforts may be devoted to work in regard to some goals and for others there may be only periodic monitoring of changes in conditions; this will depend on determinations by the Council of urgency, responsibility and other factors.

NATURAL ENVIRONMENT: Preservation and enhancement of sunlight, air, water and land resources and wildlife and vegetation of the region to support and enrich human life.

SHELTER: Adequate choice of decent homes in suitable living environments within economic reach of all citizens of the region.

ECONOMIC WELL-BEING: Adequate and rewarding employment for everyone able to work; economical and effective delivery of welfare or other supplements and assistance to those who cannot otherwise provide; opportunity for securing goods and services, public and private, necessary for satisfactory life in today's society; balanced and beneficial economic development; and sound fiscal basis for governments in the region.

HEALTH: Provision for the best level of physical and mental health attainable for every person at all stages of life, and an environment which contributes positively to healthy individual and family living.

SAFETY AND JUSTICE: Adequate and equal justice and protection of life and property against crime, fire, traffic hazards and other threats to personal and public safety.

TRANSPORTATION AND COMMUNICATION: Movement of people and materials efficiently, conveniently, and comfortably as well as reliably and safely. Efficient transmission of energy and communication. These should be consistent with enhancement of the esthetic, physical, economic and social environment.

RECREATION: Opportunities for attainment of knowledge commensurate with the needs and capabilities of all the region's citizens and appropriate to a complex and changing world.

The Council's enabling legislation provides for a method of solving the region's problems which includes:

- participation by other public and private agencies and citizens of the region
- comprehensive planning and implementation for orderly regional development
- efficient, economical and effective development and use of financial and other resources.

Chairman BOLLING. Thank you, Mr. Young.

Mr. Blackburn, do you have questions?

Representative BLACKBURN. Mr. Chairman, the privilege of being first is such a rare one for me in my normal order that I find it refreshing.

Gentlemen, I have scanned your testimony, and I find myself in general agreement with many of the things that you recommend.

As many of you are aware, when you speak in general terms of metropolitan government you evoke a great deal of resistance from the local elected officials.

I notice that Mr. Hughes has suggested that we organize on the basis of geographic organizations. We have seen the evolution of the organization for specific purposes, certain regional services—rapid transit for example. The question has come up in my mind as to

whether or not we might evolve a regional services authority, and not call it a government, but give it the exclusive power to plan for sewer and water and waste disposal and transit, and restrict its authority to those areas, and thereby keep the political decisions in the hands of local elected officials, and have the governing of this regional services authority itself controlled by locally elected officials. Do you follow me?

The question that comes to my mind is, has anyone given any thought to the type of legislation that might be necessary on either the State or Federal level in order to develop this program? Mr. Hughes.

Mr. HUGHES. I would be glad to comment, Mr. Blackburn. The answer to your last question is that I have not personally given any great amount of thought to the legislative problem per se. It seems to me, though, that we can take some very substantial steps, in the direction that you are talking about, at least without Federal legislation.

My desire to move toward geographic and away from categorical organization is not completely unqualified on the categorical side. But I think there is so much distance to go in that direction that my qualifications at this point in time are unimportant. I think the desirable direction of motion should be towards general purpose regional organizations of the sort that you describe, except that I would try to make them even broader in their scope. Just as there are, for example, regional transportation and water problems, so are there regional welfare, health, educational problems. This is a big step; that is, the social program step is a big one. We don't have many true regional organizations that deal with these kinds of problems. And yet it seems to me that that is the sensible direction of motion. And I would think again in line with what I have said, that flexibility and experimentation would be very worthwhile in trying different approaches in different regions, and perhaps even in different program areas.

There are, I think quite clearly some statutory problems, Federal, State, and local probably, as one moves into actual program administration. Short of that, I don't think there are too many statutory problems.

Representative BLACKBURN. Let me ask you this question. We are all familiar with the sewer and water grant programs that we now have in existence. The thought has come to my mind that isn't it possible that these programs are being counterproductive in the sense that they have encouraged small local units of government to set up small inefficient systems, whereas a broad regional authority would set up one more effective, efficient system?

Mr. HUGHES. I believe that is a fact.

Representative BLACKBURN. So in a sense, the Federal Government, through some of these programs, is encouraging inefficiency, wouldn't you agree?

Mr. YOUNG. Except, Mr. Blackburn, that there are incentives for encouraging cooperation, that are bonuses, additional Federal funds to achieve some cooperation between units of governments. And of course when you have a plethora of units of governments like

around New York City, Chicago, or Detroit, and so on, you might tend to get more of what you suggest. We are fortunate in the Baltimore area that we have only six big units of government so that we don't suffer from the problem. But again, I would like to point to my testimony where we suggest that section 205, if it were funded, could well encourage in a very major way the stopping of that kind of thing that you mention where it occurred.

Mr. Chairman, would you like me to respond to Mr. Blackburn's first question too?

Chairman BOLLING. That is up to Mr. Blackburn.

Representative BLACKBURN. I don't want to monopolize the time here. I appreciate the privilege that the Chairman has extended.

Would you address yourself for a few moments to my first question?

Mr. YOUNG. There is one area where perhaps better legislation is necessary, and that is in the area of interstate metropolitan regions, such as Washington, New York, Chicago, St. Louis, Kansas City, and others. At least Federal enabling legislation could make it easier for the States and local units of government in these interstate metropolitan areas to get together in a concerted way.

But again, 205 would be a big carrot if it were funded to encourage this to happen even without additional Federal legislation.

Representative BLACKBURN. Thank you, Mr. Chairman.

Chairman BOLLING. Mr. Reuss.

Representative REUSS. Thank you, Mr. Chairman.

Mr. Young, you have set forth in your presentation a plea for unification of our planning structures and linking of them to political authority, which I am deeply convinced has to be done. And you have sorted out into four levels what you regard as the proper planning authorities, the Federal through the President and his Executive Offices, the Governors of States through State planning offices, Regional Councils of Government under their attached planning agencies, and finally, local general governments, cities and counties. I am right with you on the first two, the Federal and the State, which are obvious political agencies which need to plan. I have some difficulty, however, with the regional planning concept and the local metropolitan planning concept. You don't, for instance, in your four-part category talk about metropolitan planning as such, unless you mean that a region, where it occurs around a lot of people is a metropolitan area.

Mr. YOUNG. That was the intent, Mr. Reuss.

Representative REUSS. And then I have this problem. Perhaps I am unduly influenced by my local situation in Wisconsin. We have a State planning agency which is fine. We then in the heavily populated southeastern Wisconsin area have an organization which I have always supported, the Southeastern Regional Planning Commission, which comprises a lot of real estate, seven counties, a number of major cities, Milwaukee, Racine, and Kenosha, which really don't have much to do with each other, and a lot of rural areas. And it leaps over watersheds and drainage districts and everything else. Meanwhile, for the Milwaukee area, which includes one major county, Milwaukee County, with a population of about a million, and all or part of three other counties with an additional population

of about 400,000, with a total of 1.4 million, we have no metropolitan planning agency, or for that matter, we have no political coordinating agency either. My question is, doesn't there need to be some sort of sorting out now in the 1970's of these geographical boundaries that we have set up? I know that the southeastern Wisconsin situation which I have described is duplicated elsewhere. I don't exactly know enough about your Baltimore regional agency to know whether it slops over into nonmetropolitan Baltimore areas either. But there is a problem there. If the region is selected, and it is too grandiose for metropolitan problems, that tends to mean one where you don't get a metropolitan regional planning agency, which in my judgment is very much needed.

First of all, tell me what is the geography of your Baltimore agency, Baltimore County and what else?

Mr. YOUNG. Mr. Reuss, the Baltimore Regional Council consists of the standard metropolitan statistical area, which surrounds Baltimore City, which is a separate unit of government in Maryland. The State is made up of 23 counties and the city of Baltimore. So it is like a county, like St. Louis and San Francisco.

Representative REUSS. An SMSA make a very sensible metropolitan area. The Department of Commerce and the Census Bureau have been at great pains to pick out the 247, or however many there are, SMSA's. Aren't they SMSA's really a good region for nonrural planning agencies?

Mr. YOUNG. Yes, Mr. Reuss, generally speaking they are. In our region it is the case, because we have the city and the surrounding counties. Much of the land in some of our outlying counties is really rural—it is on the verge of urban development. However, there are some SMSA's in the country, like San Bernardino and Riverside Counties in California, that go all the way from Los Angeles city to the Arizona-Nevada line and the Colorado River, with a tremendous amount of desert. The Washoe County-Reno Nevada SMSA goes from Lake Tahoe, at the bend where Lake Tahoe and California and Nevada meet, all the way to the Oregon line. And it is largely mountains and desert. So there perhaps needs to be some place where you can cut below the SMSA level, and in other situations where you can cut above it.

Representative REUSS. I can clearly see why you would want to cut below the SMSA level where an SMSA is a great sprawling thing that really doesn't lend itself to metropolitan regional government. But why do you need to go beyond and above SMSA's? To give a first case, if there are a couple of SMSA's which are largely contiguous and perhaps jointly manageable regional problems, that would clearly be such a case. But beyond that, if anything, what?

Mr. YOUNG. I think you have stated a primary example, such as Chicago, where you have two or more SMSA's in one metropolitan district, really Chicago, New York, the San Francisco Bay area, and the Los Angeles area. They all have more than one SMSA. However, from my point of view at least, it is sometimes desirable to include some of the rural area along with the metropolitan area.

Representative REUSS. Or in the path of immediate development?

Mr. YOUNG. Those in particular which are likely to be developed or those whose resources are directly related to the metropolitan

area, and those whose economy may depend on the metropolitan area to a larger extent than other places around that particular rural area.

Representative REUSS. Does your Baltimore Regional Council include territory that is not in one of the group SMSAs?

Mr. YOUNG. No. The boundary of our region that we have planning jurisdiction over is the same as the SMSA.

Representative REUSS. Do you see as I do some undesirability in a swollen regional planning agency which goes beyond—I will define swollen—which goes beyond an SMSA or a group of contiguous SMSA's, plus adjacent land that is shortly going to be needed for expansion and development? The difficulty I have with it is that there isn't any regional government now. And I am not at all sure there should be. I am very strong on all the varieties of metropolitan government, from councils of government on. But it seems to me that regional planning councils which include metropolitan areas, much beyond, which aren't hitched to any form of political government, add to the problem not to the solution, in that they keep the State government, for instance, from moving in and exercising political responsibility which it ought to be exercising. Therefore, wouldn't it be better if we confined our planning agency below the Federal and the State levels to either metropolitan areas with a set expansion or SMSA's as is needed to take care of the future planning development problem, and then either forget about other regional areas and let the States handle that, or where a region really has a particular economic or topographical problem, let there be a nonmetropolitan planning agency? In short don't your categories three and four of your four-part categorization need a little more refinement?

Mr. YOUNG. Perhaps they do, Mr. REUSS. But what we would like to emphasize again is that we are talking about not just metropolitan regions, but also about nonmetropolitan regions. Although there will be places in the country where it will be difficult to know where to place a given county, for instance, whether into a rural region, or which rural region, or into the metropolitan region, we feel that the attempt of the OMB which was pretty much at the direction of the Congress in a general way, under the Intergovernmental Cooperation Act of 1966, which promotes and asks Governors to try to devise a blanket of regions for their states, for each of the States, both rural regions and metropolitan regions—the Governors are given the power, they are asked to do this. So this should be a State function. OMB is given some responsibility in defining the metropolitan areas and asking them to be clearing houses in cooperation with the governor, but in the rural regions, the Governors are given all of the action. We do think that the country, generally speaking, needs to be blanketed with rural regions where local units of government in the rural areas can get together and cooperate. There may be areas where it is difficult to know where a given county should be. We admit to that difficulty.

Representative REUSS. When did we do this thing in Congress, 1966?

Mr. YOUNG. My year was incorrect—the Intergovernmental Cooperation Act of 1968.

Representative REUSS. I would like to explore with you whether we did the right thing. I have lurking in my mind that with this fetish for map covering, creating regions just because of large segments of the map which are covered by a metropolitan planning agency, or by a planning agency which has a real valid basis in our economic or other function, we are overplanning and we are weakening the State and encouraging the State to be as immobile and as useless as they generally are. Wouldn't it be better to say, there shall be strong Federal planning, there shall be strong State planning, there shall be strong metropolitan planning, there shall be strong subregional planning, outside of metropolitan areas, where there is a need for it, but we aren't going to try to have a sub-State planning agency everywhere on the map just for the hell of it?

Mr. YOUNG. Mr. Reuss, a reasonable person would find it difficult to disagree with you on that. I think that you cannot force and should not force a local unit of government that doesn't want to join into a regional situation. But our experience around the country is showing that as States, like the State of Virginia, which is not blanketed with regional planning districts—which incidentally have the capability, if the local units and the people so wish, to become regional service districts and provide whatever services at the regional level that the people vote for—are finding it advantageous to regionalize the local units, at least for planning purposes. The local units of the government have agreed to form them in, I believe 19 out of the 22 or 23 districts in the State of Virginia. Texas is another state that has taken leadership in the blanketing of the state with regions. New York has also moved in this direction. And Georgia is another strong leader in this area.

Now, one reason that the rural counties seem to like to get together after they have gotten together is that they find that they can do things together that they don't have the resources to do separately—for instance, to form a community college. In many parts of the country, in rural parts of the country, the resources to have a community college in every county just aren't there. When the local elected officials and others get together from various counties and talk about what they ought to do, they find that they could do things that they couldn't do separately. Now, I would agree with you that no unit of government, no rural county, for instance, should be forced into this kind of thing if it doesn't want to.

Representative REUSS. Thank you for being agreeable. But that really isn't what I was saying. What I was saying is, doesn't this mapophilia dilute State responsibility? Take your eight rural counties which ought to have a community college built. To the extent that you have set up a regional planning agency and elected public officials, of course, being law men, are always glad to have more seals of office, and maybe even salaries to gladden their hearts—the eight-county hypothetical regional council might do some good in setting up a community college. But I suggest that the whole venture is really quite undemocratic and that it would be much better for the people of those eight rural counties to bring pressure on their Governor and their State legislatures to do what the States ought to do, which is to see that there is a decent com-

munity college setup and that their eight-county area gets its share of the pork.

Mr. YOUNG. Mr. Reuss, what I am trying to say is that I agree with you. But the way for the State to do this, the way for the Governor to do it in the most parts of the country, is to use these rural regions as a vehicle. Because it is much easier to work with eight counties as a ground, for instance, as you mentioned, than it is one at a time, and I would agree with you that there needs to be a democratic way to do this, instead of the State perhaps being able to divide and conquer and end up not doing anything in any one of those counties, if all those eight counties act in concert with the cooperation of the State to help them, the State is going to save money by only having to put in one facility instead of two or three, perhaps, to satisfy everybody, and you are going to be able to meet needs over the whole state a lot easier. So these kinds of regions should be looked upon as a vehicle for the State to use as well as the local units of government. And many States are beginning to look at it that way.

Representative REUSS. I know they are. I am not sure it is good, though. If the eight counties who stick to that model found their history and economic groups and their economics and the geography such that they said either, look, we are going to stop this nonsense, and we are going to amalgamate our eight counties into one democratic central government, or they say, we don't want to do away with the old political boundaries, but we are going to set up a regional political government to which people get elected, and where the average citizen can have some political say, I would say that is glorious, that is a good trend which should be encouraged. But to set up a meeting planning agency with no political moxie to back it up seems to me to waste planners. I am always for the American Institute of Planners, but I want them to be employed at something worthwhile, rather than frittering away their time advising nonexistent and unviable political bodies.

Mr. YOUNG. Mr. Reuss, I don't think that we really disagree with you. However, I would like to point out that in the State of Maryland we had a very progressive new constitution written by a convention. And the State Legislature gave it its blessing, and so did the then-Governor, who is now Vice President. But when it went before the electorate, it so happened that the old constitution was such that it made it a lot easier to form regional metropolitan governments than the new constitution would have. But the new constitution mentioned regional governments specifically. The old one didn't. And some political leaders in the State of Maryland seized upon this mentioning of regional government in the proposed constitution, and that in fact made it more difficult to form such a government than the old one. And so the constitution failed at the hands of the electorate statewide, most observers think because of this raising of the issue of regional government. So even though it might be desirable to do away with some political boundaries in some parts of the country, particularly where counties are very, very small, and perhaps inefficient, it doesn't seem to be politically possible any more than it does to do away with States, as one of your witnesses in October said.

Representative REUSS. Thus proving my point. In Maryland, a fiasco came about because jealous local officials, afraid of getting their wings clipped, lobbied with horrendous success against the new constitution. I think that is a direct description of what happened—and the voters fell for it and rejected it.

That having happened, if I lived in Maryland—and you probably rejoice that I don't—I would spend my time trying to get Annapolis and the State government to assume those responsibilities which a State government should assume, I would spend my time trying to have them set up a State housing agency so that it could plan low income housing in appropriate areas rather than cram it all in the central cities. And I would spend my time seeing that the State had a decent system of community colleges and rather than creating areas which have no political history of working together.

What is wrong with the States? They are dying on the vine. If we decide that we have got to cover the whole map with new regions, then we are going to make sure they really do die, because then a do-nothing governor can always point out to the lovely regional agencies which cover the entire map of the State and sit on his haunches for another hundred years.

Chairman BOLLING. Mr. Blackburn.

Representative BLACKBURN. I was just going to ask, doesn't the Maryland experience tend to prove my original hypothesis that if you use the term "metropolitan government" then you run into hostility, whereas the term "regional planning authorities which deal with special services" might meet with more approval, more political success.

Mr. YOUNG. Virginia has made it possible to do. Also the Twin Cities—who I understand you are going to hear from later in the series—have gone a long way in that direction, and the Minnesota Legislature has made it possible for organization like the Metropolitan Council of the Twin Cities to be organized elsewhere in the State.

It is true that sometimes just the name is what irks you.

Again, I would like to emphasize that one of the reasons the States are in the situation they have been in is because of the host of Federal programs that haven't been well coordinated at the Federal level. And one of the reasons that we think that A-95 is a good thing is because it provides a vehicle for the Governors of the States and for local units of government and regional councils, whether they be rural or metropolitan, to advise and help the Federal agencies coordinate themselves.

Again, I would like to point out that we feel we need a balance between the Federal Government, the State government and local government, we need to make all of them more viable.

We should, however, according to my thinking, have government as close to the people as possible. In Maryland, some of the people in the local governments are concerned that the State, through a very, very significant reorganization, where it had 200 State agencies, in 2 years has come down to 11 now, eight operating and three staff agencies. And incidentally, the Department of Transportation can take various transportation funds and use them for transit, the first time that that has happened in the United States. The State

now has enormous power. Some local governmental officials think that the State has too much power, that the balance of power has moved too much to the State. It remains to be seen whether that is true or not.

Representative REUSS. I can truthfully say that I am a bigger supporter of the American Institute of Planners and a strong supporter of all planners, all competent planners having the best possible job. But I am not edified by the prospect of seeing good planners—because they are in short supply—taken away from useful jobs where they can be hitched to a viable political entity, Federal, State, metropolitan, or homogeneous rural, and scattered across the map by the notion which Congress apparently promulgated, that the map of the country should be entirely covered by regional mapping agencies at the sub-State level.

Mr. YOUNG. If I might respond, Mr. Reuss, we think that this kind of thing leads to a more efficient utilization of planners rather than a less efficient one, because in a rural region you may have only one or two working for 100,000 or 200,000 people living in that area, made up several counties. And those rural people need some professional assistance which they might not otherwise have. And we are not talking about a great number of planners, because these are small rural regions, likely to have only one or two planners, and we believe other professionals are needed too, but only three or four may be on the entire agency staff.

Representative REUSS. Thank you.

Chairman BOLLING. Mr. Hughes, in your testimony you say: "I think decentralization may be a little bit like fiscal responsibility—much easier to get support for in general than in particular." I think that is very clearly true.

And I think you heard part of the conversations we had with Mr. Ash yesterday. Mr. Ash and I discussed the whole question of taking the rather strong step, I suppose, of decentralizing some of the powers of the Presidency and some of the powers of decision of the Presidency in these 10 geographic regions. And I think my thinking on that is oversimplified. But I have been around long enough, as have you, to watch in utter amazement the wiles of bureaucrats contesting one with the other for jurisdiction, not just in Washington where it has all the intricacy and charm of something like 400 Borgias in crime, but even in the relative simplicity of a region like the one that I know, the Kansas City region, old and new, where the ability—it seems to me 90 percent of the energy sometimes goes into effort that results in nothing happening. I raise the question that you refer to in the preceding page. From a management standpoint a councilman with supradepartmental status has real appeal. Now, it has real appeal to me because I am so tired of seeing departments cut each other to pieces where, to be slightly democratic about it, the people stand by and suffer. Now, obviously, Congress has a major responsibility. But what is the theoretical, practical, or political objection, as a person who has spent years in the President's arm, the budget, what is the theoretical, practical, or political objection to having—call him a czar—but a man who represents something like the President in a limited fashion, to make decisions at that level,

subject only to the ultimate veto, the factor that there is only one President?

Mr. HUGHES. First of all, I do not personally see any theoretical objection.

I don't see the philosophical or legal constitutional problem that Mr. Ash talked about, somewhat. I think the difficulties are of two different kinds. One is really the question of studying out what the powers and responsibilities of that individual should be. And that is a very complex question. I have some ideas, but I don't have any answers that I am convinced of at this point.

The second problem, I think, is a political problem in the traditional sense of that term, not a partisan political problem, but a Presidential-Congress political problem, which would persist, I think, regardless of the President and the Congress. And it has to do, basically, with who represents the Government out there. I feel a little presumptuous in making this speech to you, because I think you may understand some aspects of the problem better than I do.

Chairman BOLLING. I asked you because I think that is true. But I think you understand the other aspect better than I do. That is why I am asking you the question.

Mr. HUGHES. I think the problem is one of representation and power—in a sense, in communications also. If the President has a man in a congressional district who is his personal representative, as this individual could be—he needn't be, but he could be—then the President has eyes and ears out there on a formal, continuing basis, to watch Federal departments, to watch political goings-on within that particular city or that region. And that does affect, it seems to me, the relationship between the President and that Congressman, or perhaps a whole group of Congressmen within that region. I have qualified my description of the Presidential man by saying he needn't be a personal representative of the President.

Chairman BOLLING. How would he get supradepartmental jurisdiction?

Mr. HUGHES. I would think he could be an Executive Office representative out there who would perform somewhat the same kind of role within the region that the Office of Management and Budget performs in a variety of areas here in Washington, where individuals—perhaps under the auspices of the President—but many times simply individuals, do a job of leading, coordinating, and sometimes administering that enables Federal programs to work better. Mr. Sundquist goes into this at some length in the book that I referred to. The President's man out there could be a career man with a responsibility to see that the work gets done; a man with some authority and with fairly carefully circumscribed decisionmaking responsibility in accordance with existing policies, politics, and so on, but not the President's special and personal emissary.

Chairman BOLLING. Let me ask you a difficult question that has intrigued me. I am aware of the enormously constructive effort of a substantial number of career people who have held positions that are for all practical purposes protected by the Civil Service. But I am also aware of a certain amount of mythology and at other levels. I am not being partisan about this. I have noticed the curious fact that over time, as Presidents arrive, they can take a long time or a

short time, but fairly quickly they have control of all of the different regions of all of the different departments.

Now, this is one of those interesting, cloudy areas where the theoretically career people—and some of them have been career people—last through a variety of political administrations. And some of them haven't lasted. But clearly the President, the Administration, the apparatus, in this sense the political apparatus—has the capacity to take over the top policymaking positions at every level of Government if it has the will. I have never seen it not happen. And I think this is the kind of thing that ought to be said publicly at least once, without reference to an individual.

But let's say that an Administration decides that despite the enormous competence of Mr. A, who is a regional director of department B in a given areas, they don't want to keep him there. Now, they don't do anything to him, and they make clear to him that, sure, he can keep the job, they aren't going to fight him in public, but he isn't going to have any duties. Now, I have never seen anybody that was worth anything that would accept that situation who could conceivably hold that kind of a job. You are just not going to sit for 4 years or 8 years, or whatever it is, without a job. Now, would there be anything very wrong in the acceptance of the notion which we accept at the national level, at the Washington level, that the President has the right to have whomever he pleases, virtually, in his Cabinet, no exceptions? It has to be a person of good character, of course. But the Congress accepts this as a highly personal matter. What is wrong with that in theory?

Mr. HUGHES. In a region, you mean?

Chairman BOLLING. Yes, Mr. Hughes.

Mr. HUGHES. I don't see any trouble with it, Mr. Bolling. The point I was trying to make was that there can be gradations of Presidential representation out in the field. I think from a management standpoint, from an orderliness standpoint, there is great virtue in having the sort of individual that you describe in the field, a Cabinet-type individual who is a personal appointee of the President, and on the scene in effect to look after the Administration's interests. That is, however, a new concept. The whole idea of an administration representative out there is new. This is a sharp departure from the past. And I think the problem again is essentially a nonpartisan political problem of Executive-Congressional relations. In management terms, the idea seems to me to have great appeal. And I think it is an essential step if real policy decentralization is to take place. No power is going to be moved from Washington to the field by the President unless the President has the same kind of confidence in his regional representative, or the regional supradepartmental man, that he has in the Department head here in Washington.

Chairman BOLLING. I think that is the guts of the question. And it seems to me that we get so tied up in notions as to how the Federal Government is going to function, over time, when the Federal Government is certainly nothing like it was twenty-five years ago, anymore than the country is very much like it was twenty-five years ago. It has changed fantastically. It seems to me that it doesn't hurt

to begin to look at it from that radical point of view, if you want to put that word on it.

Mr. HUGHES. I think that is quite correct, Mr. Chairman. My statement perhaps didn't emphasize enough a point that I think tends to be overlooked. Over the last decade or a little longer, we have gone really quite a way in shifting from categories to geography in our concepts of administration and in our concepts of what are the fundamentally important divisions of administrative responsibility. Some of our current administrative confusion, some of the confusion Mr. Young referred to, is the product of the fact that we are still living with categories, with the 800 or 1,000 programs, or whatever. And then as we move to a geographic orientation, those categories are multiplied by the number of geographic divisions. To clean up the situation we need to decide what our fundamental divisions are. In a long-run sense, if we really mean to decentralize, to regionalize, to talk about community based organization, then geography becomes preeminently important. Department heads here in town gradually become staff people advising the President in their areas of expertise, and the administrators are the guys out there in the regions.

Chairman BOLLING. That is exactly the point. And it seems to me we get trapped in our own history to the extent that we forget some of it. For example, I am well aware that Cabinet officers have statutory responsibility, not only necessarily requested by the President. The classic example is that a Congress, in order to take a slap at Mr. Roosevelt, gave Mr. Ickes, whom Congress also hated, control over helium. That is an example of the Congress breaking through the integrity of the Executive. And a Cabinet officer basically has precisely the same political base that we are discussing, and giving to a regional czar—give him any name you want. I like the name he will be called by his opponents. I like to draw their teeth to begin with. Back in the days when we increased the size of the Rules Committee so that we could take control of it, the opponents called it packing. And I called it packing too. I think it was a good, honest name. It seems to me that we ought to start with the radical notion and see where we are going from there. So my next question, then, is I don't impose on my colleague by going too long, my next question is, given that radical departure, how would you then deal with the problems of planning? Would there be anything terribly irrational about insisting that the people who made all the planning decisions would be the appropriate elected officials without exception? They could have any kind of a substructure they wanted. You quote from Schultz that planning is sort of a waste of time unless it is related to execution. If we once get a person out in the field, the President's—whatever he is—in the region, capable of making a decision, subject only to one man's veto, he would have a lot of protest from the Department heads, but he would be subject only to the decision of the President, with all the various implications and complications that that had. Why should you bother having anybody except an elected official or person who holds direct elected power. Why should you bother having anybody but those kinds of people doing the final decisionmaking on planning? Why do you need councils? You need planners, obviously, because the elected official isn't going to do his own planning, unless he starts out by being a planner, and doesn't do anything that a political official does. Why

shouldn't the decision be made also by the people exclusively, by the people who have to execute it, and who are responsible to the people?

Mr. HUGHES. Clearly I am not a planner. My perception of planning is—with apologies to Mr. Young—that it is one step in the management process. It is a very important step, but it is simply a part of the continuum that I call the management process. Therefore, it needs to be carried on, as I tried to emphasize, by those people who are responsible for execution of the plan. And insofar as we can, we need to build it into not just the management system, but into the total economic system, so that in line with Mr. Shultz' comments, the incentives and the rewards and so on are moving in the direction of carrying out the plan.

We are experimenting with regional councils, river basin commissions, and so on, because, at least as I see it, we are trying to put together traditional political divisions, units of government, in ways that make more sense, at least in terms of current needs, than do the traditional political subdivisions. If planning is to be done right and management is to be done right—and I link the two together, obviously—then it seems to me that the officials, city, state, or local who are responsible for the decisionmaking process must be assembled to talk about and to become a regional planning and managing entity. This is the need that has given rise to interagency and intergovernmental councils and commissions, and so on. The present structure of the government, for the most part, still leaves in the hands of the traditional political entities and authorities the decisionmaking responsibilities. They move to that decisionmaking in a sort of committee form. It is very cumbersome. In the longer run, it seems to me, the desirable direction of motion is somehow to reorganize the political divisions of metropolitan areas in a way that makes political, management, social and economic sense. That is probably some way down the road, but at that point the political of decisions consequent to the planning, as I see it. Pending that time I think those officials do need to meet in some sort of committee, council, or what have you, to communicate with each other, to talk about not just planning problems, but management problems—how they execute the plan and reach decisions.

Chairman BOLLING. Would you care to comment on that, Mr. Young?

Mr. YOUNG. Mr. Chairman, I think I agree completely with the answer Mr. Hughes gave you, at least from the way I understood it. I would like to add, however, that the metropolitan or the rural region that I have been emphasizing—we also think that planning and management are very closely tied with each other. And this is particularly true when you don't have a metropolitan or regional government in a city or county. A planning department may report to the County Executive, the County Manager, the City Manager, the Mayor, and Planning Commission. At the regional scale, primarily, people like me report to the council or group of elected officials that act in concert with each other. So we have to practice planning, management, and other professional activities and all kinds of things at the regional level.

Chairman BOLLING. The next problem that concerns me—and it may not be appropriate at this stage of the hearing—is that I don't think it is very difficult to figure out a way in which you might con-

ceivably do a much better job of relating the whole problem of management and politics, which is really what we are talking about. Because if the people are going to pay for it, and if the people aren't going to be relatively satisfied with the results you aren't going to get anything done. And the public official who plans badly or approves a plan that is unsatisfactory, isn't going to get it financed, or he isn't going to get it executed, or he isn't going to plan beyond the next election. And it seems to me that what we are really talking about here is how we relate all this to the process of the majority rule. And the dilemma that I see is that, if we had public officials each one of whom was capable of doing all the things that a public official should be—farsighted and courageous, and at the same time with both ears on the ground—if you were able to get all these miracles at all these levels of government, then we wouldn't have any problem. But the indications are that quite often public officials make rather catastrophic mistakes at some point in accepting plans, in executing plans, in relation to their constituents. And the implication is that at least part of that time they have wholly misjudged, or—not wholly misjudged, they have misjudged at least in a way where a majority can be developed against them, either as they ask for more money or as they ask for reelection, they have misjudged the majority will. It seems to me that this is not too neat an outline of what seems to happen. And this brings us back to the fundamental dilemma. We not only have to keep a majority system, a free choice system. We also have to devise techniques for putting the proper inputs into planning and into execution on a daily basis rather than with frequent elections. I, for example, have felt that we should retain 2-year terms for Congressmen simply because that is the only way you could give the American people the right to turn over their government more quickly than every 4 years. It doesn't take any imagination to see what would happen to a President whose program was so wholly unpopular that he lost all the members of his party in Congress, or the overwhelming number of them, in the next election. So therefore, you have frequent elections. But you have got to devise some technique in the planning process and the execution process which then follows, which takes into account the proper input. And this raises another set of questions which are fascinating.

The people of Watts probably aren't really articulately aware as a people that one of their fundamental problems was that they couldn't get out of Watts. They didn't know what kind of a mass transportation they had. I am curious as to whether any one of you have any ideas as to whether you could get this continuing opportunity for people to put an input in, that is a real opportunity, that is not an opportunity in theory, it is an opportunity which assumes adequate information to them, so that they have a real opportunity and not a theoretical opportunity.

That is a great, fat question. I have got an idea on it, but I am just curious to see if somebody else has some.

Mr. HUGHES. I listened fairly recently to the Mayor of Seattle talk about community participation and what it meant to him and what the metes and bounds were of his ground rules for this. And I was impressed both with the difficulty of the question and with the extent to which he had thought about it.

First of all, he tried to define community participation as he conceived it. It is a term a little like decentralization in that it is a good, popular term, and very difficult to spell out precisely. His definition of community participation—and mine—includes the stipulation that somebody is ultimately in charge, somebody must be able to make decisions after the community has participated in the decision process. Community participation in his terms should not mean chaos or inability to act. He emphasized, as you did, the importance of the community being informed and having the basis for participation.

The Watts situation prior to the riots is probably a kind of classic example of inadequate community information and involvement. And I don't know any quick and easy answer to that, except a tremendously increased effort on the part of the leadership of the community to inform the people, and on the part of the community itself to stay informed. It is a long, hard struggle.

Chairman BOLLING. If I may interrupt just a minute, and if everything works out and you have the time, you might be interested in the witness we will have on the track on May 19, a man named Costikyan, who has got the most interesting and most radical suggestion that I know of on this subject. He suggests, if I remember correctly, and I hope he will suggest it again, that we ought to have a new elected official throughout the United States, he is talking primarily about New York—a Federal official, I take it—I don't know—that is one of the reasons why he is going to be a witness—who represents 5,000 people, but by some ingenious device he is given the right of access to almost any level of government as a representative of those 5,000 people. Now, you think the idea of decentralizing the Presidency is a little far out. But when you translate this into national terms, and you think of the number of millions of Americans, you will have a quite a few elected officials. But his suggestion is that the great problem in the United States today—and this is not a partisan discussion, because remarkably there have been machines, both Democratic and Republican—is that we lost the useful aspect of the oldtime precinct workers who really could convey quickly to a political leader, responsible or irresponsible, depending on whether you were for him or against him, who really could convey to that political leader what the people cared about.

Now, I haven't figured that one out either. But it is an interesting enough thought. So I am pursuing it. And I don't think that that is impossible.

And I gather that you want to comment, Mr. Young?

Mr. YOUNG. If I may, Mr. Chairman. In answer to your question about community participation. Of course, at the area-wide and regional level, it is even more difficult than it is when you are dealing with a concrete unit of the government, a general purpose government like the county and the city. But following the requirements to set up a comprehensive health planning organization in a region—which, as I said earlier, is under our jurisdiction in Baltimore—HEW gave us in a grant \$200,000 for 2 years to in essence organize the health planning process in our region. And in so doing, we contacted over 800 health organizations, and about 125 consumer organizations in our regions. The consumer organizations didn't call themselves receivers of health services, but everybody really is.

To make a long story short, it took us a little less than 2 years to help organize and staff this group of people. And now we feel that we have real community participation in the health planning process, and we are attempting to broaden this out to include housing and some other factors. What I would like to point out is that it is expensive. HUD is now asking regional councils around the country to get involved in community participation, but cannot provide adequate funds to do so.

Chairman BOLLING. I am sure it is expensive. Do you have a comment you would like to make, Mr. Hughes?

Mr. HUGHES. I just wanted to emphasize that actions and the answers, particularly if they are structured answers, tend to be self-defeating in this business of community participation. Simply by virtue of becoming the duly constituted community participation organization in a community, the whole scene changes from the viewpoint of that organization. That organization then becomes an institution not too different from many I can think about, but with a much narrower power base which has its own connotations. So I think this is a basic problem that is very difficult to solve, either with the ombudsman—even if he is an ombudsman of the sort your witness is going to talk about—or with a real free and easy, less structured hearing approach. Hearings are subject to packing—there is the question of who speaks for the community. Is it just the guy that is the most aggressive or most articulate, or are there a lot of people out there that just don't know that there is a hearing, even let alone what the issue is?

Chairman BOLLING. Is that one of the reasons why—perhaps because of my experience, I have been inclined not to have an appointed ombudsman? Is that one of the reasons why you should have an elected one? Because ultimately over time—it may take a lot of experience—you really can get a guy that is sensitive to them. Because they can throw out a series. And the elected process does have its virtues, if you are trying to find people who are responsive to people, especially if they are elected by them.

Mr. HUGHES. There are other techniques for polling to the extent that what we are talking about—

Chairman BOLLING. I am really not talking about polling. The obvious answer is the technology of computers and of polling is now far enough advanced so that we could probably very easily do away with the Senator and Congressmen if we just ran a daily analysis of the peoples' reactions to important issues of that day. But we do want a response that is a little bit more sophisticated than that. And people write in and ask me why I don't respond to this new majority that has been developed. And I say, it may be an old minority, and it may be a new minority, the day after tomorrow. So we really aren't at the point where we are going to recognize it.

Gentlemen, I find that my time has come to an end. I am supposed to be at another committee, as usual, and I want to thank you both for being here and for giving us your opinions and responding to the questions of the subcommittee. It has been most helpful, and we are most grateful.

The subcommittee will stand adjourned until tomorrow at 10 a.m., when it will meet in room 318 of the Old Senate Office Building.

Thank you.

(Whereupon, at 12 noon, the subcommittee adjourned, to reconvene at 10 a.m., Thursday, May 13, 1971.)

REGIONAL PLANNING ISSUES

THURSDAY, MAY 13, 1971

CONGRESS OF THE UNITED STATES,
SUBCOMMITTEE ON URBAN AFFAIRS
OF THE JOINT ECONOMIC COMMITTEE,
Washington, D.C.

The subcommittee met, pursuant to recess, at 10:05 a.m., in room 318, Old Senate Office Building, Hon. Richard Bolling (chairman of the subcommittee) presiding.

Present: Representatives Bolling and Brown.

Also present: James W. Knowles, director of research; George D. Krumbhaar, Jr., minority counsel; and Walter B. Laessig and Leslie J. Barr, economists for the minority.

OPENING STATEMENT OF CHAIRMAN BOLLING

Chairman BOLLING. The subcommittee will be in order.

This morning the Subcommittee on Urban Affairs continues its hearings on regional planning issues with witnesses of quite different backgrounds from those who have testified so far. Our previous witnesses have been concerned with the organization of the Federal Government and with the planning process, per se. Our witnesses this morning are two experts who have spent much time on the problems with which we are concerned—one from the background of law and the other from a background of economics.

Professor Robert H. Freilich, professor of law at the University of Missouri at Kansas City has wide experience in the management of urban government. Our second witness, Professor Werner Z. Hirsch, professor of economics at the University of California at Los Angeles, is also director of the institute of government and public affairs at the university. He has written widely on regional, state and local government from the economic standpoint. We will hear from both witnesses and then proceed with the questions.

Mr. Freilich, will you please proceed with your statement in whatever way you choose.

STATEMENT OF ROBERT H. FREILICH, PROFESSOR OF LAW AND DIRECTOR OF URBAN LEGAL STUDIES, UNIVERSITY OF MISSOURI SCHOOL OF LAW, KANSAS CITY, MO.

Mr. FREILICH. Thank you, Mr. Chairman. The subject of my remarks today will be "The Implementation of a National Land Use Policy Through Timing and Sequential controls at the Federal and Regional Level."

I would like to thank the committee for giving me the opportunity to appear and to offer some suggestions in the manner of treating regional planning issues.

I am going to depart somewhat from the prepared statement which is submitted.

Chairman BOLLING. It will be included in whole in the record with its various appendices and additions at the end of your oral statement.

Mr. FREILICH. Thank you.

As I understand the purpose of these hearings, they are to increase our understanding of how political structures can be adapted to facilitate solutions to regional and socioeconomic problems.

I would suggest that we must not only concern ourselves with how the structures are to be adapted, but primarily, before we can establish valid structures, we must come to some meaningful understanding of the substantive solutions to regional and national needs as they are perceived, and from the nature of the problems and the solutions we can begin to move to viable political structures.

I say this with full knowledge that the committee is exploring the process of decentralization of federal power to some degree to regional structures, to state structures, and in the area of planning and governmental aids to local bodies.

The basic premise of my approach this morning is that we fail to realize that unless there are shifts in national priorities and policies, simply shifting programs to the regional and State level, I think will be like moving pieces around the checker board, without accomplishing too much. I would like to elucidate on that premise.

Urbanization does not basically involve new problems in America. We have had the problems of urbanization as we think about them for a long time. The race problem we have had since Jamestown. We had worse pollution at the beginning of this century when our large cities allowed the burning of bituminous coal, and you couldn't even see on sunny days. We had worse housing in the slums. In many ways we have made progress in the solution of urban problems.

Urbanization does mean, however, a speedup in the pace of problems, and an increasing density in the location of people and the movement of things. This accelerating change leads to inability to cure problems. It is fundamental that in response to this rapidity of change we should not act unless we see substantive solutions to problems that can achieve meaningful change. For example Edward Banfield in his recent book, "The Unheavenly City", states that it would not do very much good today to add more millions or billions in educational funds, to educate slum children when we basically do not know how to educate slum children. He is certain that educational administrators will find many ways to use the money that we give them, but as to whether the process of education will be any different he is pessimistic.

Of the many problems in regional planning today, there are two major areas that should be of greatest concern. The first is the rapid and uncontrolled growth of our suburban areas. We have planning in this country at all levels, the Federal level, the regional level, metro plans and local planning bodies. What we lack is the direction of regional planning through police power controls at several major

levels. We do not have police power controls at the Federal, State, or regional level necessary to implement the planning decisions that are being made by those bodies. We have the common understanding that after plans are developed and drawn up they are put on the shelf, and it becomes a very common joke to talk about the boilerplate of planners. The 701 program since 1954 has been feeding perhaps hundreds of millions of dollars into those kinds of plans without any major or effective implementation.

The rapid and uncontrolled growth that is current in our metropolitan areas today has some very specific relationships to the problems that you are studying. First of all, rapid urbanization has led to extreme population shifts resulting in the development of suburban and satellite areas of our major urban centers. We are depleting our rural areas and towns very rapidly. The change in the population in those areas is moving into our central cities at a greater and greater rate. At the same time the middle class from our cities is moving out into our suburbs. The movement from the rural towns and the farms is what we call centripetal into the center, and the movement of the middle class out is centrifugal.

The results are causing tremendous, rapid and accelerated growth in the suburban areas. We have seen little or no growth in our central cities, in fact much blight and deterioration, and greater depletion of our rural areas.

This feature of the present urban situation, the process of residential and industrial dispersion, has been encouraged by technological advances, advances in laying utility lines, communications, housing and credit policies of the Federal Government, transportation priorities in favor of freeways through our metropolitan areas, avoidance of urban tax rates which have been encouraged by Federal taxation policies, income transfers and redistributions, and finally, perhaps most important of all, racial polarity.

The result has been, urban sprawl in its worst possible form. With fragmentation into multiple governing and taxing authorities, diseconomies with regard to public facilities, and a severe imbalance in the provision of low- and moderate-income housing which hampers economic, industrial and social improvement and mobility.

The effects of the rapid growth are even more important than the dimensions of the growth itself. The effects point to many of the problems of our urban areas. Rapid growth has caused an imbalance in growth between industrial, commercial and residential needs. This is because communities are vying for ratables. The situation of the property tax being what it is, each community is anxious to get as much commercial and industrial ratable as possible. We are no longer concerned with people in our communities, we are concerned with ratables. The more people we can keep away from our communities the fewer costs we have in welfare, in housing, in education, in service costs, the better off we think we are.

It is a very strange result when this country, which was founded as a Government by and for the people, suddenly finds that its local governmental bodies think that "ratables" are more important than people.

Rapid growth causes rapid installation of public improvements, so rapid that many public improvements are not even put in at all. We

find increasing numbers of suburban areas without adequate educational or health facilities. Drainage is completely absent, utilities are inadequate, and sometimes built on two-inch lines, when much larger utilities will be needed for the future. Roads are narrow, and the funds for widening are not available until too late. Parks and open space are totally lacking. Recreation, police and fire services are also inadequate.

Furthermore, rapid growth causes a rapid increase in taxation, because inefficient land use raises the cost of all services, whether they be sewers, roads, transportation, education, fire or police.

Another effect of this rapid and uncontrolled growth is sprawl, urban sprawl, premature subdivision of land, poor design, and of course environmental pollution in some of its worst forms. Developers, moving rather rapidly into the urban fringe areas, bypass more expensive areas located close to the central city where land is more expensive and where subdivision and other planning regulations are more developed. They are constantly moving out into further and further undeveloped land, with the prospect that they can develop it quickly and inexpensively.

This might be important if it actually led to an increase in low- or moderate-income housing for some of our constituents. But the private sector is not producing housing for the low- and moderate-income families. What we are getting is middle- and upper-income housing without proper facilities, and inadequate services.

The rapid and extreme growth which overruns communities leaves little time for these communities to plan effectively for that growth. We get little planning, very little citizen participation in the planning process, and a total failure to implement or administer planning with proper police power regulations.

What I would see as the last result of this rapid and extreme growth in our suburban areas is the development of negative, antisocial policies. In reaction to improper development, excessive taxation and poor planning, homeowners who are moving into these communities respond in antisocial ways. They are seeking to keep out other people, especially low- and moderate-income families, whom they classify as tax burdens on the community. They develop exclusionary zoning and other restrictions, large-lot zoning, no multiple-family uses, exclusive industrial areas, and strict building codes to keep out new forms of housing, such as prefabricated or industrial housing. They utilize arbitrary administrative delays to try to slow down the pace of growth. They create new villages and cities as so-called "defensive incorporations" so that they can control the land use which in its turn causes further fragmentation. Finally they are unwilling to support needed metropolitan, regional, and State solutions to problems of the central city and to the region.

This problem has been made in fact worse by the existence of reapportionment, because State legislatures, instead of being more are in fact less responsive to the needs of the cities. In the past, while State legislatures were dominated by rural interests, there could at least be tradeoffs between urban legislators and rural legislators on certain issues in which rural legislators had little concern. Reapportionment substitutes suburban legislators for rural legislators who find it politically inexpedient to support commuter taxes, housing

and mass transportation programs, because their constituents believe they are vying economically and politically with the central city.

We are developing "spread city"—it is neither city suburban or rural, it is just an amorphous spread. In many political areas it has spread out as far as 50 to 80 miles from the central cities, and it shows no signs of lessening the gobbling up of land about it. It was thought in the late 1960's that the rate of migration from the rural and agricultural areas to the central cities was slowing down. The 1970 census points out that this rate is not only continuing, but it looks like it will continue to develop at the same rate throughout the 1970's and the early 1980's.

A number of studies have been made of this process of rapid growth. The National Committee on Urban Growth Policy issued the report entitled "The New City." The Douglas Commission, the National Commission on Urban Problems, and the Advisory Committee on Intergovernment Relations have all reported that premature growth and urban sprawl are one of our nation's major problems. As a result, the deterioration of our natural resources, the filling in of land with archaic and inefficient uses, and irrational policies are developing.

I am recommending to the Congress that what is needed is a use of timing and sequence controls, police power controls, at the regional and Federal levels, in order to make possible the slowing down of this rate of growth, the development of rural and uncongested areas of the Nation's land resources, and the accomplishment of greater densities and more rational planning of existing suburban and fringe areas.

The exercise by the Federal Government and by regional governments of timing and sequence controls, based upon the ability of communities to furnish capital improvements and services in a reasonable manner and over reasonable periods of time, would help establish a controlled tax rate, and a start towards placing suburban and urban fringe communities into a political position whereby they will support further regional and metropolitan solutions.

The slowing down of the growth rate in the satellite and fringe areas of our major cities will accomplish a number of results. First of all, the overflow of pressure from industrial and commercial concerns will be forced to go into the central city to provide private capital in central city areas for regeneration. The Urban Renewal Program was shown that as long as there are unlimited possibilities for growth in the suburban areas, there is little incentive for private capital to move into the central city.

The second result will be the accomplishment, urged in various congressional bills of a National land use policy in which the Federal Government shifts to a policy of economic decentralization. New towns and new communities are being urged to be built in communities, which if not feasible at the rural and small town level, can be built in communities of 50,000 to 300,000, and spread throughout the country in depressed areas and other areas of open space establishing a more logical economic pattern of growth and development.

The slowing down of growth in our major metropolitan urban areas would permit the siphoning off by the Federal Government of much growth to the central cities and to new communities and new

towns. It would be a major step to the realization of a viable urban growth policy for the Nation and for a national land use policy.

Furthermore, by controlling the rate of development of land in the suburbs, we would be in a position to develop the land in the suburban areas at a much greater density than it is presently being developed.

I pointed out in the official statement to the committee that the reaction of communities to rapid growth has been to utilize by and large restrictive zoning practices which call for single-family housing on lots of a half acre or more, in many cases more than one acre. What is happening is that we are geometrically expanding the use of the land surrounding cities.

This is the antithesis of planning, because these communities, by using minimum floor area requirements for housing, large lot zoning, and other techniques to control the rate of growth, are saying to their communities that we will provide for lot sizes and for facilities that we know we have no intention of building on, but these are just arbitrary devices with an unstated premise of trying to hold off the growth rate. The unfortunate result is that upper and upper-middle-income families are the only ones capable of affording the housing developed and vast areas of economic stratification are developing. The arbitrary controls result in large-scale down-zoning at a later date. I was staff counsel for the New York State Joint Legislative Committee on Studying and Revising the Town Laws, which investigated the zoning scandals in Suffolk County, N.Y., where over \$20 million worth of zoning corruption was revealed in a period of 7 years, from the wholesale selling of zoning in a rapidly growing community.

It is very clear that the purposes of regional planning are being undermined by the subterfuges which communities are forced to resort to in order to meet the rapid growth rate.

The only answer to this problem is to meet the problem directly. If communities are anxious to meet rapid growth, if they are anxious to control their tax rates, if they are in fact anxious to increase the density of their land and get a better balance of low- and moderate-income housing, the only way we can face that issue is to permit them to control that growth directly with police power measures.

The Federal Government can do this through the power of interstate commerce, the power to regulate land use environmentally, and through housing powers. It was also suggested in the report that these powers can be delegated to regional bodies. The controls would avoid being arbitrary because they will be based upon comprehensive planning. The controls will be region-wide, conforming to overall National land use policies which will suggest the kind and tempo of growth for different urban regions within which the region can then set priorities for land use, and the actual decisionmaking can be done by the local communities. There is great interest in decentralization at all levels. The first thing to do is to establish National and regional standards. With those standards carefully outlined, legislation can allow for a maximum of rational decisionmaking at the local and metropolitan level.

We must not avoid confronting the question of race, which is underlying much of the fragmentation and rapid centrifugal force that is spilling out into the suburban areas. We cannot avoid the fact of the tremendous racial segregation that is developing in the north and in southern cities. I might point out that years ago the South was somewhat unique in having most of its communities integrated. This of course resulted from an understanding of the relationship between black and white which was unique and different from that which attained in the North. But today cities like Atlanta, Jacksonville and Miami, are developing the same de facto segregation of low-income in the central city and middle- and high-income in the suburbs that have developed over the past 50 years in the northern cities.

The concentrating of the poor in the central cities which is the result of rapid growth has also led to Federal policies which are anti-rational. Gilding the "golden ghetto" or pouring tremendous sums of money into the central cities in order to improve a debilitating housing stock, and provide for social and economic viability makes no sense when eight out of every 10 new industrial and commercial jobs are being created in the suburban areas. There is a need for the Federal Government to meet head-on the problem of race, which is facilitating the growth of exclusionary zoning and other anti-rational planning solutions in our metropolitan areas. The courts are taking up some of the slack in this regard. In the matter of public housing, several Courts have recently enjoined the utilization of public housing subsidies which will result in more segregated areas.

In the Shannon case in Philadelphia the Federal Court of Appeals suggested that congressional subsidies for private housing, such as the 221(d)(3), 236 and 235 programs, cannot be utilized to provide all segregated black communities in the central cities. Integration must be a major goal of the Department of Housing and Urban Development.

In several state cases, in Pennsylvania and other States the courts have said that communities cannot turn back newcomers from their boundaries, but must face up to regional solutions.

I would suggest that Congress has already legislated, in the 1969 Housing and Urban Development Act, that it has the power to directly acquire, construct, and dispose of housing notwithstanding any inconsistent law to the contrary. This clause, which was contained in the 1969 Act to further the Operation Breakthrough program, indicates that Congress has the power to avoid restrictive zoning and other exclusionary devices and to provide for the necessary techniques to provide timing and sequential controls for the necessary production of low- and moderate-income housing in suburban areas.

There is a need for Congress to do this. One method of facilitating low and moderate income housing in suburban areas would be to authorize the establishment of regional housing authorities. These regional housing authorities, would receive all housing funds of a metropolitan area, including all Federal and State subsidies. The authorities would then be in a position to provide for a balanced growth of low- and moderate-income housing throughout our metropolitan areas.

If Congress does this, and at the same time, authorizes timing and sequential controls, the policies will slow down the rate of growth in the suburbs, and simultaneously provide for greater density including low- and moderate-income housing in the areas that are being developed. Planning can proceed through the Federal administrative regions, with the State departments of community affairs and metropolitan planning commissions establishing regional planning goals for both the housing and capital improvement needs of local communities.

I would like to read the dissenting statement of a far-seeing judge in a very well-known case in New Jersey¹ in which all mobile homes were excluded from a town and the Supreme Court of New Jersey upheld the exclusion. Justice Hall in his dissent, stated :

The majority decides that this particular municipality may constitutionally say, through exercise of the zoning power, that its residents may not live in trailers—or in mobile homes, to use a more descriptive word. The import of the holding gives almost boundless freedom to developing municipalities to erect exclusionary walls on their boundaries according to local whim or selfish desire and to use the zoning power for aims beyond its legitimate purposes.

Justice Hall said that the municipalities were basically trying to control the rate of growth which was bringing a spiralling rate of taxation. He then suggested :

Such municipalities above all vitally need and may exercise legally comprehensive planning and implementing zoning techniques to avoid present haphazard development which can only bring future grief. They are entitled to aim thereby for a sound and balanced area, with varying uses combined to special districts, and appropriately regulated. They may even limit the pace of growth to coincide with the availability of the necessary additional facilities and services so as to minimize growing pains.

If Congress sees the relationship between rapid and uncontrolled growth and exclusionary and racial policies all tied to the fears, taxation rises, and the legitimate need and aspirations of people who live in the suburbs, then I think we can have a viable statutory policy and a substantive policy within which national and regional planning can begin to take shape. For too long we have used only the carrot. I doubt very much if Congress can effectively implement national land use policies and planning through incentives alone. Holding out incentives to go to rural areas has not, and will not work.

The 1954 policy of the workable program, held out the incentives of Federal aid to communities, but required at the same time that those communities must adopt comprehensive planning, citizen participation, adequate relocation housing, and health codes to meet their needs.

The suburbs were successful in avoiding those policies, and by and large were able to convince Congress that sewer and water grants, road programs, and so forth, should be eliminated from the workable program requirement. What was left of the workable program was applicable only to central cities which needed funds for urban renewal and code enforcement.

I will conclude, gentlemen, by suggesting that what has happened in the town of Ramapo, Rockland County, N.Y., might be suggestive

¹ *Vickers v. Township Committee of Gloucester*, 37 N.J. 232, 181A-2d 129 (1962).

of what can happen nationwide. Beginning in 1965 I came in with a new administration as legal counsel to a town of 70,000 population in the metropolitan area of New York City. We were faced with a growth rate of 285 percent over a 20-year period, an astounding pattern of growth. We had no capability of adequately supporting sewers, roads, drainage and other improvements. The population was to reach its maximum, and the whole town was to be occupied within a period of 12 years.

What we did, first of all—and I have attached this as an appendix to the record—was to utilize Federal 701 funds to do master planning. Having received those funds and became engaged in the planning process we then applied what we call an interim development control, which is a short-range control on timing of development. We stopped all development in the community for a period of 6 months, until we could see the direction that the master plan was taking. This ordinance, the first of its kind in New York State, was upheld as constitutional by the Supreme Court.

The master plan, adopted in 1966, provided for a capital-improvements program over an 18-year period for securing for the entire town with drainage and road improvement, educational facilities, parks, sidewalks and sewerage utilities. With the capital program developed, an amendment to the zoning ordinance was adopted which provided for the control of the development of the town sequentially. That is, as the areas received the capital improvements shown on the master plan, they would be sequentially developed over an 18-year period.

Although the plan was attacked by the builders association it was recently upheld as constitutional by the New York Supreme Court in a very far-reaching decision which I have attached to the record.

The Ramapo solution also indicates that while police power controls which are available to the local bodies can effectively be used, they can be utilized even more importantly at the regional and Federal level if they are used logically.

I would point out the side effect of the sequential and timing measures used in Ramapo. It became the first community, the first unincorporated suburban community in New York State to provide for public housing, not only elderly housing, but housing for low-income families. Over 200 units were approved by the town. The density on land was far greater than what would have been done if we had had to resort to large lot zoning and other arbitrary and restrictive devices to control the rate of growth. It is possible to think of the dramatic results which could be attained nationally if the Congress were to consider the fact that this kind of relationship can be vitally important for the development of regional and national planning.

I would conclude by urging one other factor. I think that one of the reasons for the lack of implementation of planning at all levels has been the failure to incorporate the legal profession into the planning process in an affirmative way. The legal profession in this country has the key to the implementation of all planning, because it develops the ordinances, it has to defend them in court, it has to give legal advice to the city councils and regional boards that utilize

this. I feel certain that planners would welcome the joining of forces with lawyers in this regard to promote the use of intelligent and rational decisions for the kinds of solutions that I have indicated. It will, however, require new educational programs for lawyers and curriculum changes in law schools.

I have tried to show the kind of program that is developed at the University of Missouri Kansas City School of Law, which has one of the largest urban law programs in the country devoted to the understanding of the relationship of law and planning to the solution of urban, regional and national problems.

I would suggest that Congress should concern itself with appropriations to strengthen the law profession, the bar associations and the law schools, in the promotion of programs in which national land use planning and regional planning are given priority, and in which joint efforts between planners, economists, social scientists, and lawyers can be encouraged to promote and implement national policies. I have suggested such a proposal as an appendix to the record here, which is a proposal which we are submitting to the National Science Foundation. But I urge that in many other ways the use of these programs can be strengthened immeasurably.

I thank you very much for the opportunity of appearing here.

Chairman BOLLING. Thank you for a very interesting statement.

(The prepared statement, with appendixes, of Mr. Freilich follows:)

PREPARED STATEMENT OF ROBERT H. FREILICH¹

NEW FEDERAL POLICE POWERS REGULATING THE TIMING AND SEQUENTIAL DEVELOPMENT OF LAND TO IMPLEMENT NATIONAL LAND USE AND HOUSING POLICIES

I welcome this opportunity to appear before the Subcommittee on Urban Affairs of the Joint Economic Committee of the Congress in hearings concerned with Regional Planning Issues. I urge Congress to adopt new legislation which would permit the Federal government to utilize police power measures to implement national land use policies. The most important of these powers would be the requirement that land development in metropolitan and urban areas be controlled through timing and sequential controls which would regulate the inefficient, uncontrolled, anti-social and de-facto racial patterns of land use which are destroying our ability to master the problems and crises of the urban environment. These controls would not be imposed by the creation of a new super-structure of Federal bureaucracy but would be originated through the establishment of national land use plans in the Department of Housing and Urban Development, working in conjunction with functionally related Federal departments and agencies, and would be implemented through the ten Federal administrative regions which have recently been established. Regional and metropolitan plans, in accord with overall national policy, would be developed through regional (including interstate), metropolitan and statewide (operating through Department of Community Affairs) bodies representative of local geography, population, minority and ethnic groups. The actual implementation of land use controls will still for the most part be performed by local cities, towns and counties in which maximum citizen participation and decision-making will shape the desired direction of local community growth.

Rapid and uncontrolled growth has resulted in a process of urbanization which upon deeper analysis is responsible for much of the disfunction of American society and which in the past has been fed by Federal policies of credit grantsmanship. Analysis of rapid urbanization leads to the following relationships.

(1) Rapid urbanization has led to centrifugal forces for development of suburban and satellite areas of our major urban centers, depleting our rural

¹ A.B., University of Chicago ; LL.M., M.I.A., Columbia University ; J.D., Yale Law School.

areas, destroying rural towns and accomplishing little or no growth in our central cities—in fact increasing blight and deterioration;

(2) Residential and industrial dispersion has been encouraged by technological advances, housing and credit policies, transportation priorities, avoidance of urban tax rates, income transfers and redistribution and racial polarity;

(3) The result has been urban sprawl in its worst possible form with fragmentation into multiple governing and taxing authorities, diseconomies with regard to public facilities and a severe imbalance in the provision of low and moderate income housing which hampers economic, industrial and social improvement and mobility.

More importantly, however, the effect of rapid growth with inadequate planning develops deep-seated hostilities and imbalances which not only discourage effective solutions from developing but in fact encourage negative and destructive policies which in cyclical fashion reinforce one another. The effect of rapid growth creates: (a) imbalance in growth between types of uses, industrial, commercial, residential as communities vie for "ratables" in opposition "to people"; (b) inability to provide services through rapid installation of facilities in education, health, drainage, utilities, roads, parks and open space, recreation, police and fire; (c) rapid rises in taxation—as inefficient land use raises costs of all services, sewers, roads, transportation, education, fire, police; (d) land speculation and environmental pollution—premature subdivision, poor design, inability to control the character and quality of land development; destruction of physical features and natural beauty, spoliation of mountains and flood plains, septic contamination of water supplies; (e) development of irrational planning—lack of time to develop, implement and administer proper planning, including adequate citizen participation in the planning process and the development of appropriate police power tools to regulate development in accordance with sound planning; (f) development of negative, anti-social policies—in reaction to improper development, excessive taxation and poor planning, citizens and communities respond to keep out low and moderate income persons who are "tax burdens", develop exclusionary zoning (large lots, no multiple family uses; exclusive industrial areas etc.) and archaic building codes, utilize administrative delays, create new villages and municipalities as "defensive incorporations" and generally are unwilling to support needed metropolitan, regional and state solutions to problems of the central city and region. Reapportionment of state legislatures by substitution of suburban legislators for rural representation has accentuated rather than helped this process by preventing the trade-offs in which both rural and urban communities benefited in the past. New York City achieved a giant step in regional and metropolitan solutions to problems in 1898 when in a series of trade-offs with rural legislators, consolidation of the five cities (now boroughs) into one was achieved. Rural legislators were hardly concerned with these issues. Today it is hard to imagine a suburban legislator with the courage to support a commuter tax for the central city unless he has a deep-seated wish for self-retirement.

Thus although urban growth dynamics have been repeatedly identified as a significant problem of American communities, policy makers and leaders have been unable to prevent socio-political chaos in the form of sprawl, fragmentation and diseconomies. It is clear that run-away growth, as a dynamic form of change is totally destructive of community values. What is taking place today is neither city, suburb or rural but rather an amorphous "spread city". Rising land and development costs because of speculative ventures and premature developments are pushing spread city farther and farther out, with isolated new homes and subdivision dotted along rural roads as far as fifty to eighty miles from major cities. This leap-frogging is the antithesis of overall planning for an area and causes scattered development, soaring costs of municipal facilities which are inadequately provided. Urban sprawl is misplanning because it increases the cost and lowers the utility of public services, it causes underutilization of strategically located land and encourages the segregation of lower income families.

Only reasoned progress can preserve community values while accumulating the benefits of growth. Achievement of a reasonable, sequential, progressive development will come, not by reliance on weak comprehensive planning with Federal grant-in-aid offered on a permissive basis—only where you want it—but only after a deeper analysis of the ability of public guidance to influence market decisions and of the judiciary to enforce planning goals.

Nor does the process of centrifugal urbanization appear to be diminishing. The 1970 preliminary census reports indicate that the flow of population will continue from rural and small town areas unabated into the central core areas of our cities. It was believed for a time that this process had slowed late in the last decade. With this continued inflow (centripetal forces), the white middle and upper class population of our central cities continues to flow centrifugally into spread city. Now the industries and commercial establishments are following, with eight out of every ten new jobs being created, located in suburban areas, while the non-skilled and semi-skilled workers, including our racial minorities, are trapped in central cities in poor housing, declining neighborhoods and with no opportunities to disperse into the developing suburban environment.

The Federal government in the past and present has failed to reverse these negative processes and has sometimes, albeit unwittingly, reinforced them. Thus in housing we granted unlimited credit through FHA to white homeowners in the suburbs but because of economic and actuarial policies refused loans in the central city neighborhoods. After suburban areas were created and the centrifugal forces developed, we now refuse to "force integration" in the suburbs and instead through model cities and public housing encourage all low and moderate income housing in segregated central city neighborhoods many of them beyond rehabilitation. By congregating low income groups together in massive numbers we wonder why we have a crime, delinquency, education, job, housing and drop-out of society syndrome. We then reinforce the exodus by promoting anti-rational housing code enforcement policies which result in blockbusting neighborhoods, drive landlord capital out of rental housing and make city governments the largest slumlords. The Housing programs of the Federal government do not encourage or even require suburban governments to build low and moderate income housing as a trade-off for sewer, water and roadbuilding grants. In our transportation policies by favoring highway and freeway construction over mass transit we have encouraged the industrial exodus from the cities to suburban areas and failed to capitalize on the major asset of central cities—density of people capable of supporting industrial parks—if the transit were available. At the same time our national railroad policies have made passenger service to rural areas and small towns unavailable, which with the shutdown of air transportation to these areas, will continue to increase their economic isolation and the continued urbanization of our major centers. This is a syndrome of our national capacity to treat both public and private services alike and to require them to be "profitable". We ignore the immense diseconomies which accompany these surface-like policies. One wonders if the public school system should also be abandoned because it has not made money—as has the Post Office Department.

The tragic nature of our inconsistent and irrational Federal policies lies in the use of new towns. As has been pointed out by numerous recent studies, logic would indicate that our new town policy should encourage economic decentralization and if not possible in small towns and rural areas, should at least be located in urban areas of 50,000 to 300,000 in population. Presently, however, our policy is to locate these as satellite cities of our largest urban areas thus increasing our urban sprawl towards the highly dense new communities.

Where the Federal government has sought to achieve standards in land use programs the results have been sporadic to unsuccessful. The "workable program" requirement of master planning, comprehensive codes, citizen participation and adequate relocation housing has failed because of two fundamental reasons: (a) pressure from suburban interests in sewer, water and park programs exempted these programs from the workable program requirement until only central city programs of urban renewal, concentrated code enforcement and a few others are still covered. Although sewer and water grants are to be reviewed by regional bodies under the 1966 Demonstration Cities Act (so-called "A-95" review), the very bodies that review the grants are improperly represented by excessive suburban control on their boards (as Metroplans and Councils of Government); (b) the lack of an *affirmative* meaningful national land use policy against which programs can be measured for their relationship to national priorities, insures that anti-rational solutions will ultimately win out, in the absence of meaningful Federal standards with enforcement and administrative mechanisms.

The mechanism of timing and sequential controls can be successfully utilized to form the backdrop of a Federal national land use policy. These controls are of two separate orders. The first provides for long-range sequential development of communities tied to the ability of the community to provide essential services for development to reasonable levels. The ability to provide services would be measured by the priorities of the regional plan or supplementing national land use policies which will allocate resources and grants-in-aid to regions. The slowing down of growth in these areas will free regional and Federal resources to move into central cities and into smaller cities in the 50,000 to 300,000 range. The same mobility will be achieved by private resources which will have to seek regeneration of central cities or decentralization into new communities formed as satellites to smaller viable central cities. The timing and sequential controls would follow the priorities of comprehensive planning which would establish that over reasonable periods of time an ongoing program of capital development would insure the development of all land subject to the controls. If controls were needed for such long periods of time as to be confiscatory, development easements could be purchased by the government to hold open space and to preserve agricultural prime land. A second but important corollary of the use of timing and sequential controls would be the adherence to comprehensive planning. Presently almost every rapidly growing suburban community, feeling the wave of surging development, will adopt policies to control development which are the antithesis of planning. These devices, such as large lot zoning, are successful only in producing socially exclusive communities and large areas of land improperly zoned. These areas, because the "plan" shows them as ultimately developed at large lot densities (or the zoning would be held unconstitutional) are subsequently downzoned with no standards to guide the arbitrary and an excessive corruption and selling of zoning. The scandals on Long Island as revealed by *Newsday* included tens of millions of dollars of corruption in one county. See Frélich and Larson, *Conflicts of Interest: A Model Statutory Proposal For The Regulation of Municipal Transactions*, 38 *UMKC L. Rev.* 373 (1970). A third benefit of the timing and sequential controls will be to stabilize the soaring property tax rate and thus permit the development of land at much greater densities, with multiple family housing and housing for low and moderate income families. Communities will be developed with proper public facilities and services because economies of scale can be achieved. One of the most important accomplishments can be the creation of proper health standards—drainage, sewerage and trash disposal, coupled with environmental pollution controls. Since it will be land that is controlled, rather than people, it is likely that through increased densities, substantially similar or even greater numbers of people can be accommodated—if the planning so indicates.

A second type of timing and sequential control is of the short range order—the interim development control. These controls permit the community to regulate development while the formulation of comprehensive plans are being established. These controls have already been utilized to prevent non-conforming vested interests from destroying new zoning ordinances, flood plain areas, urban renewal areas, conservation and scenic beauty districts, uses surrounding proposed freeways and highways. In New York the Hudson River Valley Commission has utilized interim controls while plans for the Hudson River were being formulated and the same controls have been applied to preserve San Francisco Bay from destructive filling while planning was proceeding. The uses of interim controls are highly flexible and can be applied to any land development program and to the commencement of the planning process as well as its amendment. Interim controls can be used in many ways. The use of flexible planning—Planned Unit Development, Cluster and Average Density zoning, Public Housing, Federally subsidized Section 235 and 236 Housing, New Towns, can be insured by the use of interim development controls. The planning needed for the development of the long term sequential and timing controls imposed regionally, need not be hard-bound restraints but can be successfully reviewed and amended to meet flexible development needs as long as interim controls are available.

The constitutionality and propriety of these legal controls have been fairly well established. In an article to be published in the *Journal of Urban Law* this summer, I have shown that interim development controls have been accepted by almost all states either legislatively or judicially. The use of timing and sequential controls can be established through the expanding concept of

the police power in condemnation and regulation (slum clearance, renewal, industrial development, preservation of open space) as well as through the powers of Congress to regulate and supply housing and the control of interstate commerce. Zoning enabling statutes have long authorized that land use be in accordance with a comprehensive plan and that the orderly provision of public facilities is a legitimate function of land use control. With the judicial acceptance of realistic attitudes toward planning (note the recent Federal decisions prohibiting continued use of Federal funds for development of housing in already segregated areas of cities, whether public housing or subsidized private housing) and an increasing recognition that economic, health and welfare problems are directly related to the rapid growth of communities, so long as the controls on land follow comprehensive planning standards and are of a temporary restraining period, they will be accepted by the courts.

The use of timing and sequential controls has been demonstrated in the suburbs of New York. In 1965 the town of Ramapo, Rockland County, New York (population 70,000) was in the throes of extreme rapid development. It had a 20 year growth rate, as a suburb of New York City of over 285% as compared with only 31% for the State as a whole. Land was being consumed at such a rapid rate that the full development of the town would be realized in 12 years without adequate sewers, drainage, roads, police, fire, schools and certainly no housing for low and moderate income families. As town counsel for a new administration I drafted an interim development ordinance for the town (Appendix 'A') which froze development in areas subject to the formation of a new master plan for six months. The ordinance was upheld as constitutional by the Supreme Court of New York (Appendix 'B'). Thereafter the new plan (financed under '701' monies) was adopted with full public debate and public hearings without fear that a race of diligence would be held with developers which might destroy industrial and commercial areas. The town then proceeded to adopt a timing and sequential control policy for land development (Appendix 'C'). The adoption of the plan showed needed public improvements, a capital budget and plan showed that all areas of the town would be reached by an ongoing improvement policy within 18 years, and that the soaring tax rate could be stabilized assuring greater public responsibility to provide for sequential development based on available public improvements. In an historic decision the New York Supreme Court upheld the constitutionality of the ordinance as a proper land use control (Appendix D). The effective use of a comprehensive plan, subdivision controls, official mapping, zoning, development easement acquisition (establishment of a commission to assess open land without development valves if the owners grant development easements to the town for 10 years) (Appendix 'E') shows that the full arsenal of planning tools can lead to orderly and proper development.

Ramapo has set another first. It recently broke ground on several hundred units of public housing both elderly and for families—the first unincorporated suburban community in New York State to so act. The increase in densities and the provision of housing for low income families was made possible because of the use of sequential and timing controls.

These tools, like any governmental power, are neutral. They can be used for proper and improper purposes. If the use of sequential and timing controls is made available through regional development plans, it is clear that the Courts will enforce them. Cases beginning in New Jersey in 1955 and continuing through recent Pennsylvania cases on large lot and exclusionary zoning indicate that the Courts will interpret the statutory mandate that 'zoning be in accordance with a comprehensive plan' to include regional planning. If the use of sequential and timing controls is left, however, to municipalities, the path and progress will be slow indeed. If the record of the Courts in the exclusionary zoning cases indicates, the slow and tortuous process through the Courts to eliminate restrictions of zoning against low and moderate income housing is producing, like revenue sharing, much turmoil with little results. If national land use policies are important, and the number of bills in Congress testifies to that, then it is imperative that Congress reallocate national priorities—not with the carrot alone, but with the carrot and the stick.

Clearly much research and experimentation remains to be done in this vital area. I have attached as Appendix 'F' a proposal that has been presented to the National Science Foundation and is currently undergoing some revision which proposes to establish a Mid-America Law and Planning Center to investigate the potential means to implement national and metropolitan land use

policies and plans for the guidance and quality of urban environmental growth. The proposal shows the remarkable progress that the law schools have demonstrated in their urban affairs programs. UMKC School of Law has one of the largest graduate urban legal affairs programs in the nation and the range of courses taught would not even have been dreamed of ten years ago in law school curricula.

The youth of our nation need not feel that our system is totally inflexible to the felt need for change. Our educational systems are changing and are flexible. Congress, too, needs to explore new methods and techniques to shape the national priorities and to see that an orderly, equitable and rational system of development is produced in this nation so that we can enter the 21st Century in as strong, physically, materially and philosophically a position as we entered the 20th Century.

Appendix A

RAMAPO INTERIM DEVELOPMENT LAW

Local law regulating for an interim period the issuance of building permits and the approval of subdivision plats in areas of the town affected by prospective amendments to the zoning ordinance of the Town of Ramapo pursuant to the proposed town master plan prepared by the town planning board as noticed for public hearing and adoption and concerning future prospective amendments to the town zoning ordinance.

Be it enacted by the Town Board of the Town of Ramapo, State of New York, as follows:

The Code of the Town of Ramapo is hereby amended by adding Chapter 19 to read as follows:

SECTION 19-1 TITLE

This local law shall be known and may be cited as the "Interim Development Law of the Town of Ramapo".

SECTION 19-2 LEGISLATIVE INTENT AND FINDINGS OF FACT

A. Background

The Town of Ramapo in Rockland County, New York, being a suburb of the New York-New Jersey metropolitan region, with its center in New York City, approximately thirty miles from the center of the Town of Ramapo, has been experiencing unprecedented and rapid growth with respect to population, housing, economy, land development and utilization of resources for the past decade. Schools, roads, public services and facilities have been and are being constructed to meet the needs of the Town's growing population but these services and facilities have been unable to keep pace with the ever growing public need. Faced with a number of major physical, social and fiscal problems caused by this rapid and unprecedented growth in relation to drainage, road construction, sewage disposal, school and library needs and other new or expanded needs for public services and concerned with the overall quality, density and character of land development within the community, the Town of Ramapo has undertaken a comprehensive program to prepare a master plan to guide its future development which program was conceived during 1963 and officially started in February, 1964, under the Urban Planning Assistance Program of the Housing Act of 1954, as amended, with the assistance of Federal and State funds.

The comprehensive planning program is being accomplished by the Town Planning Board with the Rockland County Planning Board staff serving in the capacity of planning consultants to the Town Planning Board with close liaison maintained with the Town Board and all Town agencies and officials.

The planning program has included a study and analysis of the Town's physical resources, population trends and characteristics, economic and business activity, existing land use and zoning, community facilities, roads and transportation facilities, and fiscal trends and available financial resources.

As a result of this study a comprehensive master plan, pursuant to Section 272-a of the Town Law of the State of New York, said plan commonly being referred to as the Town of Ramapo Development Plan, embodying all of the purposes of the said statute, has been prepared incorporating recommendations for the proposed future residential, commercial, industrial and public land uses, community facilities including future schools, recreation and other public

facilities, road and highway improvements. In addition the comprehensive planning program includes the preparation of: (a) specific recommendations for the revision and amendment of the Town of Ramapo Zoning Ordinance in accordance with the comprehensive master plan; (b) specific recommendations for revision of the Town Subdivision Regulations; (c) specific recommendations for the establishment of a Town Official Map; and (d) a capital improvement program including recommendations of priorities; and (e) recommendations for appropriate planning standards with regard to street improvements and community facilities.

B. Legislative Findings of Fact

The Town Board does hereby find that pending the necessary preliminaries and hearings incident to proper decisions upon the adoption and the terms of the revision and amendments of the Town of Ramapo Zoning Ordinance, in accordance with the comprehensive master plan set forth above, that unless reasonable measures are taken for a reasonable interim period to protect the public interest by preserving the integrity of said plan until the appropriate amendments to the Zoning Ordinance are adopted and become effective, any significant variations in the areas where the master plan recommends changes in the existing zoning ordinance will destroy the integrity of the master plan and its basic purposes and comprehensive aspects.

C. Legislative Intent

It is the intention of the Town Board to protect the comprehensive master plan and to insure its implementation by hereby adopting, pursuant to the authority vested in the Town Board, reasonable interim legislation for a reasonable time during consideration of the aforesaid proposed zoning changes, to protect the public interest and welfare and prevent a race of diligence between property owners and the Town during consideration of zone changes, which would in many instances result in the establishment of a pattern of land use and development which would be inconsistent with the master plan and violate its basic intent and purpose and fail to protect the community and its general welfare.

It is the purpose and scope of this law to define areas of the Town which are affected by proposed amendments to the zoning ordinance which would result from the implementation of recommendations of the master plan. The Town Board has included only those significant areas which have been recommended by the Town of Ramapo Planning Board as essential to preservation of the master plan and in the best interests of the community and its health, safety, morals and general welfare, and has further provided for a review and appeals procedure to avoid any inequities and undue hardships in the application of this law.

D. The provisions of this Law shall be applicable to those portions of the Town of Ramapo outside the limits of any incorporated village

SECTION 19-3 ESTABLISHMENT OF AREAS AFFECTED BY PROPOSED MASTER PLAN, PROPOSED AMENDMENTS TO ZONING ORDINANCE PURSUANT TO SAID PLAN

The Town of Ramapo is hereby divided into the following areas, the respective color for each type of area being set forth opposite its title, which areas and boundaries of such areas are designated on copies of the Official Zoning Map of the Town of Ramapo, referred to in Section 19-4 as the Interim Development Map with their respective colors.

Title:

- | | |
|--|---------------------|
| (a) Residential area to be changed to residential area with greater plot size..... | Color |
| (b) Residential area to be changed to non-residential area..... | Blue. |
| (c) Non-residential area or mixed non-residential-residential area to be changed to residential area..... | Do. |
| (d) Non-residential or mixed non-residential-residential area to be changed to other non-residential area..... | Do. |
| (e) All other areas..... | Do. |
| | White or uncolored. |

Each such area shall be designated on the Interim Development Map referred to in Section 19-4 and elsewhere in the text of this law by its color only.

SECTION 19-4 MAP OF AREAS AFFECTED BY PROPOSED MASTER PLAN AND AMENDMENTS TO ZONING ORDINANCE PURSUANT THERETO

The areas and boundaries of such areas referred to in Section 19-3 are hereby established (a) as shown on the map entitled "Zoning Map of the Town of Ramapo, February, 1965 edition" and (b) as specified in Section 19-5. Such map, referred to herein as the "Interim Development Map" together with everything shown thereon, including the colors of the areas referred to in Section 19-3, is hereby made a part of this local law to be so certified by the Town Clerk.

SECTION 19-5 AREA BOUNDARIES ON INTERIM DEVELOPMENT MAP

Area boundaries encompassing the areas referred to in Section 19-3, shown on the Interim Development Map, shall follow streets, New York State Thruway, any parkway, interstate or municipal park boundaries, public utility rights-of-way, streams, railroads or zoning district lines, as defined in Chapter 46, Section 46-7 of the Code of the Town of Ramapo.

SECTION 19-6 SCOPE OF CONTROLS

A. During the period of ninety (90) days following the effective date of this local law:

1. No building or structure shall be constructed or erected, nor shall any building permit be issued by the Building Inspector of the Town of Ramapo for the construction or erection of any such building or structure on any lot or lots or property lying within any area marked in blue upon the Interim Development Map.

2. The Planning Board of the Town of Ramapo shall not grant any preliminary approval to a subdivision plat, regardless of the fact that such subdivision plat has been submitted to the Planning Board prior to the effective date of this law, for any subdivision plat which lies wholly or partially within the areas marked in blue as shown upon the Interim Development Map.

B. Nothing contained in this law shall be deemed to affect in any way whatsoever the granting, issuance and/or approval of building permits, site-plan approval and/or subdivision approval, for lots, buildings, structures, property and/or subdivision plats lying wholly within a white area on the Interim Development Map, nor shall building permits be denied to any subdivision in any area shown on the Interim Development Map which has received final approval from the Planning Board.

C. (1) The Town Board reserves the power to direct the Building Inspector to revoke or rescind any building permits issued in contravention to the provisions of this local law on or after the date of publication of the legal notice establishing the public hearing pertaining to adoption of this law.

(2) Any building permit granted prior to the date of publication of the notice of public hearing as set forth above shall remain valid and inviolate and shall not in any way be affected or rescinded by the operation of this law.

SECTION 19-7 APPEAL PROVISIONS

A. The Town Board shall have the power to vary or modify the application of any provision of this local law upon its determination in its absolute legislative discretion, that such variance or modification is consistent with the spirit of the comprehensive master plan upon which this local law is based and with the health, safety, morals and general welfare of the Town.

B. Upon receiving any application for such variance or modification, the Town Board shall refer such application to the Planning Board of the Town of Ramapo for a report of said Planning Board with respect to the effect of the prospective variance or modification upon the said master plan. The Supervisor, to expedite appeal, shall forward all applications for relief within twenty-four hours after receipt of same in his office to the Town Planning Board for its report. Such report shall be returned by the Planning Board to the Town Board within fifteen days of such reference and shall be placed upon the next agenda of the Town Board.

SECTION 19-8 PENALTIES

Any person, firm, entity or corporation who shall construct, erect, enlarge or alter structurally, any building or structure, in violation of the provisions of this local law or shall otherwise violate any of the provisions of this local law shall be subject to the penalties set forth in Chapter 46, Section 46-29 of the Code of the Town of Ramapo.

SECTION 19-9 VALIDITY

The invalidity of any word, section, clause, paragraph, sentence, part of provision of this local law shall not effect the validity of any other part of this local law which can be given effect without such invalid part or parts.

SECTION 19-10 EFFECTIVE DATE

This local law shall take effect immediately.

Appendix B

54 Misc.2d 338

In the Matter of Sidney RUBIN, David Israelson, Reuben T. Israelson, Nathan A. Robins, Harold L. Fein, George Edelstein, Joseph Gorelkin, Adolph Fromer and Bernard Brownstein, Petitioners, v. John F. McALEVEY, John V. Callaghan, Bernard L. Charles, Eugene Levy and Ned Siner, constituting the Town Board of the Town of Ramapo, and John E. Sengstacken, the Building and Zoning Inspector of the Town of Ramapo, Respondents.

Supreme Court, Rockland County.

Jan. 20, 1967.

Proceeding by landowners under CPLR § 7801 et seq. for declaration that 1966 town interim development law was unconstitutional or in alternative for judgment annulling as illegal, arbitrary, and capricious the town board's decision denying permit to erect commercial building on the property. The Supreme Court, Clare J. Hoyt, J., held that the interim development law which in effect froze for 90 days all improvements in areas where zoning classification would be changed if master plan recommendations were adopted and which was subsequently extended first for 30 days and then until effective date of the 1966 comprehensive amendment to the zoning law was valid, and that refusal of town board to grant special permit for commercial use of owners' property, which was covered by the interim development law and on which the proposed master plan placed residential classification, was not arbitrary nor capricious but was warranted.

Judgment for defendants.

1. Zoning—8. 1966 town interim development law which in effect froze for 90 days all improvements in town areas where zoning classification would be changed if master plan recommendations were adopted and which was subsequently extended first for 30 days and then until effective date of the 1966 comprehensive amendment to the zoning law was valid.

2. Zoning—8. Final extension of moratorium on improvements pursuant to 1966 town interim development law up to and including effective date of 1966 comprehensive amendment to town zoning ordinance which would be effective 10 days after publication and posting did not invalidate the interim law on theory that it was lacking in standards, in view of facts that occurrence of the event terminating interim law was determinable and that time allotted town board for amending ordinance was reasonable. Town Law, § 265.

3. Zoning—8. Allotment of reasonable time to town board for amending zoning ordinance and provision for relief from strict terms of interim development law, freezing improvements, by application to town board and issuance of special permit satisfied constitutional requirements.

4. Zoning—436. Refusal of town board to grant special permit for commercial use of property which was covered by interim development law freezing all improvements in areas whose zoning classification would be changed if recommendations of proposed master plan were adopted and on which the plan

placed residential classification was not arbitrary nor capricious but was warranted.

Selman & Frey, Spring Valley, for petitioners; Edward A. Donnelly, Spring Valley, of counsel.

Robert H. Freilich, Spring Valley, for respondents; Thomas J. Newman, Suffern, of counsel.

Clare J. Hoyt, Justice.

Petitioners, a syndicate owning a parcel of land on the westerly side of Route 45 in the Town of Ramapo, bring this proceeding under article 78 of the Civil Practice Law and Rules for a declaration that the interim development law of the Town of Ramapo (Local Law #2 of 1966 as amended by Local Laws #4 and #6 of 1966) is unconstitutional or in the alternative for a judgment annulling as illegal, arbitrary and capricious, the decision of the Town Board denying a permit to erect a commercial building on petitioners' property.

In 1960 the premises were zoned MR 35 (resident, office and specialized industries) and petitioners applied to the Town Board for a change to a CH (Highway Business) District. The change was granted but was conditioned upon petitioners' imposing restrictions on the parcel that no gasoline station would be erected thereon until a specified area of the parcel was improved with a shopping area, that homes thereon would have minimum lot sizes of 25,000 square feet and that if construction were not commenced within two years the zoning classification would revert to an MR 35 zone after publication and posting. A declaration of covenants and restrictions imposing these conditions was executed and recorded in the Rockland County Clerk's office. The instrument, executed by the defendant Town as well as the petitioners, provided for its amendment or modification upon the consent of petitioners and the Town and further that it would expire in 20 years or upon a comprehensive change in zoning, whichever should first occur.

Petitioners successfully applied to the Town Board for several extensions of the two year time limit to commence construction, the last extension granting them until November 25, 1966 to commence construction.

In 1965 petitioners sold off a portion of the parcel and a building permit was issued for the construction of an automobile sales and service agency. This structure has been completed. In May 1966 petitioners contracted to sell another portion of the premises to a purchaser who contemplated the erection of another automobile sales and service agency.

Meanwhile the defendant Town with the aid of State and Federal agencies undertook the adoption of a master plan for the Town of Ramapo preparatory to a comprehensive change in its zoning ordinance.

On June 2, 1966 by Local Law #2 the defendant Town enacted an Interim Development Law, the effect of which was to freeze all improvements in those areas of the Town whose zoning classification would be changed if the recommendations of the Master Plan were adopted. In area this constituted some 75% of the Town. This local law prohibited the issuance of any building permits within the areas where changes were contemplated for a period of 90 days. Subsequent local laws (Local Laws #4 and #6 of 1966) extended this moratorium for first 30 days and then until the effective date of the 1966 comprehensive amendment to the zoning law. The Interim Development Law provided that the Town Board shall have the power to vary or modify the application of any of its provisions upon the Board's determination in its absolute legislative discretion that such variance or modification is consistent with the spirit of the comprehensive master plan adopted on July 26, 1966 and with the health, safety, morals and general welfare of the Town. The law provided that upon receipt of any such application, the Town Board should refer the same to the Planning Board for a report with respect to the effect of the prospective variance or modification upon the master plan.

Petitioners' purchaser made application to the Town Board for a variance and submitted site and layout plans for the proposed automobile sales and service building. The Town Board forwarded the same to the Planning Board. The return made by respondents contains but two indications of any action taken on the request; the minutes of the Planning Board which show only that applicant's letter was read to the Planning Board and after a discussion by the Planning Board the adoption of a resolution recommending to the Town Board the denial of the application on the ground that "this would cause a major conflict with the Master Plan". Upon this "written recommendation" the defendant Town Board denied the application.

First we turn to petitioners' attack on the constitutionality of the Interim Zoning Law. They contend that the Local Law prohibiting the issuance of any building permit in an area where the zoning classification may be changed in accordance with the proposals contained in the Master Plan is discriminatory, lacking in standards and beyond the power of the Town Board to adopt.

Legislation of this kind, often referred to as a stop-gap ordinance, has been supported in many foreign jurisdictions and by the text writers provided the moratorium is limited to a reasonable time. As was said in *Hasco Elec. Corp. v. Dassler, Sup.*, 143 N.Y.S.2d 240, at pp. 242-243:

"The court is inclined to the opinion that the local legislative body was vested with the authority to enact reasonable stop-gap or interim legislation prohibiting the commencement of construction for a reasonable time during consideration of proposed zoning changes. * * *

"However, it is clear that a local legislative body does not have the power to legislate away vested rights. It may by an interim or stop-gap ordinance stop for a reasonable time the commencement of all building in an area under immediate consideration for zoning or re-zoning, but it may not by such an ordinance halt building operations which were begun under a lawfully issued permit and which were continued in good faith to the extent that the property owner had secured vested property rights."

[1] The Interim Zoning Law here under review is in the court's opinion a valid one. The Master Plan has been in preparation for a long time and was finally adopted on July 26, 1966. Certainly, if property owners were free to obtain building permits and commence the improvement of their properties as allowed by the existing zoning ordinance knowing that such action would have to be taken before the effective date of the amendments to the zoning ordinance which might be promulgated pursuant to the Master Plan, the amendments would in many instances be ineffectual. It is a sensible and practical way to insure that decisions on land usage, arrived at on the adoption of the Master Plan but not yet enforceable because the zoning amendments have not been adopted, can be effective, provided, of course, they be embraced in the amendments.

[2, 3] The court's only concern is with the extension of the Interim Zoning Law until the adoption of the amendments to the Zoning Ordinance without an express time limit being fixed for such action. Two provisions of the stop-gap ordinance solve this problem. First, the last extension of the ordinance is for a "period up to and including the effective date of the 1966 Comprehensive Amendment to the Zoning Ordinance of the Town of Ramapo". Thus, unless the Town Board had passed such a comprehensive amendment before December 31, 1966, the stop-gap ordinance would terminate. In addition, the effective date of the amendment is 10 days after publication and posting of the same (Town Law, sec. 265). The publication and posting must be accomplished within a reasonable time (*Cohn v. Town of Cazenovia*, 42 Misc.2d 218, 247 N.Y.S.2d 919) and so the happening of the event that will terminate the stop-gap ordinance is determinable. The time so allotted to the Town Board is not unreasonable. Moreover, during the freeze or stop-gap period the ordinance provides a means of according relief from its strict terms by application to the Town Board and the issuance of a special permit. These provisions satisfy constitutional requirements.

[4] Finally, the denial of petitioners' application for such a special permit has not been shown to be arbitrary or capricious. Indeed it appears that the proposed zone classification of petitioners' land under the master plan is residential so there is ample warrant for the Town Board's refusal to permit a commercial use on such property.

The other objections raised by petitioners have been considered and rejected.

Appendix C

RAMAPO COMPREHENSIVE ZONING AMENDMENT

The number "1" before the words "Same as RR-80"; and "2. Two-family residences. (subject to § 46-13.1)

8. Add a new § 46-13.1 to read as follows:

"§ 46-13.1. Special Permit Uses—Town Board Residential Development Use
A. *General Considerations*

The Town of Ramapo has been experiencing unprecedented and rapid growth with respect to population, housing, economy, land development and

utilization of resources for the past decade. Transportation, water, sewerage, schools, parks and recreation, drainage and other public facilities and requirements have been and are being constructed to meet the needs of the Town's growing population but the Town has been unable to provide these services and facilities at a pace which will keep abreast of the ever-growing public need. Faced with the physical, social and fiscal problems caused by the rapid and unprecedented growth the Town of Ramapo has adopted a comprehensive master plan to guide its future development and has adopted an official map and a capital program so as to provide for the maximum orderly, adequate and economical development of its future residential, commercial, industrial and public land uses and community facilities including transportation, water, sewerage, schools, parks and recreation, drainage and other public facilities.

In order to insure that these comprehensive and coordinated plans are not frustrated by disorganized, unplanned and uncoordinated development which would create an undue burden and hardship on the ability of the community to translate these plans into reality the following objectives are established as policy determinations of zoning and planning for the Town of Ramapo:

1. To economize on the costs of municipal facilities and services to carefully phase residential development with efficient provision of public improvements;
2. To establish and maintain municipal control over the eventual character of development;
3. To establish and maintain a desirable degree of balance among the various uses of the land;
4. To establish and maintain essential quality of community services and facilities.

The Town, through its master plan, official map, zoning ordinance, subdivision regulations, capital program and complementary planning programs, ordinances, laws and regulations has mandated a program of continuing improvements which is designed to insure complete availability of public facilities and services so that all land in the Town is capable of development in accord with proper planning. The haphazard and uncoordinated development of land without the adequate provision of public services and facilities available will destroy the continuing implementation and successful adoption of the program. Residential development will be carefully phased so as to insure that all developable land will be accorded a present vested right to develop at such time as services and facilities are available. Residential land which has the necessary available municipal facilities and services will be granted approval. Residential land which lacks the available facilities and services will be granted approval for development at such time as the facilities and services have been made available by the ongoing public improvement program or in which the residential developer agrees to furnish such facility or improvement in advance of the scheduled program for improvement of the public sector.

These regulations are adopted pursuant to the authority of the Constitution of the State of New York, the Statute of Local Government, the Town Law and the Municipal Home Rule Law of the State of New York by providing for comprehensive planning and zoning for the government, protection, order, conduct, safety, health and well being of the persons and property in the Town and consistent with the purposes set forth in Article 16 of the Town Law in facilitating the adequate provision of transportation, water, sewerage, schools, parks drainage, municipal facilities and structures and other public requirements in order to encourage the most appropriate use of land throughout the Town as provided in the master plan, official map, capital program, laws, ordinances and regulations, and other comprehensive planning performed by the Town.

B. Special Permit Required for Residential Development Use

(1) Prior to the issuance of any building permit, special permit of the Board of Appeals, subdivision approval or site plan approval of the Planning Board, for residential development use, a residential developer or development agent shall be required to obtain a special permit from the Town Board.

(2) The provisions of this section shall not be applicable to subdivisions finally approved by the Planning Board and filed in the Rockland County Clerk's Office prior to the effective date of this section.

C. Procedure for Special Permit

(1) The residential developer or development agent shall be required to submit an application to the Administrative Assistant to the Boards and Commis-

sions in such detail as shall be set forth in regulations established by the Town Board of the Town of Ramapo, including a map showing the location of all land holdings of the applicant in the same ownership in the immediate vicinity and the extent of the land proposed for development. Said Administrative Assistant shall review the application with respect to all of the standards set forth in § 46-13.1D as to the availability of municipal services and facilities and projected improvements scheduled in the capital budget and capital plan of the Town. The Administrative Assistant may request reports from appropriate town, county or municipal agencies, boards or officials as may be required. Within forty-five (45) days of the submission of the application, the Administrative Assistant shall report his findings in writing to the Town Board and the Town Clerk shall proceed to notice the application for public hearing at the first regular meeting of the Town Board not less than two weeks after the submission of the written report.

(2) The Town Board shall within thirty (30) days after conclusion of the public hearing render its decision. In the event of approval of the application without conditions the Town Board shall also render its determination as to the number of residential dwellings that shall be permitted to be built pursuant to the requirements of § 46-13.1E.

D. Standards for Issuance of Special Permit

No special permit shall be issued by the Town Board unless the residential development has available fifteen (15) development points on the following scale of values:

(1) Sewers:	
(a) Public sewers available in RR-50, R-40, R-35, R-25, R-15 and R-15S districts.....	Points 5
(b) Package sewer plants.....	3
(c) County approved septic system in an RR-80 district.....	3
(d) All others.....	0
(2) Drainage:	
Percentage of required drainage capacity available:	
(a) 100 percent or more.....	5
(b) 90 to 99.9 percent.....	4
(c) 80 to 89.9 percent.....	3
(d) 65 to 79.9 percent.....	2
(e) 50 to 64.9 percent.....	1
(f) Less than 50 percent.....	0
(3) Improved public park or recreation facility including public school site:	
(a) Within ¼ mile.....	5
(b) Within ½ mile.....	3
(c) Within 1 mile.....	1
(d) Further than 1 mile.....	0
(4) State, county, or town major, secondary or collector road(s) improved with curbs and sidewalks:	
(a) Direct access.....	5
(b) Within ½ mile.....	3
(c) Within 1 mile.....	1
(d) Further than 1 mile.....	0
(5) Fire house:	
(a) Within 1 mile.....	3
(b) Within 2 miles.....	1
(c) Further than 2 miles.....	0

All distances shall be computed from the proposed location of each separate lot or plot capable of being improved with a residential dwelling and not from the boundaries of the entire parcel. The Town Board shall issue the special permit specifying the number of dwelling units that meet the standards set forth herein.

E. Vested Approvals and Relief

(1) Vested Approval of Special Permit

(a) The Town Board shall issue an approval of the application for special permit vesting a present right for the residential developer to proceed with residential development use of the land for such year as the proposed development meets the required points as indicated in the scheduled completion dates

of the capital budget and capital plan as amended or failing to meet such points then for the final year of the capital plan as amended. Any improvement scheduled in the capital budget for completion within one year from the date of application for the special permit shall be credited as though in existence on the date of application. Any improvement scheduled in the capital budget or capital plan more than one year from date of application shall be credited as though in existence as of the date of the scheduled completion.

(b) A developer may advance the date of authorization by agreeing to provide such improvements as will bring the development within the required number of points for earlier or immediate development. Such agreement shall be secured by either a cash deposit or surety bond sufficient to cover the cost of the proposed improvement, the form, sufficiency and amount of which bond shall be determined by the Town Board.

(c) All approved special permits vesting a present right to future development shall be fully assignable without restriction.

(d) Nothing herein contained shall prevent such land from being immediately used for all other uses other than residential development use, as is authorized by the zoning ordinance.

(2) *Relief*

Any residential developer or development agent who has applied for a special permit from the Town Board pursuant to § 46-13.1, shall be entitled as of right, to appeal within one year from the Town Board's determination granting the vested approval to the Development Easement Acquisition Commission, pursuant to Chapter 11 of the Code of the Town of Ramapo, for a determination pursuant to § 11-4(B) of the Development Easement Acquisition Law as to the extent to which the temporary restriction on residential development use of the land shall affect the assessed valuation placed on such land for purposes of real estate taxation and such assessed valuation on such land shall be reduced as provided in the Development Easement Acquisition Law as compensation for the temporary restriction placed on the land.

F. Variances

(1) The Town Board shall have the power to vary or modify the application of any provision of § 46-13.1 of this ordinance upon its determination in its legislative discretion, that such variance or modification is consistent with comprehensive planning for proper land use including the master plan, official map, capital budget and capital plan upon which this ordinance is based and with the health, safety and general welfare of the Town and its inhabitants.

(2) Upon receiving any application for such variance or modification, such application shall be referred to the Planning Board of the Town of Ramapo for a report and recommendation of said Planning Board with respect to the effect of the proposed variance or modification upon the comprehensive planning of the Town including the master plan, official map, capital budget and plan, existing ordinances, laws and regulations and the health, safety and general welfare of the Town and its inhabitants.

(3) All applications for variance or modification shall be filed with the Administrative Assistant to the boards and Commissions who shall forward same within two weeks after receipt to the Planning Board for its report. Such report shall be made in writing and shall be returned by the Planning Board to the said Administrative Assistant within 30 days of such reference. The said Administrative Assistant shall forward said report to the Town Board and the Town Clerk shall proceed to notice the application for public hearing at the first regular meeting of the Town Board not less than two weeks after submission of the written report by the Planning Board. The Town Board shall render its determination within thirty (30) days after conclusion of the public hearing.

G. Fees

(1) The fee for each special permit application pursuant to § 46-13.1(C) to the Town Board shall be Twenty-five Dollars (\$25.00) plus Ten Dollars (\$10.00) for each proposed dwelling unit, payable at the time of said application and are not refundable.

(2) The fee for each application for a variance pursuant to § 46-13.1(F) to the Town Board shall be Twenty-five (\$25.00) Dollars plus Ten Dollars (\$10.00) for each proposed dwelling unit payable at the time of the application and are not refundable.

Appendix D

GOLDEN ESTATES V. TOWN OF RAMAPO

Decision of Galloway, J.

Galloway, J.: In this proceeding under Article 78, CPLR, petitioners seek an order (1) reviewing and annulling a decision and determination of The Planning Board of the Town of Ramapo on December 9, 1969, which denied without prejudice their application for preliminary approval of a residential subdivision plat known as "Golden Estates;" and (2) remanding the matter to the Planning Board for a hearing and determination thereon on the merits. The denial was based on petitioners' failure to first comply with Section 46-13.1 of the Town's Zoning Ordinance, the provisions of which were added by an amendment of the ordinance adopted on October 13, 1969, and which is hereinafter called the "ordinance" or "amending ordinance". The Planning Board's denial of the application was stated in its minutes to be "on the basis of the Community Design Committee Report (read into the record) and the opinion of (Town) counsel (that Section 46-13.1 subdivision "B" prohibits subdivision approval of any kind by the Planning Board except where the residential developer * * * has secured a special permit pursuant to this ordinance or a variance pursuant to Section "F" of this ordinance)".

I. We return to consideration of the merits of the controversy. *The first question presented* is whether the amending ordinance is in excess of the zoning powers delegated to the Town Board by the State Constitution and the enabling statutes enacted pursuant thereto.

At the outset we observe that the amending ordinance does not re-zone or re-classify any land into a different residential or other use district. It does add to Article IV following Section 46-13. (Special Permit Uses) of the Town's Zoning Ordinance a new Section 46-13.1 (the amending ordinance here challenged). It establishes an additional class of "special permit use" designated as a "residential development use," and requires a residential developer to obtain a special permit for such a use in the first instance from the Town Board, "prior to the issuance of any building permit, special permit of the Board of Appeals, subdivision approval or site-plan approval of the Planning Board * * *." It defines a residential development use as "the erection or construction of dwellings on any vacant plots, lots or parcels of land" (emphasis added); and provides that any person who acts so as to come within the definition of "development use, residential," "shall be deemed to be engaged in a residential, development *which shall be a separate use classification under this ordinance* and subject to the requirements of obtaining a special permit from the Town Board" (emphasis added).

The amending ordinance provides explicit standards for the issuance of the special permit. The standards are based upon the availability to the proposed residential development of five essential facilities or services—namely—(1) public sanitary sewers or approved substitute; (2) drainage facilities; (3) improved public parks or recreation facilities including public school sites; (4) state, county or town roads—major, secondary or collector; and (5) firehouses. It provides that no special permit shall be issued unless the residential development has 15 development points computed on a sliding scale of value points assigned therein under each of the five classes of facilities or services constituting the point "standards."

The "development points" are related to the Town's duly adopted Capital Budget and Capital Improvement Plans, under which the Town is committed to completion of public capital improvements or projects, including sewerage, drainage, parks and recreation areas, schools, roads and firehouses, as well as other municipal facilities, over a maximum period of 18 years. Thus the required development points can be a limitation on residential development use only for that maximum period of time.

On the other hand the ordinance contains certain saving and remedial provisions which would relieve a residential subdivision owner of possible unreasonable restriction on use of such property resulting from a strict application of the development point system's standards, as follows: (1) The Town Board shall issue an approval of the application for special permit vesting a present right for the residential developer to proceed with residential development use of the land in such year as the proposed development meets the required points, as indicated in the scheduled completion dates of the capital budget

and capital plan, but not later than the final year of the capital plan. The approved special use permit shall be fully assignable. Improvements scheduled in the capital budget for completion within 1 year from date of application shall be credited as though existing on the date of application for special permit. Improvements scheduled in such plans shall be credited as though existing as of the date of scheduled completion; (b) the developer may advance the date of authorization by agreeing to provide such improvements as will bring the development within the number of development points required; (c) within 1 year from the grant of the vested approval the developer may appeal to the "Deacom" Commission of the Town for a reduction of the assessed valuation on the land if such valuation is affected by the temporary restriction on use of the land; (d) upon application to the Town Board, it may vary or modify the application of any of the development point requirements upon its determination in its legislative discretion that such variance or modification is consistent with the Town's comprehensive planning.

Petitioners' claim that the Town Board exceeded its delegated zoning powers in enacting Section 46-13.1 which imposes the foregoing restrictions on residential subdivision development. In considering this and petitioners' other grounds of challenge to the validity of the ordinance, we start with the principle that the amendment, as a legislative enactment, is entitled to the strongest possible presumption of validity. The Town Board, being on the scene, knows the needs and wishes of its people, and is charged by the electorate with the responsibility for legislating and conducting governmental affairs of the community in the best interests thereof; and the court may not lightly overrule its legislative acts (*Albright v. Town of Manlius*, Law Report News, July 27 1970, Vol. 31, No. 45, pages 22, 23; *Thomas v. Town of Bedford*, 11 N.Y. 2d 428, 433-434; *Rogers v. Village of Tarrytown*, 302 N.Y. 115, 121). However, such an enactment, to be sustained, must be found to be within the police powers (zoning) specifically or impliedly delegated to the Town Board of Ramapo by the State Constitution and the zoning enabling statutes enacted thereunder.

Article IX of the State Constitution (Section 2, subd. c. par. 10), authorizes the Legislature to grant municipalities the authority to legislate with respect to: "The government, protection, order, conduct, safety, health and well-being of persons or property therein." Pursuant thereto the Legislature enacted the Municipal Home Rule Law, effective January 1, 1964. Section 10, subd. 1 thereof empowers towns to enact local laws, not inconsistent with the Constitution or general laws, relating to certain matters, including the following (in par. ii, sub-par. a. cl. 11): "The government, protection, order, conduct, safety, health and well-being of persons or property therein. This provision shall include but not be limited to the power to adopt local laws providing for the regulation or licensing of occupations or business."

Furthermore, Section 10 (b) of the Statute of Local Governments grants local governments the power to enact zoning legislation so long as it is subject to the purposes, standards and procedures as enacted by the Legislature in general laws for zoning. Accordingly, any amendment to the zoning ordinance of the Town of Ramapo must be in conformity with Town Law Sections 261-263 et seq. which comprise the zoning enabling legislation for Towns.

Section 263, Town Law, provides in part that "Such regulations shall be made in accordance with a comprehensive plan and designed to lessen congestion in the streets, to secure safety from fire, flood, panic and other dangers; to promote health and general welfare; * * * to avoid undue concentration of population; to facilitate the adequate provision of transportation, water, sewerage, schools, parks and other public requirements." (Emphasis added.) This statute reflects the current trend toward broadening the scope of the police power in the field of zoning. In *Berman v. Parker*, 348 U.S. 26, 75 S. Ct. 98, 99 L. Ed. 27, the Supreme Court of the United States said:

"The concept of the public welfare is broad and inclusive. * * * The values it represents are spiritual as well as physical, aesthetic as well as monetary. It is within the power of the legislature to determine that the community should be beautiful as well as healthy, spacious as well as clean, well balanced as well as patrolled. [The legislature had] made determinations that take into account a wide variety of values. It is not for us to reappraise them."

In *Udell v. Haas*, 21 N. Y. 2d 463, 469, Associate Judge Keating, writing for a unanimous court, made these observations about the broadening scope of the police power in the field of zoning (at page 469):

“* * * Underlying the entire concept of zoning is the assumption that zoning can be a vital tool for maintaining a civilized form of existence only if we employ the insights and the learning of the philosopher, the city planner, the economist, the sociologist, the public health expert and all the other professions concerned with urban problems.

“This fundamental conception of zoning has been present from its inception. The almost universal statutory requirement that zoning conforms to a ‘well-considered plan’ or ‘comprehensive plan’ is a reflection of that view. * * * The thought behind the requirement is that consideration must be given to the needs of the community as a whole. In exercising their zoning powers, the local authorities must act for the benefit of the community as a whole following a calm and deliberate consideration of the alternatives, and not because of the whims of either an articulate minority or even majority of the community.”

And further, at page 470:

“Where a community, after a careful and deliberate review of ‘the present and reasonably foreseeable needs of the community,’ adopts a general developmental policy for the community as a whole and amends its zoning law in accordance with that plan, courts can have some confidence that the public interest is being served (*Rodgers v. Village of Tarrytown*, 302 N. Y. 115, 121-122; *Thomas v. Town of Bedford*, 11 N. Y. 2d 428, 434).”

Consideration of the history of land development and planning in the Town of Ramapo, together with the enormous population growth which the Town has experienced in the past 15 years and the impact which that growth has been and is having upon existing municipal facilities particularly in the unincorporated area of the Town, demonstrates that the amending ordinance was not only enacted within the Town’s statutorily delegated zoning powers and as a result of considerable forethought as to the land use problems of the Town, in conformity with a comprehensive plan, but that on their face the restrictions imposed on residential subdivision developments are reasonable and necessary in meeting the needs of the community as a whole; that they are not inherently discriminatory or confiscatory; and that they do not constitute an arbitrary infringement on petitioners’ rights to use their land.

From the submissions before us petitioners must be deemed to concede that the growth situation in the Town is as represented by the Town, namely, that during the period 1940-1968, while the population of New York State increased by 31.3%, that of Rockland County which encompasses this Town increased by 118.2% and that of the Town of Ramapo by 146.6%; and in the same period the population of the unincorporated area increased by 285.9%; and that thus by the year 1979 the population of the Town will be in the region of 100,000.

To meet this developing situation the Town commenced in 1964 the development and preparation of a master plan for the Town as a whole. It included a four volume study (Respondent’s Exhs. “B-1, B-2, B-3 and B-4”) of every aspect of the Town’s history, existing land uses, public facilities, transportation, industry, commerce, housing needs and population trends. The Master Plan was adopted pursuant to Section 272(a), Town Law, on July 26, 1966 (Respt’s Exh. B-2 p. 61). Implementing the Master Plan the Town adopted a comprehensive zoning ordinance on December 29, 1966 (Respt’s Exh. “D”). Pursuant to Section 99 (g), General Municipal Law, on or about November, 1968, it adopted a Capital Budget which provides a firm commitment for the development of capital improvements specified as needed in the master plan in the Town for a period of six years (Respt’s Exhs. “F” & “G”). Pursuant to Section 271, Town Law, the Town Board adopted on or about October, 1969, an amended capital program, which provides for the location and sequence of capital improvements for the following six years. Thus the capital budget and capital program provides a schedule and order of capital improvements which are deemed required when the Town is fully developed according to the specifications of the master plan, the official map (Respt’s Exh. “E”) and the drainage plan (Respt’s Exh. “I”).

The drainage plan provides a survey of all drainage ways based on the estimated capacity which will be required to carry off surface water when the Town is developed to its maximum density. The Town’s sewerage map and plan (part of Respondent’s Exh. “II”) for future sewer development creates sewer districts and provides a construction program to bring sewers to all areas of the Town within the 18-year period of the capital improvement pro-

gram. Likewise, the official map provides a complete system of existing roads and highways and all new roads to be built and for the widening of existing inadequate roads and designates areas for future use as drainage ways, parks and recreational areas.

It thus appears, upon the foregoing comprehensive framework of "Plans," "Maps" and the 1966 Zoning Ordinance, the Town had committed itself to the development or orderly growth and adequate facilities through a sequential development policy commensurate with the progressing availability and capacity of its public facilities and services; and that it had also committed itself to a program of bringing those public facilities, improvements and services to all areas of the Town within a maximum period of eighteen years.

It further appears that based upon the adoption of the foregoing comprehensive master plans for orderly growth and development the Town then enacted in October 1969 the amending ordinance here challenged to provide, by way of implementation of those policies, sequential development limitations on residential subdivision development use. Its obvious purpose is to prevent premature subdivision and urban development in the absence of a minimum level of adequate municipal and public improvements and facilities to properly service such residential subdivisions. Its clear purpose is also that such developments would proceed in accordance with the provisions of facilities and services, while at the same time assuring that the restraints imposed be limited to a reasonably foreseeable period of time, that property owners could meanwhile develop individual housing, and that assessments of the properties affected would reflect the temporary restraint on residential subdivision use.

In our opinion the challenged amending ordinance was adopted in accordance with a most comprehensive master plan, and in establishing the point value standards related to the available service categories of sewers, roads, fire protection, schools, parks and drainage, the ordinance does not contravene the Town's comprehensive plan.

But petitioners argue that the main purpose of the amending ordinance is to control or regulate the growth of the Town (referring broadly to the "general considerations" set forth in Section 46-13, 1 A.); and that such a purpose is not within the legitimate objectives of a zoning ordinance and is therefore illegal and cannot be justified as a zoning regulation. We assume that petitioners refer to the following "general considerations" among others set forth in the section above mentioned:

"* * * Residential development will be carefully phased so as to insure that all developable land will be accorded a present vested right to develop at such time as (publicly or privately provided) services and facilities are available. Residential land which has the necessary available municipal facilities and services will be granted approval. Residential land which lacks the available facilities and services will be granted approval for development at such time as the facilities and services have been made available by the ongoing public improvement program or in which the residential developer agrees to furnish such facility or improvement in advance of the scheduled program for improvement of the public sector."

Conceding that implicit in such stated purposes is a purpose to control growth in all residential districts in which residential subdivisions are permissible under the Town's zoning ordinance (all all such districts are affected by the amending ordinance), such a purpose is, in our opinion, a legitimate and permissible objective of zoning within Sections 261 and 263 of the Town Law.

Section 261. Town Law empowers the Town Board—

"* * * to regulate and restrict the height, number of stories and size of buildings * * *, the percentage of lot that may be occupied, the size of yards, courts and other open spaces, *the density of population.* * * *"
(Ital. added.)

In our judgment the power to so regulate and restrict contains within its grant, not only implicitly but expressly, the power to control growth, i.e., the control of population growth. Obviously the power to regulate the height and bulk of buildings, the percentage of lot area occupancy, and the *density of population* in logic and reasonable construction includes the power to regulate growth of population within the municipal jurisdiction, and that power is being currently and universally legally exercised within this State.

In addition, *Section 263 Town Law*, provides that—

"Such regulations shall be * * * designed to * * * secure safety from fire, flood, panic and other dangers; to promote health and general welfare;

*** to avoid undue concentration of population; to facilitate the adequate provision of transportation, water, sewerage, schools, parks and other public requirements. ***"

Without further laboring the point, one can see, and we so determine, that the amending ordinance requirement that to obtain a special permit for residential subdivisions their owners and developers must meet minimal standards of availability of sewer, road, fire protection, school, park, and drainage facilities are clearly within the "purposes in view" of Section 263, Town Law, and that the "point value standards" for residential subdivision approval of the amending ordinance are well within the local legislative grant of power under Section 263.

Petitioners' reliance to the contrary on *Albrecht Realty Company v. Town of New Castle* (8 Misc. 2d 255) is misplaced, on the facts in that case, which are clearly distinguishable from those in the case at bar. Petitioners overlook the fact that, pursuant to the powers delegated to town planning boards to approve residential subdivision plots before they can be developed, the enabling statutes authorize planning boards to impose, as conditions for approval, substantially similar requirements with respect to the existence and accessibility of sewers, roads, fire protection, parks and drainage systems as are required by the amending ordinance pursuant to its point value standards for the issuance of a special permit for residential subdivision developments (see Sections 276 and 277, Town Law). The decisions upholding the imposition and enforcement of such conditions are numerous and need not be cited here.

The conclusions are inescapable (1) that the restrictions on residential subdivision developments contained in Section 46-13.1 B, C and D of the amending ordinance are not in excess of the zoning powers delegated to the town by the enabling statutes above referred to; (2) that they are clearly and reasonably related to and implementary of the Town's master and comprehensive plans and not in contravention thereof; (3) that to the extent that their purpose is in part to control the growth of population in the Town, such purpose is a permissible objective of zoning within the powers delegated to the Town under Sections 261 and 263, Town Law; and (4) that on their face the challenged provisions of the amending ordinance are valid and constitutional as a zoning regulation.

Petitioners also argue that the challenged restrictions cannot be sustained on their asserted relation to the Town's Capital Budget and Capital Plan, since Section 99g of the General Municipal Law authorizes only a projected six-year program, which must be implemented by annual budget appropriations (Sec. 99g, subd. 5), without which the program is worthless, because there is no assurance that the six-year program will ever come to fruition; and that there is no authority for the Town's enlargement of such a capital budget and capital plan during the seventh through the eighteenth year.

We find no merit in this argument. A reading of Section 99g reveals no express or implied proscription of successively renewed six-year capital program periods, even up to eighteen years on two six-year period renewals. We are unable to find any decisional authority holding otherwise, nor do the petitioners cite any such authority. Nor is there any justification in reason or in law for us to assume that the Town Board will renege on its commitment to an eighteen-year capital plan and budget program by failure to enact annual financing legislation in support of such plans, or by failure to enact renewals of the required number of successive six-year capital projects or program periods.

II. We turn to consideration of petitioners' second ground of challenge that the amending ordinance impermissibly imposes a special burden on them to relieve an alleged public problem of inadequacy of the municipal facilities and services comprising the point value standards set forth in said ordinance. They argue that the ordinance requires petitioners to carry the burden of relieving the town's inadequate facilities when the inadequacy is common to the whole community (and not due to the nature of petitioners' land), the correction of which lies wholly within the town's control. Petitioner relies upon *Westwood Forest Estates v. Village of South Nyack*, 23 N. Y. 2d 424, 297 N. Y. S. 2d 129; and *DeSena v. Gulde*, 24 A. D. 2d 165, 171.

In *Westwood Forest Estates* the Village had rezoned plaintiff's property from high rise apartments to garden apartments. It then amended its zoning ordinance to prohibit future new apartment house construction in the entire village, i.e., it re-zoned plaintiff's land from a multiple residence to a single family district. It did so concededly to prevent an increase in the amount of

effluent discharged into its sewer system, pending the construction of improved sewer facilities. The Village's problem was the hazard of increased pollution of the Hudson River due to its inadequate sewage treatment facilities, which had existed for years prior to plaintiff's application for a building permit and prior to the amendment of the zoning ordinance. The Court of Appeals upheld the determinations of trial term of the Appellate Division holding the amendment invalid because it was not related to a proper zoning purpose and because it effectively deprived plaintiff of any reasonable use of its property. The Court held it was impermissible to impose upon plaintiff a heavy financial burden (destruction of the value of its land) because of a general condition in the community not caused by the nature of plaintiff's land.

The situation facts in *Westwood* are clearly distinguishable from those in the case at bar. Accordingly that decision is not controlling here. Indeed, both the Appellate Division and the Court of Appeals observed that the Village was not barred from taking appropriate action to prevent indiscriminate construction of apartment houses, (e.g., by restrictions granting building permits for the planned garden apartment complex in stages), or from making appropriate provision for adequate sewage facilities. In the case at bar, re-zoning of petitioners' land is not involved. Nor does the amending ordinance thrust upon petitioners the burden of a problem of inadequacy of municipal facilities and services, but rather it provides for a planned deferment of residential subdivision approval pending the availability of minimally adequate facilities to be supplied either by the town over a determinable period of time or by the land owner on an accelerated time basis.

Thus in the case at bar the landowner is not deprived of either the best use of its land or of numerous other appropriate uses still permitted in the residential districts in which the owner's land is located. Moreover, the zone district reclassification in *Westwood* was struck down because it was found not to have been adopted in furtherance of a comprehensive plan. In the case at bar we are not dealing with a re-classification of land use, but rather with the imposition of restrictions on residential subdivision developments for a determinable period of time, which are reasonably related to the furtherance of a comprehensive master plan.

As for *DeSena v. Gulde*, *supra*, a zone district reclassification case, a reading of its unusual facts reveals that they are clearly distinguishable from the facts at bar, and that the decision there is not controlling here. In *DeSena*, the Village Board had re-zoned plaintiff's property, along with adjoining property from a residential to a light manufacturing district, in accord with a master plan which had been prepared and adopted. Objection subsequent to the adoption of the amendment took the form of threats of economic boycott against the merchants of the village, of picketing the village hall and the shopping section, and of "demonstrations". At a hearing subsequently held, the Mayor conceded that the protested reclassification was in the best interests of the community as a whole; but that, in order to prevent riots and injury to residents, merchants and shoppers, the Board had determined to replace the same area, including the plaintiff's property, in a residence "A" district. The Appellate Court ruled that such considerations as bases for a re-zoning amendment "are alien to the legitimate objects of zoning" (24 A. D. 2d 166, 171).

We conclude the petitioners' second ground of challenge is without merit.

III. Petitioner's final ground of challenge to the validity of the amending ordinance is that it confiscates private property without due process and without compensation. They agree that the use of their land for any of the residential purposes and the only reasonable uses for which it was zoned is prohibited, or at least unreasonably postponed for up to eighteen years by the amending ordinance, by establishing standards for development "which cannot possibly be met"; that the restrictions imposed effectively deprive them of any reasonable use of their land for a possible eighteen years, which is tantamount to a permanent restriction on its use; and that such deprivation constitutes confiscation without compensation and renders the amending ordinance invalid and void.

Petitioners' reliance again on *Westwood Forest Estates v. Vill. of South Nyack*, *supra*, and upon *Arverne Bay Construction Co. v. Thatcher*, 278 N. Y. 222, is misplaced. In both cases zone district use reclassifications were involved, which is not the case at bar. In *Westwood*, the Village concededly re-zoned plaintiff's land from multiple residence to a single-family residence district for an *unlimited period of time*. The Court found that the amendment

effectively prevented use of the land for any purpose to which it was reasonably adapted, that as a result the land was substantially decreased in value, and that such a destruction of value constituted a taking of property without just compensation. The Court of Appeals held at page 429 of 23 N. Y. 2d :

"But, whatever the right of a municipality to impose 'a *** temporary restraint of beneficial enjoyment *** where the interference is necessary to promote the ultimate good either of the municipality as a whole or of the immediate neighborhood', such restraint must be kept 'within the limits of necessity' and may not prevent *permanently* the reasonable use of private property for the only purposes to which it is practically adopted *Arverne Bay Constr. Co. v. Thatcher, super*, 278 N. Y. 222, pp. 229-232, ***)" (Ital supplied).

In *Arverne Bay Constr. Co.* plaintiff's vacant land, situated in a largely undeveloped area in Brooklyn, was reclassified from an "unrestricted" zone to a residence zone. Claiming that its property could not be used properly or profitably for any purpose permitted in a residence zone, plaintiff sought an adjudication that the restrictions placed upon the use of its property resulted in deprivation of its property without due process of law. The City of New York in effect conceded that, because of the generally unsuitable character of the district area, plaintiff's property could not be put to residential use within the *foreseeable* future. The Court of Appeals found the amending ordinance as applied to plaintiff's property unreasonable, and in striking it down as invalid, held that (p. 232) :

"An ordinance which *permanently* so restricts the use of property that it cannot be used for any reasonable purpose goes, it is plain, beyond regulation, and must be recognized as a taking of the property."

In support of their claim of confiscation petitioners also rely on *Albrecht Realty Co. v. Town of New Castle, supra*, 167 N. Y. S. 2d 843. In that case an amendment to the Town's zoning ordinance provided that thereafter no more than 112 residential building permits per year should be issued for any land the Town Board should declare to be within a special residence district therein authorized to be allotted on a percentage basis for each quarter year, and the Town Board issued a declaration placing practically all residential land in the unincorporated area of the town in the special residential district. Its stated purpose was to relieve the local school district of the necessity of providing additional school facilities at any greater rate than that arbitrarily fixed by the amending ordinance.

The Supreme Court struck down the ordinance as a direct regulation of the rate of growth in the Town in excess of the zoning power vested in the Town Board under Town Law, Section 261, since it was not enacted in accordance with any comprehensive plan or with any plan to facilitate the adequate provision of schools, as required by Town Law, Section 263; and on the ground that, since it would deprive plaintiffs of all beneficial use of their land, it constituted a taking of property without just compensation.

In our opinion the challenged ordinance is not affected by the defects found fatal to the ordinances in the cases relied on by petitioners. In the case at bar the duration of restraint of beneficial use of petitioners' land and of lands similarly situated is neither permanent nor unreasonable either on its face or in practical effect: First, the subdivision development points necessary for issuance of a special permit are not on their face impossible or impractical of acquisition by the property owner; Second, the ordinance on its face provides reasonably effective methods or remedies for the reduction of any period of deferment of beneficial use up to the potentially maximum 18-year period, and for other relief.

By way of demonstration: the required development points are obtainable as the town's public facilities and service are provided as indicated in the scheduled completion dates of the capital budget and plan; the subdivision developer may accelerate acquisition of the required points by agreeing to provide such improvements as will meet the total points required for earlier or immediate development, on posting of a performance bond; the developer may obtain a reduction in the assessed valuation of his land to the extent that such valuation is shown to be affected by the temporary restrictions; and the developer may obtain from the Town Board a variance or modification of the required total development points consistent with the Town's overall comprehen-

sive plan. Accordingly, any restraint on or deferment of beneficial use imposed by the ordinance cannot be said to be confiscatory on its face.

The ordinance's system of development point standard is entirely consistent with the Town's Zoning Ordinance's existing standards for subdivision site development plan approval with respect to required installation by an owner or availability of sewers, drainage facilities, parks and recreation areas, public roads, schools, and firehouses (see Zoning Ordinance, Section 46-14.1 B[1], C[2] and F[1]).

In the amending ordinance at bar the development point standards imposed for issuance of a special permit for residential subdivision development are clearly directly related to the Town's Capital Budget and Capital Improvements Plan, as integral parts of its comprehensive plan for the orderly growth and development of the entire community. Measured by the problems confronting the Town related to the inadequacy of existing public facilities and services resulting from its enormous growth in population, the imposition of the restrictions on residential subdivision development here challenged is not, in our opinion, unreasonable. Nor is it impermissibly discriminatory against lands zoned for residential use, in view of the Town Board's findings, based upon its land use and comprehensive planning studies, that unregulated and indiscriminate residential development was a significant factor contributing to its unprecedented population growth, and that such growth was exerting extreme pressure on the Town's existing public facilities and services to the detriment of the public good and welfare.

Zoning and zone use regulations are "essentially a balancing of interests—the weighing of individual property rights and the enjoyment thereof, against the needs and interests of the public" (*Thomas v. Town of Bedford*, 29 Misc. 2d 861, 869), *aff'd* 15 A.D. 2d 573, *aff'd* 11 N.Y. 2d 428). As we have already observed, the grant of power to enact zoning regulations by towns requires as a prerequisite that they be made in accordance with a comprehensive plan and the general welfare (*Town Law*, Sections 261, 263). "Nevertheless, it is the plain prerogative of the town authorities to make changes of zoning policy in order to adjust to changing patterns of living; they are not helpless to view the changing scene and not make provision for the present and future needs of [The Town of Ramapo]" (*Thomas v. Town of Bedford*, *supra*). In forming its legislative judgment in enacting the challenged ordinance the Town Board has, in our judgment, complied with the statutory requisites.

We reach the conclusion that the amending ordinance here challenged was not enacted in excess of the Town Board's zoning powers delegated to it by the enabling statutes; that it does not on its face impose a special burden on residential property owners for the purpose of relieving the Town of a common public problem or condition not related to or caused by the nature of petitioners' land; that it does not on its face impose unreasonable restrictions on the beneficial enjoyment of petitioners' land or on lands similarly situated; that it was enacted in accordance with a comprehensive plan; that it does not on its face unlawfully discriminate against petitioners' land or lands similarly situated, nor is it on its face confiscatory of such lands; and that on all the grounds of challenge the ordinance passes muster as a valid exercise of the Town Board's zoning regulation powers.

In view of the foregoing, we conclude further that the action of the Town's Planning Board in denying the petitioners' application for approval of their residential subdivision plat was neither arbitrary nor capricious, but it was proper under the requirements of the amending ordinance. The respondent's fifth and sixth defenses and objections in point of law are sustained, and the petition is dismissed as insufficient in law.

Submit order on notice.

Dated: White Plains, New York, October 26, 1970.

Appendix E

RAMAPO DEVELOPMENT EASEMENT ACQUISITION LAW

Local Law Establishing a Development Easement Acquisition Commission in the town of Ramapo, County of Rockland, State of New York, for the Purpose of Maintaining Lands as Open Space and Areas, Controlling the Rate of Devel-

opment of the Town and Enhancing the Conservation of Natural and Scenic Resources.

§11-1. Title.

§11-2. Legislative Intent, Findings of Fact and Scope of Controls.

§11-3. Creation and Organization of the Development Easement Acquisition Commission.

§11-4. Duties and Powers of the Development Easement Acquisition Commission.

§11-5. Validity.

§11-6. Effective Date.

Be it enacted by the Town Board of the Town of Ramapo as follows:

§ 11.1 Title.

This local law shall be known and may be cited as the "Development Easement Acquisition Law of the Town of Ramapo".

§11-2. Legislative Intent and Findings of Fact.

A. LEGISLATIVE INTENT

The Town of Ramapo, being a suburb of the New York-New Jersey metropolitan region, has been experiencing unprecedented and rapid growth with respect to population, housing, economy, land development and utilization of resources. Schools, roads, sewers, drainage facilities, parks, public services and facilities have been and are being constructed to meet the needs of the burgeoning population but these services and facilities have been unable to be provided so as to keep pace with the ever growing public need, resulting in serious diminishment of the present and potential value of the Town's development.

The rapid growth and spread of urban development is creating encroachment upon and elimination of the open areas and spaces of the Town, including many having significant scenic or aesthetic values, which areas and spaces if preserved and maintained in their present open state would constitute important physical, social, aesthetic and economic assets to existing or impending Town development and would enhance the present or potential value of the Town's development.

Faced with these problems the Town of Ramapo undertook, completed and adopted a Master Plan pursuant to Section 272-a of the Town Law of the State of New York, on July 26, 1966, which Master Plan incorporates recommendations for preserving open space and areas, creation of public parks and facilities, protection of drainage basins, streams and natural land, wood and field resources.

The Town of Ramapo has adopted a comprehensive amendment to the zoning ordinance, is preparing subdivision regulations, an official map, a capital budget, interim development law and other laws and regulations to control and limit the density and regulate the rate of growth of the Town so as to provide services and facilities to keep pace with the needs of the Community and to protect and preserve the open spaces and areas of the Town for the purpose of the Master Plan set for the above, whose loss would be permanent and irreparable. The Town of Ramapo has therefore determined to utilize development easements and grants to remove large open areas of the Town from immediate development so as to enhance the present or potential value of the Town's development by bringing needed services and facilities to existing and potential development and to provide the amenities and permanent value of open space to the people of the community.

The Town Board intends that the program be a voluntary one on the part of the land owner. Numerous holders of large tracts of land and open space in the Town, who do not have plans for developing the property, are unable to continue to hold the property in a farming, agricultural, natural or recreational state without serious economic deprivation due to rising real property taxation. There will now be a legal basis for providing tax relief for agricultural, natural recreational or aesthetic use of land, valuable to the community in its open state which will at the same time achieve the purposes of controlled growth to enhance the value of the Town's development for the period of the development easements and rights obtained and further the need of the community for open space. Properties not accepted within the development easement program will be assessed at the full market value of the property for purposes of real property taxation.

The Town Board intends to utilize herein the full powers granted and reserved to the Town in the Municipal Home Rule Law, Statute of Local Governments, Town Law and Constitution of the State of New York.

B. LEGISLATIVE FINDINGS OF FACT

The Town Board does hereby find that it is necessary for the controlled, sound and proper town development, and in the public interest of the people of the Town of Ramapo for the Town to accept by easement primarily and by gift, grant, bequest, demise, purchase, lease, or otherwise, the acquisition of development easements, rights and interests in land in order to achieve open spaces and areas of natural and scenic beauty, to maintain and enhance the conservation of natural and scenic resources and to enhance the value of the Town's development by controlling the rate of growth of development of the community within the ability of the Town to furnish needed services and facilities to its people.

§11-3. Creation and Organization of the Development Easement Acquisition Commission

A. The Town Board is hereby authorized and empowered to create a Development Easement Acquisition Commission which shall consist of seven (7) members, none of whom shall hold any other elective or appointive office in the Government of the Town of Ramapo. The initial appointments to the Commission shall be for terms of one, two, three, four, five, six and seven years, respectively. Successors to the Commission shall be appointed for a term of seven (7) years following the expiration of the terms of their predecessors in office. If a vacancy occurs otherwise than by expiration of a term shall be filled by the Town Board for the balance of the unexpired term, by appointment. The Supervisor, the Town Attorney, the Town Assessor and the Chairmen of the Planning Board, Drainage Commission and Recreation Commission, shall serve as Consultants to the Commission and shall receive all notices of commission meetings and be entitled to non-voting participation in Commission meetings. The Town Board shall annually designate the Chairman of the Commission but upon its failure to do so within thirty (30) days of the date of creation of the Commission or on said date in each succeeding year the Commission may proceed to elect a chairman from the membership for the balance of that year. The Town Board may provide for compensation to be paid to the members of the Commission and provide for such other expenses as may be necessary and proper, including the services of any secretaries or technical consultants upon recommendation of the Commission, not exceeding in all the appropriations that may be made by the Town Board for such Commission. The Town Board is hereby authorized to make such appropriation as it may see fit for such expenses. Meetings of the Commission shall be held at such times as the Commission may determine and at such other times at the call of the Supervisor. Four members of the Commission shall constitute a quorum. The Commission shall keep records of its official actions.

B. Every decision, recommendation or determination of the Commission shall be filed within ten (10) days in the Office of the Town Clerk and shall be a public record. The Commission shall have the power to adopt, amend and repeal rules and regulations governing its transaction and business after a public hearing held at least ten (10) days after publication of a notice setting forth the proposed rules and regulations in the official town newspaper.

The rules and regulations shall not be limited to acquisition procedures but may make provision for ameliorative features in the easement documents or otherwise for the prevention of hardship to persons or the heirs of persons who have given development easements so that the purposes of the commission shall be achieved through the encouragement of easement donation and the interests of both the individual and the community be adequately protected. All rules and regulations shall be approved by the Town Board prior to coming into effect. Such rules and regulations and any amendments or repeals thereof shall take effect immediately upon filing in the office of the Town Clerk after such approval by the Town Board.

§11-4. Duties and Powers of the Development Easement Acquisition Commission.

A. The Commission shall investigate on its own initiative or upon request of owners of land into the ownership, nature and extent of existing open space or open areas in the Town of Ramapo characterized by natural scenic beauty or whose existing openness, natural condition or present state of use would en-

hance the present or potential value of abutting or surrounding development, or would maintain or enhance the conservation of natural or scenic resources and which land by remaining in its existing state would further the controlled growth and development of the Town.

B. In reaching a determination by the Commission that a parcel of land is suitable for acquisition of development rights by the Town, the Commission shall seek a recommendation where appropriate from any or all of the following: The Recreation Commission, Drainage Commission, Town Planning Board, County Planning Board or any other agency or official of the Town or other municipal corporation as the Commission in its discretion shall determine. The Commission shall request the Town Assessor to advise the extent to which acquisition of a development easement, right or other interest shall effect the assessed valuation placed on such open space or area for purposes of real estate taxation by reason of the prospective limitation on future use of the land.

C. The Commission, if it reaches the determination that acquisition of a development easement, right or other interest in a parcel of land would be beneficial to the Town shall Communicate with the owner of the land and all encumbrances, mortgages, lienors and holders of interests in the land for the acquisition of interests or rights in the real property by gift, grant, bequest, demise, lease or otherwise constituting a lesser interest than the fee, development easement, right covenant or other contractual right necessary to achieve the purposes of this law. No development, easement interest or right shall be for a period of less than five (5) years. Where the Commission deems acquisition of the entire fee or any lesser interest in the land essential, and such fee or lesser interest cannot be acquired by gift, grant, bequest or demise or for nominal consideration, a special report shall be furnished to the Town Board concerning the consideration required to obtain such interest.

D. Upon completion of the arrangements for acquisition of the development easement, right or other interests, the legal documents for acquisition of such rights, shall be drawn upon the advice of the Town Attorney and submitted by the Commission to the Town Board; together with the report of the Commission for further action. The Town Board prior to acceptance of any gift, grant, bequest, demise, easement, right or acquisition shall duly advertise same for a public hearing after due notice, posting and publication in the official newspaper of the Town. Upon the Town Board accepting such acquisition, it shall be duly published and posted and the acquisition shall become final and shall be duly recorded ten (10) days thereafter, or after said resolution becomes final under the applicable provisions of Article Seven of the Town Law. After acquisition of any such interest pursuant to this law, the valuation placed on such open space or area for purposes of real estate taxation shall take into account the depreciation fixed by the Town Assessor pursuant to §11-4 (B).

§11-5. Validity

The invalidity of any word, section, clause, sentence, part or provision of this local law shall not affect the validity of any other part of this local law which can be given effect without such invalid part or parts.

§11-6. Effective Date

This local law shall take effect immediately.

Adopted: June 26, 1967.

Appendix F

RESEARCH PROPOSAL SUBMITTED TO THE NATIONAL SCIENCE FOUNDATION BY THE CURATORS OF THE UNIVERSITY OF MISSOURI FOR THE UNIVERSITY OF MISSOURI-KANSAS CITY, COLUMBIA, MO.

Project title: Center for the study of the Implementation of Environmental Policy and Planning Goals.

Principal investigator: Dr. Robert H. Freilich, Professor of Law; Project Director SS #001-28-2515, School of Law, Kansas City, Mo.

This proposal is a NEW request to NSF.

Proposal start: August 1, 1971. Amount requested \$..... Duration: 24 months.

Endorsements.—Principal investigator: R. H. Freilich, Professor of Law.,

Date Department head: P. D. Kelly, Dean. Date
 Authorized institutional official: R. H. Rezoni, V.P. for Finance/Comptroller.
 Date

Estimated 2-year NSF research budget proposal summary

	<i>Estimated NSF share</i>
A. Salaries and wages:	
1. Senior personnel—Principal investigator and five faculty associates.....	\$41, 720
2. Other personnel:	
(a) Nonfaculty professional (doc.).....	20, 000
(b) Nonfaculty professional (other).....	20, 000
(c) Graduate students (5 at 2,500 per annum).....	25, 000
(d) Professional school students (15 at 3,500 per annum).....	105, 000
(e) Secretarial—clerical (3).....	30, 000
B. Fringe benefits:	
12 percent of 1, 2a and b.....	9, 806
10 percent of 2c-e.....	16, 000
Total salaries, wages, and fringe benefits.....	<u>267, 526</u>
C. Expendable supplies and equipment.....	16, 000
E. Travel—Domestic research.....	20, 000
F. Publication costs.....	10, 000
G. Other costs:	
1. Office rental off campus.....	20, 000
2. Reference and library.....	10, 000
3. Computer time, tape acq.....	16, 000
Total other costs.....	<u>46, 000</u>
H. Total direct costs.....	<u>359, 526</u>
I. Indirect costs—Off campus 41.50 percent of S&W (A, 1 and 2).....	100, 313
Total indirect.....	<u>100, 313</u>
J. Total costs.....	<u><u>459, 839</u></u>

ABSTRACT OF PROPOSED RESEARCH

The Law School of the University of Missouri-Kansas City, proposes to establish a Mid-America Law and Planning Center to examine methods for implementation of environmental policy and planning goals in expanding metropolitan areas. It is expected that out of such research will develop a set of policy statements and criteria which will constitute the basis for legally enforceable tools and techniques to regulate and sustain the quality of urban life growth and sustain the quality of urban life within constructive channels. Such implementable goals will conform to and augment Federal growth policies for new towns, population density control, and urban environment quality. The present state of municipal policy planning has witnessed the evaluation of anticipated growth without means for guiding or implementing the desired public goals. This is attested to by the vast number of Federally funded '701' planning reports, which go unimplemented in metropolitan government libraries, and by the published articles recognizing the problem of ineffectual means for translating goals into actual reasonable growth.

1. INTRODUCTION

The Law School of the University of Missouri-Kansas City proposes, with the cooperation of the National Science Foundation, the establishment of a legal research study center for the investigation of potential means to implement metropolitan policies and plans for the guidance and quality of urban environmental growth.

For many years and particularly since 1954, with the advent of the '701' planning assistance program (administered by the Department of HUD),

hundreds of millions of dollars have been spent for the development and drafting of comprehensive (master) plans for innumerable metropolitan areas and communities. However, little, if any, money has been made available for the study and actual implementation of these plans.

The innovative concepts of implementation of the master plan through the use of interim, sequential and timing controls for land development and use and population distribution have never before been explored in any community of the United States. These concepts deserve the fullest attention of National Science Foundation funded research, because they will lead to a process of accomplishing more than the preparation of plans. The process will include a workable model for correlating the physical, economic and social aspects of metropolitan planning into a series of implementing tools. It is becoming clear to Federal, State and Local officials that, if our natural and economic resources are to undergo optimal development, in the fact of anticipated population trends for the year 2000, methods and criteria must be found to translate planning evaluation into meaningful public and private decisions. Congressional concern over these same problems has been solidified in pending legislation entitled "The Urban Growth and New Communities Development Act of 1970" (HR. 16647; S.3640); "Balanced Urbanization Policy and Planning Act" (HR. 13217); and the "National Land Use Policy Act" (S. 3354). A bill to study the effects of population growth on America's future has already been signed into law (PL. 91-213).

A. Refinement of Problem

The rapid urbanization in American life has led to centrifugal forces for development of suburban areas with little growth in central cities. Residential and industrial dispersion has been encouraged by technological advances, housing and credit policies, transportation (highway) facilities, avoidance of urban tax rates, income transfers and redistribution, and racial factors.

The effect of rapid growth on the urban-rural fringe creates:

- (a) Imbalance of growth between types of uses;
- (b) Inability to provide service to match private development;
- (c) Soaring tax rates on property, which further encourages antisocial policies;
- (d) Poor quality of services provided;
- (e) Land speculation, poor design, uncontrolled character and quality of private development destruction of natural landscape, ineffective legal regulations;
- (f) Inability to implement the planning process, lack of time to develop solutions, inadequate administrative mechanisms;
- (g) Development of negative policies concerning social, racial, regional and metropolitan solutions, formation of defensive incorporations and annexations, unwillingness to provide proper housing and facilities for diverse economic groups, and anti-rational tax policies; and
- (h) Inability to implement legal measures through archaic state constitutional and statutory restrictions.

B. Need for a Study of the Problem

Although urban growth dynamics have been repeatedly identified as a significant problem (17, 19, 28, 31) of American communities, policy-makers and leaders have been unable to prevent socio-political chaos (23) in the forms of sprawl (3, 10, 11), fragmentation of municipal governments (14, 24, 30) and diseconomies in meeting public needs (22, 23, 32). It is clear that run-away growth, as a dynamic form of change, is destructive of community values. Only reasoned progress can preserve such values while accumulating the benefits of growth (12, 16, 20). Achievement of a reasonable, sequential, progressive development will come, not by reliance upon inherently weak comprehensive planning (6), but only after a deeper analysis of the ability of public guidance to influence market decisions (15, 16, 26), the judiciary to enforce planning goals (9, 13) and of the total impact of the urbanization process (1, 6, 21, 27).

It has been acknowledged by the judiciary (26, 34, 41) and the academic community (8, 33) that sequential, timed development is a valid public goal (2, 7), which can be implemented through public improvement programs and land-use controls (3, 5). However, few, if any, U.S. communities are implementing reasoned growth goals, and it has been recognized that there must be greater efforts by Federal and State officials to ensure municipal abilities to

implement their goals (4). Since local control of local problems constitutes the essence of this challenge, the planning guidance must originate in the chambers of the mayor-city council, not the courts (39, 42). The municipalities must have implementable plans and goals to overcome vested interests and personal whims, otherwise future public interests will be adversely affected (3, 29). This is possible now, since the U.S. Supreme Court has held planned growth, under broad police powers (35, 38), a non-confiscatory regulation within constitutional limitations (8, 18, 37). Thus, it is clear that reasonable sequential growth policies appear to be the best alternative course of action for future municipal viability (18, 22, 25).

C. Achievement in Sub-Problem Areas

By exploring the means of implementing master plans with interim sequential and timing controls, i.e., slowing the rate of growth with an integrated se-

¹ Advisory Commissions on Intergovernmental Relations (1/65).

² Barnes & Raymond, "The Fiscal Approach to Land Use Planning," 21 A.I.P. Journal 70 (1955); Smith, "Municipal Economy and Land Use Restrictions," 20 Law and Contemporary Problems 481 (1955).

³ Bosselman, F. P., "Alternative to Urban Sprawl: Legal Guidelines for Governmental Action," National Commission on Urban Problems, Supp. Rpt. #15 (Washington, 1968).

⁴ *Building the American City*, Report of the National Commission on Urban Problems, 91st Cong., 1st Sess., House Doc. #91-34 (12/12/68).

⁵ Chapin, Stuart, Jr., *Urban Growth Dynamics* (1962).

⁶ Chinitz, Benjamin (ed.) *City and Suburb: The Economics of Metropolitan Growth*, pp. 1-50 (1964).

⁷ Comment, "The Legal Significance of Cost Considerations in the Regulation of Apartments by Suburbs," 59 Northwestern L. Rev. 413 (1964).

⁸ Fagin, H., "Regulating the Timing of Urban Development," 20 Law and Contemporary Problems 293 (1955).

⁹ Gallon, *The Urban Pattern*, Ch. 18, (1950).

¹⁰ Gans, H., *People and Plans: Essays on Urban Problems and Solutions* (1968).

¹¹ Gans, H., "The White Exodus to Suburbia Steps Up," New York Times Magazine (1/7/68).

¹² Gardner, John W., *Self Renewal: The Individual and Innovative Society* (1963).

¹³ Gorlick, "Control of Urban Sprawl, California Style," 2 Urban Lawyer 95 (1970).

¹⁴ Grant, "Trends in Urban Government and Administration," 30 Law and Contemporary Problems 38, 47-52 (1965).

¹⁵ Hirsch, W. Z. & Shapiro, D. L., "Some Economic Implications of City Planning," 14 U.C.L.A. L. Rev. 1312 (1967).

¹⁶ Huber, R., "Allocation of Rights in Land: Preliminary Considerations," 50 Iowa L. Rev. 279, 317 (1965).

¹⁷ Hoyt, Homer, "Growth and Structure of Twenty-one Great World Cities," 42 Land Economics 53 (1966).

¹⁸ Johnson, C., "Constitutional Law and Community Planning," 20 Law and Contemporary Problems 199, (1955).

¹⁹ Manglanele, J., "A Positive Approach to Population Distribution: A Case for Reversing the Trends," 42 Land Economics 117 (1966).

²⁰ Mannheim, Karl, *Man and Society in Age of Reconstruction* (1940) pp. 4-39.

²¹ Mayer, *The Urgent Future* (1967).

²² Metropolitan Washington Council of Governments, *The Changing Region* (1969).

²³ Meyerson, Terrett & Wheaton, *Housing, People and Cities* (1962).

²⁴ Minnesota Municipal Commission, in re Incorporation of Burnsville, Eagan, Lakeville, and Inner Grove Townships (1962).

²⁵ Mumford, Lewis, *The City in History* (1938).

²⁶ Noble, Jack, *A Proposed System for Regulating Land Use in Urbanizing Counties* (ASPO, 1967).

²⁷ Passoneau, J. R., "A Planning Inventory for the Metropolis," in Warner, S. B., Jr., (Ed) *Planning for a Nation of Cities* (1966) Ch. X.

²⁸ Pickard, "The Continuing Challenge," 26 Urban Land #2, 2 (2/67).

²⁹ Ratcliff, *Urban Land Economics* (1949) p. 415.

³⁰ Schmandt, *The Municipal Incorporation Trend, 1950-1960* (1961).

³¹ Schmandt, "Municipal Control of Urban Expansion," 29 Fordham L. Rev. 637 (1961); Horaley, C. B., "Proposal for Long Island Asks Major Shift in Development," New York Times p. 1 (7/13/70).

³² Thompson, W. R., *A Preface to Urban Economics* (1965).

³³ Williams, Norman, Jr., "The Structure of Urban Zoning and Its Dynamics" in *Planning and Development* (1966).

CASES

³⁴ *Averne Bay Construction Co. v. Thatcher*, 278 N.Y. 222, 15 N.E.2d 587 (1938).

³⁵ *Berman v. Parker*, 348 U.S. 26 (1954).

³⁶ *Hasco-Electric Corp. v. Dassler*, 143 N.Y.S.2d 240 (1955).

³⁷ *Levitt v. Incorporated Village of Sands Point*, 6 N.Y.2d 269, 160 N.E.2d 501 (1959); *Setauket Development Corp. v. Romeo*, 13 A.D.2d 825, 237 N.Y.S.2d 516 (1963).

³⁸ *Noble State Bank v. Haskell*, 219 U.S. 100 (1911).

³⁹ *People ex rel Gusknecht v. City of Chicago*, 3 Ill.2d 539, 121 N.E.2d 791 (1954).

⁴⁰ *State ex rel Northern Pump Co. v. So Called Village of Fridley*, 233 Minn. 442, 47 N.W.2d 204 (1951).

⁴¹ *Udell v. Haas*, 21 N.Y.2d 463, 288 N.Y.S.2d 838, 235 N.E.2d 897 (1968).

⁴² *Walus v. Millington*, 49 Misc.2d 104, 266 N.Y.S.2d 833 (1966).

ries of legal and administrative techniques a number of important goals can be achieved:

(1) *Realistic planning*—avoidance of large lot zoning, devious development plans, and downzoning with arbitrariness and corruption: creation of balanced communities with higher densities, through elimination of fear of too rapid acceleration of taxes and decline in quality of services; better utilization of scarce land resources and public facilities.

(2) *Economical provision of services*—through sequential development of community services and facilities, control of tax levels and bonded indebtedness, elimination of urban sprawl and use of flexible zoning procedures; preservation of open space and amenities.

(3) *Quality of living*—better administration of codes—better housing and facilities, avoidance of overcrowding and ineffective services; creation of proper health standards—drainage, sewerage, garbage disposal, and environmental pollution control.

(4) *Avoidance of impermissible goals*—use of exclusionary social policies on grounds of economic control.

II. METHODOLOGY

Empirical field studies will be conducted, including analysis of existing legal and administrative capabilities, supporting legislation, ordinances and implementing tools. Meetings will be held in the field with county and local officials and planning agencies. Proposals shall then be made for developing a *coordinated method* of implementing the metropolitan plan for the local community:

(1) Interim development controls during the planning process and public hearing stages;

(2) Preparation of detailed zoning procedures incorporating flexible devices for sequential and timing controls based on urban service area concepts, administrative calculation of supportive public facilities indicated on official map, capital budget and capital program capabilities;

(3) Acquisition of open space through use of rights-of-way and subdivision dedication, conservation and flood-plain regulations, average density, cluster zoning and special permit procedures—money-in-lieu of land and excess facility requirements;

(4) Establishment of capital budget, capital program, improvement plans for water, sewerage, drainage, garbage disposal and incineration, development of ordinances and processes to establish districts and benefit areas;

(5) Assessment procedures on vacant land to establish development easement acquisitions for obtaining land banks guiding future growth;

(6) Developing sound administrative supporting structures and intergovernmental sharing of resources, fee structures on permits and plats to finance administrative costs, government operations reports on needed personnel for land-use control, assessment, public works and inspection, review and amendment of codes and code enforcement programs; and

(7) Proposals for state enabling legislation for elimination of statutory and constitutional restrictions or absence of powers.

Metropolitan areas in a Mid-America region extending approximately from Des Moines, Iowa, to Dallas, Texas, and St. Louis, Missouri, to Denver, Colorado, will be studied extensively as natural field laboratories for adaptation and incorporation of methods and goals. It should be possible through the establishment of model procedures and ordinances, with legislative enabling support, to devise a total legal and administrative framework for use in rapidly expanding metropolitan areas, to be adapted, of course, to local needs and conditions. If a plan can be developed and implemented with *balanced growth* procedures, a host of supportive metropolitan and national policies and goals would have a chance of being realized.

Large amounts of information and data will have to be developed, collected and analyzed concerning the direct and indirect costs of development, installation of necessary capital facilities, provision of a normal complement of municipal services, and the consequences of uncontrolled and controlled development patterns. The data necessary will include detailed information on local finances, service costs by land-use type and character, and the relationship of service costs to demographic, social, and physical variables. In doing this it is needed, insofar as possible, to consider not only the economic aspects but also the immediate and long-term social, political, and economic consequences of public policy.

The economic-political science sub-system's aim will be the development of a fiscal and service model keyed to land-use, taking into consideration current and projected alternative land-use patterns, service levels, expenditure patterns, revenue sources (current and capital, alternative and probably), and to the extent possible, the second order consequences of uncontrolled and controlled sequential development. This will mean the collection and analysis of large amounts of data, some of which may not be readily available in usable form.

The legal sub-system's overall aim will be an identification of the specific inadequacies in the existing legal mechanisms for public goal achievement, and the involvement of enforceable legislative measures for the implementation of municipal budgeting and planning objectives. Specifically, a constitutional formulation, based upon the creation of concise, practical standards and criteria, will be sought. The researchers will have to analyze all land-use control measures—zoning and subdivision ordinances, buildings, housing, and health codes, site plan and permit-granting procedures, licensing and bonding requirements, and pollution controls—for their direct and indirect consequences when applied or ignored. Known methods of rationalizing growth—large lot or non-urban classifications, average density or cluster zoning, subdivision improvement requirements and open space districts—will have to be examined for their suitability during the anticipated period of intensive development pressures. Ordinance jargon, in going from the abstract to the specific, when applied by municipal enforcement or decision-making officials, will be challenged. Specific model legislative proposals, such as a Development Point or Development Easement Acquisition District or Capital Programming Point or Licensing System, will be explored in light of earlier findings. Such proposals will test the feasibility of integrating tax policies and incentives, a comprehensive plan, a capital budget, and land-use controls for the unified promotion of efficient public service achievement. Where applicable, intergovernmental cooperation for the provision of services will be identified within existing legal constraints.

Because of the breadth of the problems and the extent of the research commitment, this project will necessitate federal funding over a two year period. The combined capabilities of the interdisciplinary faculty-graduate student body (Law, Economics, Sociology, Political Science, Public Administration, Education, Engineering) will be devoted to this endeavor. Specifically, this will include Prof. G. Ross Stephens (Intergovernmental Relations, Metropolitics, and Local Government Finance), Assistant Prof. L. Kenneth Hubbell (Urban Economics), Prof. Thomas P. Murphy (Director of Public Administration), Prof. Clarence J. Hein (Public Administration), Associate Prof. Daniel U. Levine (Director of the Center for the Study of Metropolitan Problems in Education), and Prof. Robert H. Freilich (who will conduct the Community Development Laboratory). Under the direction and coordination of Prof. Freilich, this team will explore and measure existing community capacity for future growth guidance. Through joint seminars and research reports, standards and criteria will be developed from which broad policy statements on controlling change and growth can be created. It is proposed that the Program Center be established and activities commended by August 1, 1971.

III. CENTER STAFF

A. *Permanent Staff*

In order to assure the vitality of the Center and the excellence of its work-product, it should have a core staff as follows:

1. One Principal Investigator—Prof. Robert H. Freilich.
2. Faculty Associations—J. J. Brown, G. R. Stephens, L. K. Hubbell, T. P. Murphy, D. U. Levine.
3. Fifteen Professional School students per year, simultaneously working towards an LL.M. degree in Urban Affairs at the University of Missouri-Kansas City School of Law, while assigned to specific Center projects and metropolitan communities as legal advisors.
4. Five Graduate students per year from other disciplines.
5. Three secretary-clerks.

Professional School Students would be required to have achieved the J.D. or LL.B. degree prior to entry into the Center program and graduate Law study.

B. Consultants

Complementing the permanent, core staff of the Center, "consultant" services would be necessary, as interdisciplinary research and implementation projects require. For example, engineering, economic, and planning consultants would be necessary for undertaking the design or implementation of a comprehensive plan. Consultant service arrangements could be worked out with the following persons and agencies, among others:

1. Faculty of UMKC (Public Administration, Economics, Engineering, Sociology, Education, Law, Political Science);
2. Metropolitan Planning Commission—Kansas City Region;
3. Metropolitan Area Council of Governments;
4. State of Missouri Department of Community Affairs;
5. Black Economic Union;
6. Foundation for Cooperative Housing—a national non-profit developer-sponsor of co-operative housing projects;
7. Institute for Community Studies, Kansas City, Missouri; and
8. Midwest Research Institute, Kansas City, Missouri.

IV. LOCATION AND CENTER DIRECTOR

The Center would be headquartered at the University of Missouri-Kansas City School of Law, in a separate leased structure. Offices, secretarial and clerical staff will be provided for Center professional staff. Research materials and library acquisitions, including books and periodicals, will be maintained to provide the most up to date and complete reference center for urban affairs study. (The University of Missouri-Kansas City Law Library is presently the most complete and central legal research facility on this subject in the region.)

The Kansas City area is not just an appropriate location for a Law and Planning Center, but it is the most appropriate location in the Mid-America region. Among the main considerations, the University of Missouri-Kansas City School of Law is the only law school in the region located in a major urbanized, metropolitan center, and Kansas City serves as the situs for the regional Offices of many federal agencies administering programs directly related to metropolitan and community development, e.g., HUD, DOT, HEW, OEO, DOL.

The University of Missouri-Kansas City School of Law is also an excellent location for the Center, because it already has an established graduate curriculum in urban legal affairs providing a substantive legal and interdisciplinary approach to the area of concern. (A description of the LL.M. program in Urban Affairs and course offerings is attached, Attachment C).

The chairman of the LL.M. in Urban Affairs program, Professor Robert H. Freilich, who would be Director of the Center, has a wide and varied experience in urban law and community development and has been involved in the following related endeavors in the past two years:

A. Editor-in-Chief of *The Urban Lawyer*, the national quarterly on urban law, published by the Section of Local Government Law of the American Bar Association.

B. Draftsman of Model Subdivision Regulations and Mobile Home Ordinance for the Kansas City metropolitan area, in cooperation with the Metropolitan Planning Commission—Kansas City Region.

C. Director of Housing Construction Studies for Kansas City Model Cities agency, as part of a seminar in Housing and Urban Development.

D. Director of State-Wide Conference on Housing and Urban Development (financed in part under Title VIII of the Housing Act) presented by UMKC and the Missouri Department of Community Affairs.

E. Director of Urban Programs Seminar for Council of State Governments held in Kansas City in September, 1969.

F. Director of Housing, Land Use, and Environment Seminar for Council of State Governments held in Durham, New Hampshire in July, 1970.

G. Supervisor of the preparation of comprehensive plans for counties and cities in Missouri, in connection with a laboratory-seminar in Community Development, with the cooperation of the Missouri Department of Community Affairs and the Metropolitan Planning Commission—Kansas City Region.

The lawyer-student staff of the Center will have the opportunity to participate in the publication of *The Urban Lawyer*. They will also have the opportunity to participate in the preparation, presentation, and carrying out of

the above listed conferences and projects, to be scheduled again, in addition to the projects and programs that will be generated by the Center.

V. LAWYER-STUDENT SCHEDULE

The Center's Lawyer-Student staff and the LL.M. academic program would, generally, be on the following schedule:

A. Each group of lawyer-students would be in residence at the Center for one year.

B. August 1: lawyer-student staff arrives in Kansas City and begins two-week orientation in Center projects.

C. August 15: Center work projects and clients are assigned and work commences.

D. September 1: LL.M. classes commence.

The requirements for earning the LL.M. in Urban Affairs degree would be 24 credit hours, eight of which would be credited towards the preparation of a master's thesis based on research and clinical work experience gained at the Center. The sixteen hours of course work would be in basic, substantive urban legal affairs and community development fields and would be directly related to Center projects.

Attachment A

BIOGRAPHY OF PROF. ROBERT H. FREILICH

Professor of Law, University of Missouri-Kansas City School of Law and Director of Urban Legal Affairs Center.

Editor, *The Urban Lawyer*, American Bar Association, national quarterly on local government law, Section of Local Government Law and Editor of Section Publications and member of Section of Local Government Law Council.

Consultant to Metropolitan Planning Commission of Greater Kansas City, (preparation of model zoning ordinance for Missouri counties); City of Kansas City, Missouri (preparation of model subdivision regulations); Department of Community Affairs, Title VIII, Housing Programs for Missouri for Low and Moderate Income Families; Director of Urban Housing and Land Planning National Conferences, The Council of State Governments and National Legislative Conference; and Missouri Governor's Advisory Council on Local Government.

Former Counsel to New York State Joint Legislative Committee to Study and Revise the Town Law; former counsel to Rockland County, New York; Town of Ramapo, New York, and numerous urban renewal, public housing, library, school and special districts in suburban New York City Metropolitan area.

Graduate of University of Chicago (A.B.), Yale Law School (LL.B.), Columbia University School of International Affairs (M.I.A.), Columbia School of Law (LL.M.) and (S.J.D.) (Doctor of Juridical Science candidacy completed as John Jay Fellow).

Author of: "Interim Development Controls: Implementing the Planning Process"; "The General Emerging Theory of Civil Disobedience"; * *The Yale Divisional Program—"Experiment for Legal Education in Depth,"* 21 *J. of Legal Ed.* 443 (1969); model laws on planning and open space acquisition in "Challenge of the Land", C. Little ed., Open Space Action Institute, New York (1968); "Recent Trends in Housing Law: Prologue to the 70's," 2 *Urban Lawyer* 1 (1970); and *Conflicts of Interest: A Model Statutory Proposal for the Regulation of Municipal Transactions*, 38 *UMKC L. Rev.* 373 (1970).

Attachment B

1. THE LL.M. PROGRAM IN URBAN AFFAIRS

NATURE OF PROGRAM

The Urban Legal Affairs program prepares lawyers for specializing in practice, public service, and corporate and financial institutions dealing with the problems of metropolitan areas from land planning and government structure

* Within the Legal Order, 45 *J. of Urban Law* 563 (1968).

to housing and poverty programs. The program is interdisciplinary because urban problems transcend legal solutions in the complexity and diversity of their setting.

Special emphasis is given in the law courses to the planning and development of new towns (Seminar on Urbanization), the preparation and implementation of master plans in urban counties (Community Development Laboratory—part of which is offered in cooperation with the Metropolitan Planning Commission) and model city and renewal programs (Seminar in Urban Housing and Renewal). The Kansas City metropolitan area is a natural laboratory for dealing with the problems of the central core city, explosive suburban development and the dilemma of resolving regional and inter-state (Kansas-Missouri) problems.

MODERN CONCEPT OF GRADUATE LEGAL EDUCATION

Continuing the trend of modern legal education, the program is designed both for the lawyer who through practical experience has developed a specialty, interest or involvement in urban affairs or municipal problems and the individual pursuing academic studies.

RESEARCH, LIBRARY FACILITIES AND PUBLICATION OF "THE URBANA LAWYER"

Library collections have been assembled which are rich in planning and urban affairs materials, studies, treatises, reports and periodicals. The law school is also responsible, under the editorship of Professor Robert H. Freilich, for publishing the new national quarterly journal of the American Bar Association—Section on Local Government Law, entitled "The Urban Lawyer". Students enrolled in the program will have excellent opportunities for research, editing, writing, and publication in the journal.

2. COURSE OFFERINGS

Environmental Rights—Controlling the use of land by private methods; public and private allocation and protection of support, air space, water and other minerals; environmental quality control air, water and conservation).

Poverty Law—Legal, cultural, and sociological indicia of the impoverished; employment and housing discrimination; consumer protection; welfare law and family assistance plans.

Introduction to Urban Legal Studies (2 hours)—This course will introduce the student to the social, governmental and human problems of urbanization, including: suburban-central city relations; promotion, legislation and administration of mass transport to and within cities; legal problems of resolving dilemmas facing metropolitan school systems; control of environmental quality including air and water pollution; legal services for the poor (welfare assistance, social legislation, consumer protection, family and criminal law, landlord-tenant); public housing, rent control and subsidy and urban renewal; and medical and public health programs—with some attention to the problem of determining priorities among urban problems.

Metropolitan Government (3 hours)—An examination of the structure, powers and territorial divisions of local government in metropolitan areas. The role and powers of the cities, counties, towns, school and special districts and other local governmental units in relation to each other and to the states and national governments will be explored including legislative and constitutional sources of power, fiscal matters, grant-in-aid, annexations and territorial changes, regional planning, intergovernmental cooperation, interstate compacts and authorities. The function of local government will be studied especially with reference to the ability to meet area-wide problems created by the rapid growth of urbanized areas. The role of the judicial process in establishing limits and controls and effectuating solutions will be explored.

Seminar in Urbanization (2 hours)—The legal effects of urbanization and the growth of cities and legal aspects of measures for dealing with these phenomena in this country and abroad. Areas studied will include analysis of new towns, control of the quality of urban environment (nuclear reactors, air and water pollution); land reform in underdeveloped nations, advanced planning and development controls (control growth, official map, master planning, planned unit development, average density and cluster zoning, floating and non-Euclidean zones); location of governmental functions to achieve scale

economies and efficiency; interstate compacts, inter-government cooperation, regional authorities and development and evaluation of regional plans.

Land Use Planning (3 hours)—Analysis of the legal and administrative aspects of land use and development and the problems and techniques of urban planning at the various levels of government in the metropolitan area. Particular attention will be paid to statutory anti-nuisance devices; zoning; subdivision controls; public acquisition of land; building and housing codes; tax control; public housing; urban renewal and redevelopment. The relationship of lawyers, planners and private builders and owners to the governmental policies will be examined.

Urban Housing and Renewal (3 hours)—The seminar will explore efforts to renew urban centers with equal emphasis on social problems. The first half will be devoted to study of existing solutions: urban redevelopment (slum clearance), rehabilitation, relocation, code enforcement, urban zoning, subsidized low and middle income housing, anti-discrimination laws, Federal and State grant-in-aid programs (model cities, community facilities, war on poverty). The second half will explore solutions through proposed model legislation. Students will participate in drafting reports, recommendations and statutes in collaboration with appropriate committees of the Missouri Legislature and Kansas City housing and development agencies.

Workshop in Urban Problems (1 hour) (two semesters)—Students will undertake the solution of concrete administrative and legislative urban problems actually confronting urban agencies (Federal, State and City) in the Kansas City metropolitan area. Students will choose from projects suggested by the agencies themselves. Research will be undertaken both in the library and the field. The product will include such formats as draft statutes and regulations, proposals for administrative change and legal memoranda. The workshop will meet periodically through the year to discuss common issues emerging from the projects.

Community Development Laboratory (2 hours)—An interdisciplinary seminar which undertakes to devise a general plan for the development or redevelopment of some nearby Kansas or Missouri community. Students from law, public administration, sociology, economics, engineering and education are eligible. Enrollment is extremely limited and by permission of the instructors only. Unit credit by arrangement with and in the discretion of the instructors. Those students unable to be accepted may elect Workshop in Urban Problems.

Public Finance (3 hours)—Problems of public and private sector decision-making of revenue-expenditure policies and an examination of the actual legal, political, and economic policies for revenues and expenditures of federal, state and local governments.

State and Local Taxation (2 hours)—Taxing authority under the federal and state constitutions. Review of state and local taxes such as state income tax, sales tax, corporate franchise tax, real estate and personal property taxes, occupation licenses, earnings tax, inheritance tax.

Industrial Location and Regional Development (3 hours)—Analytical survey of the various economic and non-economic factors which influence the location and geographical pattern of modern industry. Review of location theories and their relevance to present-day regional and urban growth. Case studies of selected industries. Consideration of the locational effects of public policy decisions.

Real Estate Finance (3 hours)—Real estate investment and development in the modern metropolitan area with application of materials from property, tax and finance fields. Examination of problems in drafting and administering leases (including percentage leases) and mortgages, especially those problems which occur after default. (Using garden apartments, planned unit residential subdivisions, neighborhood shopping centers, syndication of an office building, as illustrations), Federal income tax aspects of land investment; alternative ownership forms, including cooperatives, condominiums, syndications, public controls over real estate offerings—blue sky and SEC regulations; public (e.g. Federal Home Loan Bank Board) regulation of institutional savings lenders; participations and guarantees; operating lending practices of institutions; FSLIC and FDIC; government participation in the primary (FHA and VA) and secondary (FNMA) mortgage markets; local government financing of capital improvements and devices used by private developers to obtain 100% financing.

Urbanization and Social Theory (3 hours)—An analysis of urbanization as social phenomena. Special emphasis given to its impact on the human value structure, the concept of human resources, the relevance of this impact to social theory.

Race Relations (3 hours)—The problems of racial and cultural minorities.

History of Law (3 hours)—English law, its reception in the American colonies and its development in the United States.

Comparative Law (3 hours)—Historical and analytical study of the substantive and procedural nature of foreign systems.

Jurisprudence (3 hours)—Nature of law; principal schools of juristic thought; fundamental concepts in development of legal system; relation of law and society.

Seminar in Juvenile Delinquency (2 hours)—Causes of juvenile delinquency; jurisdiction and procedure of the juvenile court; rights of juvenile offenders; disposition, confinement and treatment of juvenile offenders.

School Administration in a Metropolitan Context (3 hours)—Sociological and philosophical study of school administration in metropolitan areas. Major trends; experimental projects conducted in urban school systems; organizational patterns and communication networks.

The Rise of the City in the United States (3 hours)—This course treats the background and major developments of the urbanization of the United States. Includes the American Urban tradition, the scope of urbanization, colonial beginnings, urban rivalries, promotion, case studies of cities, the growth of urban services, the slum, problems of government, urban planning, and suburban growth. Consideration is also given to the methods and techniques of urban research and a history of the development of this field.

Geology's Role in Land Use Planning (4 hours)—Examination and evaluation of interactions between geology and architecture, commerce, economics, engineering, geography, law, planning, political science, sociology and zoning.

Urban and Rural Communities (3 hours)—Historic and contemporary rural social structures. The rise of the city; its ecology and place in contemporary society. The city dweller as a person. Urban-rural trends.

Municipal Government (3 hours)—The politics, law, organization and operation of city governments, and relation to such common urban problems as transportation, planning, public safety, public works, welfare, health, housing, and so forth.

Intergovernmental Relations (3 hours)—The study of governmental relations between levels (federal, state, local) as well as between states and localities. Some attention will be given to federal and state departments of urban affairs and local government plus intergovernmental fiscal arrangements.

Metropolitan (3 hours)—The study of local government and politics in the metropolitan environment with special attention to the local political process—political party and interest group activity; community leadership, influence, and "power"; and citizen participation and political behavior.

The Politics of Urban Planning (3 hours)—A survey of the principles and practices of urban planning in the United States and in the Kansas City Metropolitan area.

Chairman BOLLING. Mr. Hirsch, you may proceed as you wish.

STATEMENT OF WERNER Z. HIRSCH, PROFESSOR OF ECONOMICS, UNIVERSITY OF CALIFORNIA

Mr. HIRSCH. Thank you, Mr. Chairman.

I appreciate the opportunity to appear again before your committee.

It was also a great privilege to have been given the excerpt of your letter of January 11, 1971, in which you so succinctly state the kind of issues that you believe need elucidating and recommendations if we are to more effectively decentralize the Federal Government with the hope of improving planning efforts.

I would like to address myself in a very narrow way to these five questions that you have raised, namely:

Within present constitutional restraints, how can we provide for appropriate population representation of the people whose lives are affected on the plans drawn up and executed through such regional planning structures within these ten Federal administrative regions?

And the second question: What objectives or goals should be spelled out?

The third: What standards would have to be spelled out in the statute?

And the fourth: What powers would have to be lodged in the ten regional coordinators?

And then the issue of funds, which always is difficult, and in the light of the great debate about revenue sharing, I think assumes additional interest.

If you will permit me, Mr. Chairman, I have just a few philosophical issues that I would like to reflect on. I believe it is of great concern to many that America has become increasingly populous. And we are very happy and proud of the fact, just as we are happy and proud of the fact that America has become increasingly affluent and urbanized, but America has also become increasingly impersonalized.

More and more young people appear to be turning away from the "traditional American values" and losing faith in our Government. Some seek to destroy it outright. And even the elders who dare look recent history in the eye are going through a crisis of identity: the country no longer seems what it is supposed to be. Government in a democracy is supposed to serve the people. But today the Government is out of touch, out of reach of the people. We are suffering from a severe, almost mortal, accountability and confidence gap, and this is a major reason Government is not more effective in meeting today's crises.

Accountability in a democracy means that Government is responsive to the needs and desires of those governed, through whose consent the Government is allowed to exist. Accountability also means that the Government will perform its tasks effectively and efficiently—otherwise it can be changed so as to do so. It thus implies the statements of specific goals, action programs, and means for measuring performance.

Confidence in a democracy stems from citizens' feelings that Government is in fact humane and responsive to their wishes and rights. Closeness and a feeling of participation, together with good communications between Government and citizens, are important features that enhance people's confidence in their officials. Furthermore, the people want to be assured of their officials' competence. Many people are dissatisfied with their Government because it performs poorly, although they might have unrealistically high expectations.

Policymaking from a great distance can lead to failure of Government to meet the diverse interests of heterogeneous groups in society. Such failure can result because Government fails to obtain, or ignores, the signals from the diverse groups. Or because it feels compelled to meet the needs of only selected groups when conflicts arise. Yet centralization in policymaking, with proper safeguards, can

offer the opportunity to effectively meet diverse needs, precisely because minority interests are represented and can be pursued from an effective base of power and resources.

Then there is the desire for some degree of equality. Thus, the national conscience does not permit certain of its regions to be destitute and backward, while the rest of the Nation prospers. Witness our development efforts in Appalachia, and the establishment of the Economic Development Administration to help secularly depressed areas.

Thus, few will disagree with the contention that throughout the land there is much dissatisfaction with the manner in which we govern ourselves. In particular, there appears to be strong need to invent new political structures and institutions, along regional, multi-state lines, to more effectively plan and time Federal activities, so as to better solve the diverse local problems and do so in close cooperation at the grass roots. There is room for imaginatively decentralized federalism.

In fact, I consider the creation of effective Federal regional districts, headed by powerful coordinators, to be an "organic necessity," to use Walter Lippmann's language. If so, there are four specific questions, among others, for which answers must be found:

What would be the main specific functions of the Federal regional coordinator?

How would the Federal regional coordinator get official—State and local government—and citizen input and advice?

How would the activities of the various Federal regional coordinators be coordinated and orchestrated in Washington?

What steps—mainly incentives—could the Federal regional coordinator use to obtain State and local and private cooperation and action?

Before I offer tentative answers to the questions, let me reflect on the overall mission of such Federal regional offices. They would have the joint goals of aiding in the expansion of opportunities for regional economic development—a longrun concern—and assisting cyclicly depressed areas to more rapidly adjust and recover—a shortrun concern. Both objectives would be pursued within a framework of overall national goals.

Now, to the specifics:

First, each district would plan and set standards for and monitor the economic development and stability of the region, and particularly its large cities. Let me be precise. By planning we mean the preparation each year of annual forecasts of overall economic activity and major Government programs for the region and major areas within it. Furthermore, this includes the preparation and annual updating of a 5- and 10-year development plan for population change, economic growth, infrastructure improvement, major Government programs, and revenue programs. The forecasts would be done in-house or contracted for by the regional office. The plan would be prepared in cooperation with State and local officials. I refer to the need for such standards. And let me indicate what I mean by standards.

By setting standards we mean the annual assessment and quantification of the region's priorities, including the justification for any

regional deviation from Federal guideline standards for the Nation as a whole, whether they are established as an average or a minimum.

By monitoring we mean the publication of an annual economic report of the region, and periodic social indicator reports. Also, early warning reports, when short term downturns appear likely or trend developments are inconsistent with plans and priorities. For example, a change in Federal procurement policy, be it in the defense or aerospace industry, will trigger a report warning that 6 to 8 months hence down the line employment repercussions in a certain region in a certain State in a certain metropolitan area are to be expected, anticipated, and planned for.

Secondly, each office would review, approve, and coordinate Federal activities and funds assigned to the region—for example, urban renewal, highways and transit, education, harbors and rivers, and so on, each of which presently constitutes a fiefdom of its own. Even if we have regional offices, HEW or OEO field offices, and so forth, would basically be pursuing their own interests in the region with only very limited or not any cooperation, and no forced cooperation, as I believe sometimes is necessary.

By reviewing we mean the evaluation of the consequences of specific programs for employment, income, and the quality of life—hopefully in the form of benefit-cost studies.

By approving we mean the making of recommendations as to the desirability of programs, but not the power of veto.

By coordinating we mean advising agencies and local governments on program operations; interrelationships among programs; interrelationships among areas in regions; and relevant national trends. Furthermore, this function would include the establishment of region-wide standards for program operations.

To carry out these functions the Federal coordinator would have a professional regional council of economic advisors, adequately staffed, as well as a staff of program examiners similar to the budget examiners in the Bureau of Management and Budget.

Here are some suggestions for how the regional coordinator would seek and obtain advice from within this region, and I believe there is much to be learned from the Appalachian experience. I would hope that we look upon the Appalachian effort as really the pilot study, so that we can learn from it in implementing the 10 regional districts and commissions.

Each district would have a regional commission composed of governors, who in turn would appoint a number of intraregional councils composed of State and local government officials as well as citizens to advise the Federal coordinator. Different areas within the region would also have their separate advisory boards.

Turning to the question of who in Washington is going to coordinate the activities of the Federal regional offices and how, a number of alternatives offer themselves. There can be no doubt of the urgent need to effectively orchestrate the plans of different regions so as to make them consistent with the national interest. Furthermore, there is need to coordinate programmatic efforts, such as urban renewal or river developments in a given region, with departmental interests—for example, those of HUD or the Department of the Interior.

At least three alternatives suggest themselves concerning the agency in Washington that should coordinate regional activities, namely, orchestrate the activities of these 10 regional coordinators. Perhaps the most attractive alternative is to establish within the Office of Management and Budget the position of deputy director in charge of regional activities. I submit that while we believe we have done well in fine-tuning with the aid of fiscal and monetary policy, an overall national concern is important in growth. Even here we have at times difficulties. I submit that the real challenge now is to have a regional fine-tuning, that is, a supplement to the national fine-tuning in terms of monetary and fiscal policy, because we see today that we have pockets, not only of cyclical deprivation, but we have great differences in the rate of unemployment—in the Seattle area, for example, and in parts of Southern California. And at this moment we have few Federal mechanisms to obtain regional fine-tuning consistent with the regional needs and the national interests.

Perhaps the most attractive alternative is to establish within the Office of Management and Budget the position of deputy director in charge of regional activities. Or a new office could be established in the White House—an Office for Regional Development—just as we have an Office for Science and Technology. Finally, and perhaps least promising would be to assign to the Council of Economic Advisors the additional responsibility of coordinating regional activities.

However, it is important that regional coordinators be powerful Federal officials who have not only the confidence of the President but also access to him—a Robert Finch in a west coast region, a Donald Rumsfeld in the Midwest, or a Patrick Moynihan in a New England region. In the fullest sense, in the region he would be the ear, eye, and arm of the President of the United States. Only such a man could hope to decisively coordinate all Federal programs that bear on activities in a region, including those that cross county and State lines. Air pollution, water quality control, and regional economic development are telling examples.

This close personal contact between the regional coordinator and the President is essential, since within the American environment regions, unlike industries or mayors, have very little if any inherent political power. Neither votes nor campaign funds can be readily marshalled to advance a regional interest. Most likely this phenomenon can explain much of the past difficulties of regional economic development programs in the United States.

Therefore it is essential that the Federal regional coordinator has credibility and political clout. There are examples that without effective clout and power to coordinate, coordination usually fails. Thus, for example, in 1961 President John F. Kennedy conferred on the American Ambassador formal power to coordinate, and yet this decision turned out to have very little real impact. Today it is not the Ambassador who calls the tune, particularly in those countries where it counts most, mainly because the Ambassador was not given any clout.

This then leads us to the final question of steps, mainly incentives in the form of funds, that can be taken by the Federal regional co-

ordinator to obtain State, local, and private action consistent with the region's plan.

Each regional office could receive three kinds of funds which, however, are not interchangeable. Discretionary development funds would be used by the coordinator to supplement categorial aid going to various jurisdictions in the region. They should be used only for longrun development purposes. These discretionary development funds would be in the form of a block grant to the regional coordinator who, however, would specify how these funds can be used within the region, and cooperate with the governors of his region in how to use these funds effectively.

Money would also become available in the form of emergency funds, to be used for antirecession purposes. These funds will be obtained by the coordinator from the Federal Government on an ad hoc basis. Firm Federal criteria would be established for the conditions under which such funds could be requested. Governments within the region could also make such requests. However, their requests would go through the coordinator, who would approve them and also act as the passthrough agency.

Finally, the regional office would also have operating funds to carry out its various staff functions of planning, setting standards, monitoring, reviewing, approving, and coordinating.

In addition to these funds, the Federal regional coordinator also can offer significant incentives in the form of approving and helping to obtain categorial aid for governments in the region. A further incentive for State and local governments to participate could take the form of a reduction in their appropriations for programs not approved by the regional coordinator. Examples are Federal highway, airport development, and land and water conservation appropriations to which a State is otherwise entitled, or cities could be deprived of a certain percentage of urban renewal, model cities, and educational funds, to which they otherwise are entitled.

These regional activities would afford an important opportunity to foster regional economic activity. In recent months we have been talking about national priorities over the long term, as well as about the U.S. Treasury and Federal Reserve Board fine-tuning national economic activity in relation to the recession. Regional decentralization with the aid of regional offices can provide helpful mechanisms to permit regional priority-setting and regional fine-tuning. In this way we could orchestrate Federal activities to suit the specific regional conditions in a manner that elicits maximum and properly timed State and local as well as private response for the common good.

There still remains the question of how much money Congress should appropriate for such regional activities and how the money should be distributed among the regions. I have no specific proposals in this regard, except to point out that funds would be made available for three distinctly separate purposes—discretionary development, emergency, and operating purposes. The discretionary development funds ideally should be directly related to the development potential and need of a particular region, and inversely with its ability to raise its own funds. The emergency funds should be re-

lated to regional unemployment rates. The operating funds should be related to population size.

Such an aid-to-regions program appears to be much more direct and promising than revenue sharing. It has among others the attractive feature of providing each region with a block grant, which however is spent in line with specifications worked out in the region by its people and the Federal regional coordinator, who cooperate with the governors and local officials, with, however, the regional coordinator having the right and responsibility to monitor the use of funds.

A good example of the need for Federal regional offices relates to the development and coordinated implementation of regionwide land-use policies. Such regional land-use policies should be designed to replace the universally restrictive and exclusionary land-use policies of local governments with land use and development consistent with the interest of the larger region. In the second and third decades of this century, when land-use controls were being introduced, State legislatures dominated by agricultural interests looked upon zoning as a city issue and assigned it to city government. However, today numerous city governments and in some cases county governments are unable to take the larger perspective that is needed to act in the region's interest. Naturally, the perspective of a locality tends to be no larger than its jurisdiction, although its land-use decisions affect other jurisdictions and many land-use problems transcend any one city's boundaries.

It is widely recognized that in the seventies unrestrained competition for the desirable land does not necessarily result in efficient, equitable, or socially desirable uses. Public controls and regulations for land use require the cooperative energies of a number of government levels. With this in mind the Federal regional office could address itself to three complex issues:

1. New land development: Channel usable land into more desirable uses consistent with an agreed-upon geographic settlement pattern. Specifically, attention should be paid to new town development, to enticing industry to nonurban places, to properly locating government installations, and to developing appropriate recreation areas as well as transportation routes designed to best meet the needs of the population.

2. Use-allocation of land: Assure efficient use of land and particularly urban land consistent with the standards of equity and property rights, and provide for orderly and equitable zoning with a minimum of corruption.

3. Land-use planning to achieve social objectives: Provide for land development and land-use allocation decisions which mitigate environmental degradation; reduce poverty; raise housing standards; improve the system of education, health, recreation, and transportation; and in general effectively integrate land use with social and economic planning.

In more specific terms, the Federal regional office would bring about an inventorying, designating, and exercising of control over land within areas of critical environmental concerns, and within areas impacted by key facilities—be these airports, highway inter-

changes, or recreational areas. It also should assure that local regulations do not restrict development and land use of regional benefit. With this in mind incentives could be provided for county governments to set up review boards to which city planning and zoning decisions could be appealed. The incentives could be in the form of reduced appropriations for certain programs, in case no effective review boards were set up. Furthermore, there could be a State appeals board for counties to appeal to and a regional appeals board for States to appeal to. Finally, the Federal regional office could be charged with the responsibility to control large-scale development so as to channel it into directions that are consistent with the regional interest.

How are we to proceed in establishing regional offices? I would like to propose that we learn by doing and benefit from such experiences. Specifically I would like to propose a strategy that possibly could enhance the chances of effectively instituting Federal regional offices and aid their coordinators. Instead of immediately establishing 10 offices with coordinators it might be more promising to engage in a well planned, sustained experiment. The Federal Government could publicly announce that it will select 1 of the 10 Federal administrative regions for a 3- to 5-year experiment. Regions, thus, would be invited to get organized and submit promising proposals within a 1-year period. During the same period, RANN of the National Science Foundation would fund a research institute—be it in a university or other nonprofit organization—to develop independently plans for the role and procedures of such an office and coordinator, and also to develop procedures for evaluation of the plans submitted by the regions. One region would then be selected and funded for a period of 3 to 5 years, during which the same research institute would also monitor its activities in close cooperation with the Office of Management and Budget in Washington.

Such a strategy is fully consistent with that employed by industry when it goes through a "research and development" stage before initiating production of a new airplane, computer, et cetera. And there is Federal Government precedent in that the negative income tax plan is going through an experimental stage with the aid of 400 New Jersey families. Similarly, experiments are being conducted to try out a school voucher plan. Such large-scale experiments make it possible to carefully check out and debug new programs and thereby improve their chances to prove successful once implemented on a large scale.

In summary, let us be reminded that time brings change and establishes new frontiers for the Nation to explore. The seventies will not be the thirties, when a national effort was needed to bring us back from economic disaster. It will not, we hope, be the forties, when a national effort had to be mounted to secure the Nation's security. It is not the fifties, when a national statement was required to raise the Nation's conscience in the field of civil rights. It is, perhaps, not even the sixties, when only a national dialogue could debate our priorities and set our future course.

Thank you, Mr. Chairman.

Chairman BOLLING. Thank you very much, Mr. Hirsch, for a most interesting statement.

(The prepared statement of Mr. Hirsch follows:)

PREPARED STATEMENT OF WERNER Z. HIRSCH

NEW FEDERAL POLITICAL STRUCTURES AND INSTITUTIONS TO FACILITATE
SOLUTIONS TO REGIONAL PROBLEMS

The country is rocked by crises—crises that could shatter the vision of rational self-government envisioned by our founders.

While technological achievements and affluence are at an all-time high, welfare roles are getting longer and longer—yet can we take care of the less privileged without encouraging freeloading?

Crime keeps rising—yet can we protect individual rights without turning many criminals loose and imposing oppressive government on all?

The flood tide of pollution continues to rise—yet can we learn to govern well enough to save ourselves from drowning in our waste?

Planning and zoning battles are raging, with the public commonly the loser—yet can we stop farms from becoming “slurbs,” highways from carving up sleepy towns, wilderness from being lost?

Our citizens are rebelling against high taxes—yet without funds can we rebuild our decrepit cities? Improve our obsolete education? Keep our defense forces strong?

And, while America has become increasingly populous, affluent, urbanized—and with it impersonalized—more and more young people appear to be turning away from the “traditional American values” and losing faith in our government. Some seek to destroy it outright. And even the elders who dare look recent history in the eye are going through a crisis of identity: the country no longer seems what it is supposed to be. Government in a democracy is supposed to serve the people. But today the government is out of touch, out of reach of the people. We are suffering from a severe, almost mortal, accountability and confidence gap, and this is a major reason government is not more effective in meeting today’s crises.

Accountability in a democracy means that government is responsive to the needs and desires of those governed, through whose consent the government is allowed to exist. Accountability also means that the government will perform its tasks effectively and efficiently—otherwise it can be changed so as to do so. It thus implies the statements of specific goals, action programs, and means for measuring performance.

Confidence in a democracy stems from citizens’ feelings that government is in fact humane and responsive to their wishes and rights. Closeness and a feeling of participation, together with good communications between government and citizens, are important features that enhance people’s confidence in their officials. Furthermore, the people want to be assured of their officials’ competence. Many people are dissatisfied with their government because it performs poorly although they might have unrealistically high expectations.

The alienated American feels alone and isolated, powerless to control his own destiny; he feels overwhelmed by modern technology that has stripped him of the protections of time and distance, which in the past mitigated the effects of others’ actions. That alienation is on the increase is beyond doubt—since 1950 there has been a fourfold increase in the rate of Americans who have renounced their American citizenship.

Pressures for change also stem from the fact that we are a country which is giant in size—both in physical space and number of people—and heterogenous in character. Since 1940 our population has grown from 132 million to more than 200 million. And this population is very diverse, in terms of wealth as well as cultural, ethnic, and religious backgrounds. Thus our different regions and cities exhibit uniqueness in character and problems, and this diversity needs to be responded to properly and differentially.

The Federal government has greatly increased the role it plays in our lives. It helps us get jobs, pays if we’re out of work, helps us get and pay a doctor, tells our sons to fight on the other side of the world. To do such things Federal administrative expenditures have skyrocketed during the last 30 years, from 9 billion to almost 200 billion dollars, and Federal civilian employment has mushroomed from 1 million to 2.6 million in 1966.

Yet there is a deeply rooted tradition against big government in the United States.

Thomas Jefferson long ago warned "When all government . . . shall be drawn to Washington as the center of all power, it . . . will become as venal and oppressive as the government from which we separated." Further, he said, "Were we directed from Washington when to sow, and when to reap, we should soon want bread," and "if ever this vast country is brought under a single government, it will be one of the most extensive corruption, indifferent and incapable of a wholesome care."

Robert A. Taft, one of the most thoughtful and articulate political spokesmen for American conservatism, from 1939 when he entered the Senate until his death in 1953, wanted to restrain Federal power—not because he thought it evil in principle but because of what he regarded as its limitation; its inability to be effective in a country as large and diverse as the United States. Taft was convinced that the Federal bureaucracy, operating out of a highly provincial city on the Atlantic Coast, was incompetent to establish and carry out sound policy for a continental nation approaching a population of 200 million souls.

Richard Rovere recently has taken the position that centralized, powerful government is firmly grounded in recent history, and the Federal government is today an incompetent and overextended agency promoting public policies for a nation that has grown too large and diverse for its own well-being.

Rovere concludes that ". . . there is in the American psyche today an alienation from the central government that is new in our experience." And he doubts the ability of the American government to hold the country together. Because there is today not only a lack of confidence in the central government but a feeling that it menaces the world and increases human suffering within the American society itself. It is unable to cope with the problems arising out of changes in the society and unable to foresee the damaging secondary effects of its efforts to cope.

The highway construction program was benign, insofar as the intent of its initiators was concerned. It was in response to a broadly held social need. It turned out, however, to be oppressive in its consequences, and richly rewarded a number of vested interests. The same can hold for many other large Federal programs, if they are carried out from such a vast distance.

It was the fear of large, centralized—and therefore distant—government which created federalism, the separation of powers, and the system of checks and balances which underlie the formal structure of governance in America. Yet this fear, imbedded though it is in American values, has not proscribed the growth of Federal power nor prevented inroads into the system of checks and balances.

Policy making from a great distance can lead to failure of government to meet the diverse interests of heterogeneous groups in society. Such failure can result because government fails to obtain, or ignores, the signals from the diverse groups. Or because it feels compelled to meet the needs of only selected groups when conflicts arise. Yet centralization in policy making, with proper safeguards, can offer the opportunity to effectively meet diverse needs, precisely because minority interests are represented and can be pursued from an effective base of power and resources.

Then there is the desire for some degree of equality. Thus, the national conscience does not permit certain of its regions to be destitute and backward, while the rest of the nation prospers. Witness our development efforts in Appalachia, and the establishment of the Economic Development Administration to help secularly depressed areas.

Thus, few will disagree with the contention that throughout the land there is much dissatisfaction with the manner in which we govern ourselves. In particular, there appears to be strong need to invent new political structures and institutions, along regional, multi-state lines, to more effectively plan and time Federal activities, so as to better solve the diverse local problems and do so in close cooperation at the grass roots. There is room for imaginatively decentralized federalism.

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Before I offer tentative answers to the questions, let me reflect on the overall mission of such federal regional offices. They would have the joint goals of aiding in the expansion of opportunities for regional economic development—a long-run concern—and assisting cyclicly depressed areas to more rapidly adjust and recover—a short-run concern. Both objectives would be pursued within a framework of overall, national goals.

Now let me turn to a review of some of the functions Federal regional districts and coordinators might perform—

First, each district would plan and set standards for and monitor the economic development and stability of the region, and particularly its large cities. By planning we mean the preparation each year of annual forecasts of overall economic activity and major government programs for the regional and major areas within it. Furthermore, this includes the preparation and annual updating of a five- and ten-year development plan for population change, economic growth, infrastructure improvement, major government programs, and revenue programs. The forecasts would be done in-house or contracted for by the regional office. The plan would be prepared in cooperation with state and local officials.

By setting standards we mean the annual assessment and quantification of the region's priorities, including the justification for any regional deviation from Federal guideline standards for the nation as a whole, whether they are established as an average or a minimum.

By monitoring we mean the publication of an annual economic report of the region, and periodic social indicator reports. Also, early-warning reports, when short-term downturns appear likely or trend developments are inconsistent with plans and priorities.

Secondly, each office would review, approve, and coordinate Federal activities and funds assigned to the region—for example, urban renewal, highways and transit, education, harbors and rivers, and so on.

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By approving we mean the making of recommendations as to the desirability of programs, but not the power of veto.

By coordinating we mean advising agencies and local governments on program operations; interrelationships among programs; interrelationships among areas in regions; and relevant national trends. Furthermore, this function would include the establishment of region-wide standards for program operations.

To carry out these functions the Federal coordinator would have a professional regional council of economic advisors, adequately staffed, as well as a staff of program examiners similar to the budget examiners in the Bureau of Management and Budget.

Here are some suggestions for how the regional coordinator would seek and obtain advice from within this region. Each district would have a regional commission composed of governors, who in turn would appoint a number of intraregional councils composed of state and local government officials as well as citizens to advise the Federal coordinator. Different areas within the region would also have their separate advisory boards.

Turning to the question of who in Washington is going to coordinate the activities of the Federal regional offices and how, a number of alternatives offer themselves. There can be no doubt of the urgent need to effectively orchestrate the plans of different regions so as to make them consistent with the national interest. Furthermore, there is need to coordinate programmatic efforts, such as urban renewal or river developments in a given region, with departmental interests—for example, those of HUD or the Department of Interior.

At least three alternatives suggest themselves concerning the agency in Washington that should coordinate regional activities. Perhaps the most attractive alternative is to establish within the Office of Management and Budget the position of deputy director in charge of regional activities. Or a new office

could be established in the White House—an Office for Regional Development—just as we have an Office for Science and Technology. Finally and perhaps least promising would be to assign to the Council of Economic Advisors the additional responsibility of coordinating regional activities.

However, it is important that regional coordinators be powerful Federal officials who have not only the confidence of the President but also access to him—a Robert Finch in a West Coast region, a Donald Rumsfeld in the Midwest, or a Patrick Moynihan in a New England region. In the fullest sense, in the region he would be the ear, eye, and arm of the President of the United States. Only such a man could hope to decisively coordinate all Federal programs that bear on activities in a region, including those that cross county and state lines. Air pollution, water quality control, and regional economic development are telling examples.

This close personal contact between the regional coordinator and the President is essential, since within the American environment regions, unlike industries or mayors, have very little if any inherent political power. Neither votes nor campaign funds can be readily marshalled to advance a regional interest. Most likely this phenomenon can explain much of the past difficulties of regional economic development programs in the United States.

Therefore it is essential that the Federal regional coordinator has credibility and political clout. Thus, in a sense, he must become the "proconsul" of the President in the region. There are examples that without effective clout and power to coordinate, coordination usually fails. Thus, for example, in 1961 President John Kennedy conferred on the American Ambassador formal power to coordinate, and yet this decision turned out to have very little real impact.

This then leads us to the final question of steps, mainly incentives in the form of funds, that can be taken by the Federal regional coordinator to obtain state, local, and private action consistent with the region's plan.

Each regional office could receive three kinds of funds which, however, are not interchangeable. Discretionary development funds would be used by the coordinator to supplement categorical aid going to various jurisdictions in the region. They should be used only for long-run development purposes. These discretionary development funds would be in the form of a block grant to the regional coordinator who, however, would specify how these funds can be used within the region.

Monies would also become available in the form of emergency funds, to be used for anti-recession purposes. These funds will be obtained by the coordinator from the Federal government on an ad hoc basis. Firm Federal criteria would be established from the conditions under which such funds could be requested. Governments within the region could also make such requests. However, their requests would go through the coordinator, who would approve them and also act as the pass-through agency.

Finally, the regional office would also have operating funds to carry out its various staff functions of planning, setting standards, monitoring, reviewing, approving, and coordinating.

In addition to these funds, the Federal regional coordinator also can offer significant incentives in the form of approving and helping to obtain categorical aid for governments in the region. A further incentive for state and local governments to participate could take the form of a reduction in their appropriations for programs not approved by the regional coordinator. Examples are Federal highway, airport development, and land and water conservation appropriations to which a state is otherwise entitled. Another form could be reduction in urban renewal, model cities, education, and other funds to which local governments are otherwise entitled.

These regional activities would afford an important opportunity to foster regional economic activity. In recent months we have been talking about national priorities over the long term, as well as about the U.S. Treasury and Federal Reserve Board fine-tuning national economic activity in relation to the recession. Regional decentralization with the aid of regional offices can provide helpful mechanisms to permit regional priority-setting and regional fine-tuning. In this way we could orchestrate Federal activities to suit the specific regional conditions in a manner that elicits maximum and properly timed state and local as well as private response for the common good.

There's still remains the question of how much money Congress should appropriate for such regional activities and how the money should be distributed among the regions. I have no specific proposals in this regard, except to point

out that funds would be made available for three distinctly separate purposes—discretionary development, emergency, and operating purposes. The discretionary development funds ideally should be directly related to the development potential and need of a particular region, and inversely with its ability to raise its own funds. The emergency funds should be related to regional unemployment rates. The operating funds should be related to population size.

Such an aid-to-regions program appears to be much more direct and promising than revenue sharing. It has among others the attractive feature of providing each region with a block grant, which however is spent in line with specifications worked out in the region by its people and the Federal regional coordinator, and with the latter monitoring its use.

A good example of the need for Federal regional offices relates to the development and coordinated implementation of region-wide land-use policies. Such regional land-use policies should be designed to replace the universally restrictive and exclusionary land-use policies of local governments with land use and development consistent with the interest of the larger region. In the second and third decades of this century, when land-use controls were being introduced, state legislatures dominated by agricultural interests looked upon zoning as a city issue and assigned it to city government. However, today numerous city governments and in some cases county governments are unable to take the larger perspective that is needed to act in the region's interest. Naturally, the perspective of a locality tends to be no larger than its jurisdiction, although its land-use decisions affect other jurisdictions and many land-use problems transcend any one city's boundaries.

It is widely recognized that in the 70's unrestrained competition for the desirable land does not necessarily result in efficient, equitable, or socially desirable uses. Public controls and regulations for land use require the cooperative energies of a number of government levels. With this in mind the Federal regional office could address itself to three complex issues—

1. New land development: Channel useable land into more desirable uses consistent with an agreed-upon geographic settlement pattern. Specifically, attention should be paid to new town development, to enticing industry to non-urban places, to properly locating government installations, and to developing appropriate recreation areas as well as transportation routes designed to best meet the needs of the population.

2. Use-allocation of land: Assure efficient use of land and particularly urban land consistent with the standards of equity and property rights, and provide for orderly and equitable zoning with a minimum of corruption.

3. Land-use planning to achieve social objectives: Provide for land development and land-use allocation decisions which mitigate environmental degradation; reduce poverty; raise housing standards; improve the system of education, health, recreation, and transportation; and in general effectively integrate land use with social and economic planning.

In more specific terms, the Federal regional office would bring about an inventorying, designating, and exercising of control over land within areas of critical environmental concerns, and within areas impacted by key facilities—be these airports, highway interchanges, or recreational areas. It also should assure that local regulations do not restrict development and land use of regional benefit. With this in mind incentives could be provided for county governments to set up review boards to which city planning and zoning decisions could be appealed. The incentives could be in the form of reduced appropriations for certain programs, in case no effective review boards were set up. Furthermore, there could be a state appeals board for counties to appeal to and a regional appeals board for states to appeal to. Finally, the Federal regional office could be charged with the responsibility to control large-scale development so as to channel it into directions that are consistent with the regional interest.

How are we to proceed in establishing regional offices? I would like to propose that we learn by doing and benefit from such experiences. Specifically I would like to propose a strategy that possibly could enhance the chances of effectively instituting Federal regional offices and aid their coordinators. Instead of immediately establishing ten offices with coordinators it might be more promising to engage in a well planned, sustained experiment. The Federal government could publicly announce that it will select one of the ten Federal administrative regions for a three- to five-year experiment. Regions, thus, would be invited to get organized and submit promising proposals within a

one-year period. During the same period, RANN of the National Science Foundation would fund a research institute—be it in a university or other non-profit organization—to develop independently plans for the role and procedures of such an office and coordinator, and also to develop procedures for evaluation of the plans submitted by the regions. One region would then be selected and funded for a period of three to five years, during which the same research institute would also monitor its activities in close cooperation with the Office of Management and Budget in Washington.

Such a strategy is fully consistent with that employed by industry when it goes through a "research and development" stage before initiating production of a new airplane, computer, etc. And there is Federal government precedent in that the negative income tax plan is going through an experimental stage with the aid of 400 New Jersey families. Similarly, experiments are being conducted to try out a school voucher plan. Such large scale experiments make it possible to carefully check out and de-bug new programs and thereby improve their changes to prove successful once implemented on a large scale.

In summary, let us be reminded that time brings change and establishes new frontiers for the nation to explore. The 70's will not be the 30's, when a national effort was needed to bring us back from economic disaster. It will not, we hope, be the 40's, when a national effort had to be mounted to secure the nation's security. It is not the 50's, when a national statement was required to raise the nation's conscience in the field of civil rights. It is, perhaps, not even the 60's, when only a national dialogue could debate our priorities and set our future course. Hopefully, the 70's will be remembered as a period when the nation developed new imaginative structures to effectively decentralize the Federal government and make truly significant progress in solving its pressing regional problems.

Chairman BOLLING. Mr. Brown, would you like to ask some questions?

Representative BROWN. Yes, Mr. Chairman.

I am reminded particularly by your testimony, Mr. Hirsch, of a concept that was advanced by a professor in political science some years ago in Duke University, who felt that we had a lot of difficulty with the jurisdictions of States as they affect communities such as the one your chairman represents that straddles State lines. And this is a common experience, I would suggest, in many States. In my own State of Ohio there is a three-State city in Cincinnati, Ohio, which involves Ohio, Kentucky and Indiana—not always in that order. The airport, you know, is in Kentucky, so the Kentuckians would probably make Kentucky first.

I would like to move from that and come back to it in a moment, because I am more interested in the concept of land use raised by Mr. Freilich.

I am sorry I wasn't here in time to hear the summarization of your testimony, Mr. Freilich. The problems that we face in most communities is their present existence, and the fact that they have grown up in a pattern, as you alluded to briefly in your testimony here, that existed in another century. Clearly cities in the East have had different developmental patterns than those in the Midwest, and those in the Midwest different developmental patterns than perhaps those in the Far West, particularly new areas. I observe that cities are very much alike, with the shopping center development in the suburban communities, and with the natural attrition that goes on, I suppose it moves us in that direction.

But I gather from your testimony that you are anxious to see this advanced both with reference to new cities and with reference to existing cities, advanced a little faster in terms of our current needs for different kinds of land use, and would attempt to encourage this

kind of land use by what you call sequence development. Can you give me a clear picture of the sanctions involved in sequence development?

Mr. FREILICH. Yes.

I think you are quite right in saying that the cities are beginning to look quite a bit alike across the country, because the land use policies that are coming forward are quite alike now, and they are reactive policies rather than innovative policies which are freed from economic taxation and racial fears.

The way sequential controls would work—taking into account the number of very obvious constitutional and statutory enabling problems in this area—is that the region would establish an overall growth rate based upon a national land use policy. I am assuming that there are Federal standards involved.

The region would establish a capital improvement program and development program for the residential, commercial and industrial areas. Growth would be restricted to those areas in which capital improvements were available.

The region would have an ongoing and required capital improvement program that would proceed in stages. As areas are opened up with the appropriate densities and in the proper land use categories, land would then be released from the controls for development.

In most cases we would not foresee that controls would be on land for greater periods than 15 to 20 years for the development of an area, because it would be economically feasible to bring the capital improvements in even a shorter period of time.

As the court in New York held, this is not too long a period of time to be constitutionally confiscatory. All land, especially in these areas where it has lain vacant obviously since the beginning of our country does not necessarily have a God-given right to be economically developed simultaneously.

Coincidentally with the imposition of controls the landowner, because of the controls on the property, would be given tax relief in the sense that he would not pay real estate taxes on developmental value, because the controls would prohibit development on that property for the periods of time needed to bring the capital improvements.

The landowner would be in a position to hold the land without suffering from taxation on development values.

In most cases this would bring the value of the land down to about 90 percent of its value and could preserve prime agricultural as well as scenic, forested and open space.

Representative BROWN. Could I interrupt just a moment and suggest that if one is going to impose land usage from a centralized source, rather than from a free competitive market, so to speak, which we may have now in some areas, although any zoning, I suppose, adds, imposition, limitation of some kind, how can you have any property taxes? In other words, haven't you necessarily enhanced the value of a piece of property or changed the value of a piece of property when you have limited it to residential only as opposed to industrial? And haven't you in fact a prospect coming along now in our society that would call for certain land usage to be designated as agricultural land uses, regardless of what one can

make on that land from its use for agricultural purposes, and even, as you suggest, non-used land, or public domain land, which might be maintained for a natural area unimproved at all?

Mr. FREILICH. I think it is very clear, however, that while the government at any level designates land as exclusively agricultural, or flood plain, or recreation, that there is probably the necessity for some compensation to be paid to landowners for the deprivation of the property rights. I am not suggesting that monetary policies and fiscal policies are not always to some degree essential here. It depends upon the level to which the Government wishes to withhold land from the market. If it wishes to withhold it in order to develop a rational development policy, I would point out that this does not really dictate planning decisions for the community, because as the land becomes available for development, the local zoning decisions as to the allocation of that land would by and large be made at the local level, whether it be residential, industrial, or commercial, and the nature of the capital improvements that would serve it. But if we wish, for example, as a number of ecologists are suggesting, to prevent our mountainsides from being developed, and the flood control measures to protect our valleys and flood plains, then some permanent condemnation of land may be essential.

Representative BROWN. You are talking about the California situation?

Mr. FREILICH. That is right. Certain lands through police powers we can control, but at some point, if we feel it is in the national interest, we are going to have to purchase the land to hold it absolutely free from development in perpetuity.

Representative BROWN. Where are you suggesting the avoirdupois for this power would reside? The term "local" in your last statement confuses me a little, because I don't know to just what extent you talk about local, regional, and national. It seems to me that we are moving towards a time when certainly a national pattern has to begin to emerge with respect to land use when we start thinking about holding undeveloped areas for conservation areas of extensive size.

But why, for instance, in California—and let's just limit ourselves for a minute to the city of Los Angeles or the environs of the City of Los Angeles—where should that decision be made?

Mr. FREILICH. I suggested in the testimony that the basic decisions as to national land use policy from the different regions would be made through national priorities.

Representative BROWN. But what determines national priorities? We have had some struggle here as to whether it was congressional priorities or presidential priorities or other priorities.

Mr. FREILICH. I understand that. I am not anxious to join that debate presently. I simply feel that there are a number of alternatives in which national land use decisions can be made. I am suggesting that I think you are correct in your assessment that we need a national land use policy. How that comes about, I think, as Mr. Hirsch pointed out, could be decided in any number of effective ways at the Federal level and passed down to the regional level. What I am concerned with is the fact that if we are going to establish a national

land use policy, we are going to have to promote economic decentralization in certain rural and smaller metropolitan centers.

Representative BROWN. Also a policy which seems to have been adopted rather aggressively in this administration, at least more aggressively than this at this point.

Mr. FREILICH. I would suggest that the administration has, at the same time, however, by cutting down on air service to smaller towns and centers, and rolling back on rail service, probably put itself into a position where it is going to have the effect of fostering just greater development in the larger metropolitan centers. There are about a hundred cities in this country that as of this year will have no air service which had air service a year ago. Now, what this means is that those cities are not effectively cut off from rail and air passenger service. And it is hard for me to see how economically they can thrive under conditions of transportation priorities as that.

Representative BROWN. I hate to say this. I didn't mean to be led off into this direction. But I used this illustration on the floor of the House yesterday. With reference to the rail passenger service, they finally had a big flap about whether they were going to get Amtrak or Railpax or Halftrack, or whatever it is, into Cleveland. And they celebrated the arrival of the train under the Railpax plan in Cleveland the other day with a band that came in on the train, a six-piece band, and a lot of people at the depot meeting the train. And the only trouble was that there were more people in the band than there were passengers on the train.

One of the problems, it seems to me, is that we tend to think that everybody would like to ride the railroad train because a lot of us grew up riding railroad trains. But we are going to have to do something different, I think, to make it more inviting to people. Just the availability of the service doesn't necessarily resolve the problem.

But your point is well taken. I happen to come from a district that has never had any air passenger service. We have crashes once in a while in our district, but we don't have any airports where planes can land and take off in commercial service. We have been cut back in terms of the number of flights in and out of the nearby airports, as has everybody else, I guess. But I guess the reason for that is that people aren't going in the airplanes as much as they used to be.

Mr. FREILICH. The point I make is this: I don't favor each locality setting the sequential and timing controls for the very reason that was suggested, that is, the parochial interest that would govern the setting of those controls. But it is clear that within the confines of what the growth of a region is going to be, if we are going to generate growth into central cities and into economic decentralization, we must cool off in some manner the rapid and inefficient and just wild growth of the satellite areas of our major centers.

That can be done through an allocation of industrial, residential, and commercial space which would be consistent with the regional land use patterns that are established. As the land is available for development, the municipality would be free to use its traditional local power to develop it, once it was released from the holding patterns. I think it is consistent with the concept that there

be local decisionmaking as close as possible to the people. But what we are concerned about here is that there be effective police power actually at the regional and federal level that would enable a rational land pattern to develop within which, then, communities can make some intelligent decisions. Right now their decisions are based upon taxes, run-away growth, exclusionary social policies. And I think that this is why you are going to see the same kinds of things in city after city, the commercial strip along the highways, the attempt to get industrial ratables, the single-family subdivisions, the absence of multiple-family housing, and certainly the absence of low- and moderate-income housing. I think there is no question that 80 percent of the Nation's families are excluded from being able to buy existing housing that is on the market from private industry today. The average price in Kansas City of a new house—the median price is \$26,000. It takes an income of over \$14,000 for a family to support a mortgage, taxes, and interest on that home. And it just excludes over 80 percent of the families in our region.

Representative BROWN. I concur heartily in your concern. And I find no fault with that concern or with the interest of trying to resolve the problem. What occurs to me, though, is that there is a need for a specific solution to this. And the imposition of land use policies and the imposition of such constraints on Federal allocation of funds has to be centered somewhere, or the avoirdupois has to be some place, the political clout, if you will, has to be some place. And my question is whether under your proposal that is difused to the local areas, and how in the case of the city of Los Angeles, for instance, where they want to deal with this one specific—I have a very parochial reason for asking this question which I will come back to in a moment—where you are concerned about the carving off of the hillside—how do you resolve that problem? Is that a neighborhood issue. Is it a county issue or is it a city issue? Is it a multiplicity of cities? Los Angles was once described as seventeen towns in search of a city. Is it that 17-town area? Is it the southern California area? Because there is a southern-northern thing. Is it the State or is it the western region? Where is the avoirdupois politically that gets that done?

MR. FREILICH. I would suggest that the southern California area is not by itself one of the 10 federally administered regions, it is part of a larger region, and certainly I don't see that the city itself or the surrounding area can resolve that problem. The federal government is going to have to determine whether or not they want to pack 50 million people by the end of this century into southern California. The question is whether the water supplies, the erosion of mountains, earthquakes, the availability of employment, recreation and public services are capable of supporting them. I would suggest that if some understanding about the economic and viable land pattern of this area, and what is can support, and what rational capital improvements are essential for that area, is reached, that we would be able to hold off development of the mountainsides through regional controls. And these, I think, would have to be permanent solutions. I don't think that you could simply use timing controls to stop mountainside development. Earthquake zones would have to be per-

manently purchased from their owners or permanently restricted to certain kinds of nonresidential or industrial use.

But in other land, such as in valley areas, and spreading out through all the far-reaching valleys, the continuing blight and urban sprawl, those would be slowed down and regulated so that some of the growth would go into the core area of the Los Angeles area, and some of the growth would be diverted to other Mountain States or other mid-Western states or other areas. After these controls have been set on the availability of land by a regional body acting in accord with the national policy, then the local body, when that land is made available for them sequentially, will be able to determine at their own pace what kind of development they wish in those areas. And I think that would then make a logical and a very important step forward in terms of our land use pattern.

The second thing, that would come by this would be the necessity for the region to develop its suburban land in greater densities than it is doing now. It would foster great savings in terms of having more effective multiple-family uses of land. Other kinds of industrialized housing would come into play. In other words, we would be lowering the price of housing, making it available to more kinds of families, and effectively providing for greater numbers of population, and I think overcoming the racial polarization between the central cities and suburban areas that is definitely establishing itself around the Nation now.

Representative BROWN. Let me ask one question of Mr. Hirsch.

You talk about packing the 50 million people into the southern California area, and the fact that we should have a national policy against that, and try to spread them out over the country more generally. But is it an economic sanction that prevents this? In other words, how do you enforce the federal policy that says let's not put five million people down there?

Mr. FREILICH. Presently our only sanction has been incentive. We can say that we will not offer any more incentives to the Los Angeles area, we will not subsidize industries, and not do, for example, as Mr. Hirsch says, if there is a depressed area or unemployment center, we may not give them additional funds. We don't want to continue to fuel up industry.

Representative BROWN. Would you do it by incentives and disincentives?

Mr. FREILICH. That is what I am suggesting, that we must do it not only by incentives to areas in which we seek development, but we must have full police power in areas where we do not wish development to take place, so that we slow down the rate of growth, because development is prohibited in areas until capital improvements are developed, and capital improvements are scheduled at a lower rate of development. We can control the rate of capital improvement development. And by controlling that we can control the numbers of people that can settle on residential areas and the amount of industry and other commercial incentives that are available.

Representative BROWN. So it would be through economic incentives?

Mr. FREILICH. And disincentives.

Representative BROWN. And also controlled power?

Mr. FREILICH. The control of land use, yes. And this is one policy that we have not come to grips with in the Federal Government. We have not recognized the part that incentives play and the importance of simultaneous regulatory power, the police power.

I think that is basically the position.

Representative BROWN. By police power you don't mean that you meet the Yogies with State troops at the San Bernardino.

Mr. FREILICH. No. Police power is a legal term which defines the power of government to regulate for health, safety, and general welfare.

Representative BROWN. I have a sister who lives in Los Angeles, who moved out there some years ago into Hollywood Hills. And she has been involved in a neighborhood association fighting to keep them from carving up the hillside so that her backyard doesn't go into somebody else's lot, and vice versa. And I was in touch with her not long ago, and she says that they have now federated these neighborhood associations into a larger group.

And I said, "If you are not careful, you will wind up with someone asking you to run for Congress." And she said that has already been done, but they feel that they could get a great deal more accomplished in this area she was interested in by staying in the neighborhood association and meeting Mayor Yorty than coming to Congress.

And I concurred that she was probably quite right.

The question I would like to ask you, if I might, Mr. Hirsch, is that: Is the idea of regional proconsuls or coordinators—I am a little bit concerned as to where lines of political control would come from, and how—I am not sure that my chairman and I would agree on who the western proconsul might be—how do you get to him if he turns out to be a lemon?

Mr. HIRSCH. May I comment first on the issue you just asked my colleague? I have some views on that issue.

Representative BROWN. Sure. This is a game that anyone can play.

Mr. HIRSCH. I would like to come back to your question.

Representative BROWN. Sure.

Mr. HIRSCH. First of all, there is a value judgment that I would hope could be made explicit. I believe the discussion has implicitly assumed that sprawl is bad, it is from the viewpoint of private benefits bad, and it is bad from the viewpoints of social benefits. I do not believe there is a study—at least I have not been able to find a study, a thoughtful study—that has established this as a fact.

Now, I am not saying, therefore, that—

Representative BROWN. Could I make an observation on that point. I am not sure I agree with you in a very personal sense. I come from a small town where in terms of social benefits we have a wide dispersion of economic level, racial types—well, to choices, racial types, I guess, in our area—but at least there is an interplay of social forces. And to live in suburban Washington where it is wall-to-wall upper middle class, and the people don't even go out in their yards except to get the dandelions out, because the houses are air-conditioned, and there is very little neighborhood contact—to live there is sort of a rending experience. As a matter of fact, we had a

black choir visit us for several days in our neighborhood during the hot summer weather, and the question we got from them was, where is everybody? And of course the answer was everybody was inside, because they were enjoying their air-conditioning. But the people who were visiting us came from a place where air-conditioning didn't exist, and in hot weather like that they would be outside having social contact of one sort or another even if it was only arguing with their neighbors.

But nevertheless, what studies do you refer to that speak—where you say there is a lack of any established information as to social benefits?

Mr. HIRSCH. Basically what you want to see done on the question of high versus low density would be to engage in a benefit-cost analysis both of private and social costs of different concentrations, and then adjust for people's tastes and preferences and jurisdictional arrangements. For example, you referred to the fact that because of a hot climate and air-conditioning, people do not engage in social intercourse of the sort that makes living in the city a great experience. You might find a counterpart in the large city of today where one neighbor does not talk to his next door neighbor because living conditions are not at all conducive to the exchange of ideas or any social intercourse.

The point that I was trying to make is that if you just look at this problem from the point of view of public services and their costs, we find at the two extremes the greatest per-capita costs. Extreme sprawl involves the tremendous cost of connecting sewers, building highways, and so on, and produces very high per-capita costs, but most likely this cost is lower than that in the central business district with its congestion and high police and fire protection costs, and so on.

So I really was trying to raise the question as to whether one could not move away from using the police powers as a zoning device to a power that permits compensation for those who impose costs on their neighbors as new housing arrangements and new living arrangements are being made, or as a new freeway is being built. Thus, those who benefit, because of appreciation of land, would compensate those who lose because of the noise, congestion, etc. that is associated with it.

I am not trying to say that sprawl is good or bad. But I was wondering whether we couldn't attack this problem on a somewhat lower level, where we could come up with more specific answers to unique characteristics. For example, we need not apply land use control devices to prevent Los Angeles or southern California from doubling its population.

I think the people of this country have been extremely generous in heavily subsidizing southern Californians in terms of low water cost. And the moment you start, for example, and I am not proposing this charging the Imperial Valley the marginal social costs per square foot of water, you wouldn't have to build dams and new water sources in southern California for some time to come.

Representative BROWN. I have no question but what you would slow up the growth of southern California if you shut off the water or at least didn't expand it. I am not sure whether that comes in the

police power category or in the economic category. But I think it could be done by perhaps some even more careful considerations. I tend in a personal sense to prefer the economic sanctions, economic controls, disincentives and incentives, to the police power. But I think in a practical sense we probably need a combination of both.

Mr. FREILICH. I would like to make two short statements.

I would like to point out that sprawl is not the same thing as low density. Sprawl means scattered development. It could be scattered high density or scattered low density. It involves great social costs. And I think the studies that I read—the Noble study of the system of urbanizing counties, the Douglas Commission studies and others—have shown the tremendous costs that sprawl entails. When an area is headed for development it does not mean that there is not going to be an appropriate life style; 100 million Americans living in the suburbs are not necessarily wrong in the life style that they have chosen. I think the question is, though, can we produce different kinds of life styles, different kinds of density within marginal effects and properly allocated land use and distribution.

The second point I would make is that the British did try the system that Mr. Hirsch referred to, which is a question of trying to siphon off benefits from properties that are aided by public improvements, and then returning the damages to those that are damaged by public rights-of-way. This system called betterments is a very different, highly inefficient administrative system to operate.

I would say that the second thing that we have found that adding costs to development does not stop suburban development. Adding high subdivision requirements costs makes subdivisions pay for their utilities, water, sidewalks, and improvements. What has occurred is that it has kept out low-income housing, it has not kept out the middle- and upper-income housing, which is willing to pay those costs to be in socially exclusive areas.

Representative BROWN. Which would infer, however, that if you did not expect that to be a socially exclusive area, that you had adjusted your prices wrong.

Mr. FREILICH. Suburban areas have been notorious in turning down Federal incentives for sewer and water mains, highways, and so forth, which would mean greater money for parks and recreation—parks, for example, because they do not want their parks open to nonresidents. In other words, they will take an economic disincentive from the Government in order to keep socially exclusive patterns. So I don't think we are really in disagreement. But I think Mr. Hirsch is correct in pointing out that what we have to look for in establishing timing and sequential goals are the cost-benefit analyses and the life styles that are involved, and to set those controls.

Representative BROWN. We are in fact going to this. Apparently it has been recommended in certain areas. One of the proposals in the environmental package this year called for disincentives to move industry off of the coastal marshland area because of the ecological wealth of those areas, and the fact that we are destroying more than we should, or more than we can safely harm without destroying ourselves.

If I may, Mr. Hirsch, the final question I would like to ask is—

Mr. HIRSCH. I am sorry, I didn't reply to your question.

Representative BROWN. How do we determine the proconsuls' political responsibility?

Mr. HIRSCH. First of all I would think that the regional coordinator would be appointed by the President, possibly approved by the Congress. And if he turns out to be less desirable than expected, I believe that we take that risk in relation to almost any appointment that a President makes, subject to the approval of Congress or the Senate.

I would assume, though, that in the first few years you would have a major incentive to be better, because, I believe the President is very much committed to moving into the area of decentralization.

And I also believe that the pressures for living within the confines of our large country, and therefore making government work more effective will tend to attract to the job some very able and exciting people.

Consequently, I have hopes that this would be a very exciting experience, with a reasonable chance to succeed.

Now, the question of political control, the partisan control, I cannot readily answer. My own view would be that many of the States that would be combined into a regional office would have different complexities, political complexities, and therefore, some of the partisan issues would be neutralized. It is not my understanding that partisan issues really make the life of the Appalachian Commission extremely difficult, but I might be wrong.

Representative BROWN. Your answer, I think, is a fair one. I would say that even in the more limited areas of regional activity by the Federal Government, the guy who is the regional coordinator of the housing and development department for Chicago in our area tends to become a sort of a faceless personality, and therefore, one to whom the bureaucratic operation is a shield from time to time for arbitrary decisions which cannot be successfully appealed, except now to Washington from time to time.

On the other hand, I would not want him to be—either this proconsul or regional coordinator for an individual department—a potential candidate for President in that area. We have got that problem in the Senate now where everybody runs for the presidency all the time. This is not a nice thing to say in the Joint Economic Committee, I suppose, but it occurs to me that that is not necessarily a great service to the legislative process. And it would not be a good service to the administrative process either, I would say. But some combination of political limitation and political reaction, it seems to me, has to be built into this idea, or we may be establishing something that it would be very difficult to get at. We have a question, I think, facing us in the Congress in the move to single administrators, if in fact that is what we do, in some of the regulatory agencies. And in that regard perhaps what we need is to establish, instead of eliminating the single administrator idea because it has certain problems to it, we could establish the man to span Federal administrations so that he becomes political in that sense. And also perhaps we could put him on a call basis from Congress. And perhaps you could have him on a recall basis from the regions in some way, if in fact we can move to anything that approximates what you have suggested.

Mr. Chairman, thank you very much for your patience. These are both very interesting, and I must say fairly ambitious approaches to a fairly significant problem in our society. And I would hope that we can find some way to meet, if not the political organization structure, at least some more practical parts of the problem, in particular with reference to the land use and patterns.

Thank you.

Chairman BOLLING. Mr. Hirsch, I would like to pursue the business of—you call him a regional coordinator. I always like to take the phrase that the opposition will use, and I would like to call him a czar. I remember a long time ago when we had a fight over whether we would increase the number on the Rules Committee of the House of Representatives so that there might be some possibility of a majority sympathetic to the normal Democratic leadership of the House, I started out by saying that I hoped that we would pack the Committee. And I was not surprised when the opposition decided that this was a question of packing. But I thought that was quite accurate. And I don't think it is a bad idea to talk about this man as perhaps an assistant President, just to get the idea over. Because what we are really talking about is the decentralization of power, political power, executive power, administrative power, so we will get it out of this town. But we are not talking about changing the nature of the Presidency. We are suggesting that some of the power of the President should be exercised—to use the favorite phrase—closer to the people.

Now, nobody is suggesting—at least I don't think you are suggesting—that we take away—that we give to this man the power in the field of foreign policy over the President. We are talking about a very limited grant of power.

Now, you suggested, I think ingeniously, a variety of three different ways in which the man might be structured, the last one of which you don't like very well, and I don't either, the business about the Council of Economic Advisors. Because I think that is a question of getting ourselves mixed up on staff.

What would be so awful about having somebody who had the status of a Cabinet officer, a similar level of rank, who was known to be a grantee of a chunk of the Executive power? He would be enormously different from a Cabinet officer, because a Cabinet officer, who after all is an assistant to the President, is nothing but an assistant to the President. He would even have a different kind of power, because his would be much more broad in an administrative sense, a policy sense, and much more narrow in a geographic sense. And I think if we added—if I may go along with this problem of the too many presidential candidates which seems to burden my party now a good deal more than yours—the adding of 10 more potential departmental candidates, presumably in this case of one party, as a Cabinet would be—because it is conceivable that a wise President might decide that in region A, which was overwhelmingly of the one party, it might be expedient for him to have a member of the other party—what would be so horrible about that kind of approach, both theoretically and practically? Because we are talking only about power and the exercise of power, we are not talking

about any complicated administration, we are talking about moving power from one place to the other place, the power of decision.

Mr. HIRSCH. In a sense much of the discussion has added a dimension that in the past has been underemphasized in American government. We have a secretary that deals with labor issues, we have one that deals with defense issues, and we are now saying that the Nation also has numerous regions which have unique concerns. The adding of a secretary on the Cabinet level, I think, offers an opportunity. It is a bit unusual I believe, in terms of our own government, but not in terms of the British and French Cabinet, where you have a Secretary or a Minister Without Portfolio; he would not have a department to run, but he would in a sense coordinate and supervise those 10 Federal operations that are in the field.

You are concerned about partisanship. It seems to me one could readily take care of this issue. An example is, I believe, that Congress has written into law that the Civil Rights Commission, composed of seven members, can have no more than three from any one party. Thus you have already established a precedent. There is no reason why, for example, you couldn't say that of those 10, no more than five could be from any one major party, in order to get balance into this system.

The other part of it, and what really concerns me in a very narrow sense, is that the House of Representatives has passed a bill that is somewhat inconsistent with what we have been discussing this morning; i.e., the Public Works Acceleration Act of 1971. If you look at it carefully, you will see that you could end up with 1,000, 10,000 or 100,000 regional coordinators. You have stipulated that any one region that is eligible for aid would have a Federal coordinator. I am appalled by what that could mean: just the mere problem of integrating what all those different coordinators would do and find halfway qualified people to staff the positions. And that is why I feel so strongly that the sooner one moves to put some more meat on the bones of those 10 Federal administrative regions, giving them a charter, and giving them certain responsibilities, rights and obligations, we could forestall some of the inadvertent legislation that can create havoc with administration.

Chairman BOLLING. To pursue it a little further, to try to get the kind of thing we are talking about in perspective, it doesn't seem to me that it is impossible to have a continuing structure of Cabinet officers who are principal assistants to Presidents who have more specific responsibilities. God knows what is a specific responsibility of the man who is the head of the Department of Health, Education, and Welfare. I don't believe that at this stage in our history there is of record a single secretary who mustered his department. This raises one of the difficult questions about how much a single secretary can handle. But there is no reason why he couldn't have—is there—national policy decided through the usual process, which involves all three of the branches, the executive, the legislative, and the courts, and when executed by an executive? And unless I am completely misinformed, we still only have one Executive. We call him the Chief Executive. But unless the Congress in a rage does

what the Congress did to Mr. Roosevelt when it gave helium to Mr. Ickes—the Congress at the time didn't like either, but it decided that it would slap the one with the other. But the real Executive power exists only one place, there is only one place, there is only one Executive, and everybody else is his assistant. We specify very overtly very little delegation of power to Cabinet officers. And all we are really talking about—and I hate to use a military comparison, because it offends so many people—all we are really doing is setting up a situation where you have an organization all subordinate to the executive, part of which at the national level concerns itself with the generality of administration and the detail of policy, and another part, the regional part, which concerns itself with the detail of administration, and has very little to do with the policy except as administration inevitably affects policy. What is so irrational about that kind of an approach? Call him a czar, call him something, and we will come up with a new name for him before we do it. We are not going to do it tomorrow. But is there anything fundamentally abhorrent either in terms of the political process or in terms of rationale in that kind of approach?

Mr. HIRSCH. My own view is that it is essential that we move in this direction. The country has become so large, and its complexities and problems and solutions so enormous, that unless we decentralize and assign very clearly defined operational responsibility—and I think this is the difference between policymaking and operational responsibility—we cannot hope to effectively plan and administer. The Federal coordinator's role has to be very clearly defined; that is why I took some pains in trying to define at least three different types of funds that the coordinator should have. And if we can define what type of funds he has and what he can use them for, we can delimit his role, and yet make it possible for him to go back to a central office for certain types of advice and help.

Mr. FREILICH. I would like to suggest that this staff and line function that you are talking about in the military where one serves in the collateral and the other serves in the organizational function is very important. But I think we have two dimensions to this problem, only one of which we are dealing with, and that is, Federal decentralization is essential in terms of executive Federal power. But we should not ignore the fact that executive Federal power does not necessarily reflect the interests of the region, and that there is going to be necessary a regional mechanism which reflects the interest of local and regional government so that there will not be just one official who has the sole power of decisionmaking, but that there will be some sort of a check and counterpoint. I think the Federal power can be reflected by a single individual who might make Federal policy subject to the chain of command of the President, but there should be a regional entity—and I am not sure—this is why there are many different ways in which this can come about—but this regional entity is going to have to reflect local interests, and minority interests, and ethnic interests, and other problems of the region that are not necessarily reflected in the Chief Executive when he decentralizes power.

Chairman BOLLING. I happen to really agree with that.

The other end of my thinking is, I am concerned—and there will be witnesses at this hearing over time, next week, as a matter of fact, there will be a man named Costikyan who will be a witness. Mr. Costikyan has proposed in a very interesting article that we—and this is a disintegrated proposal that he made consciously to achieve some representation by individuals, almost—he proposed in an article some time ago that there be unofficial—he hasn't defined the duties any better than I have—elected by groups of people in the United States no larger than 5,000, whose function would not be that of an ombudsman who is appointed, but of a heckler who is not appointed, he is elected by people, who then presumably, if we carried this into effect in my congressional district, if there were 5,000, a constituency of 5,000, there would be—let's see, I think there would be 52—no, there would be 92 such hecklers after me, if you work it out on a population basis. And I think it is a very interesting way in which you might conceivably have this kind of an input at one extreme as opposed to the other extreme. You have the czar on the one hand and have the harasser at the other end. I happen to believe that the harassment is very good for politicians.

Representative BROWN. It is not only good, it is also unavoidable.

I just wanted to make one observation. I think the clarification of whether the power moves in a circular way—in other words, whether the concern for a decision made at the executive level down through the czar, the pro-consul, or whatever you would call him, the regional director, whether that is an acceptable process, or an acceptable decision, deserves some method to get back up to the President, who has the Executive authority. Now, the suggestion as to hecklers, whether they heckle the regional director, over whom they have no real political control, or not, when they try to exert control over the executive of the process through which he operates as a regional director—that is something, I think, that has to be given some consideration. I would hope in Congress we don't have the officially appointed heckler, just the self-appointed hecklers. But in any event, that process ought to be circular with some backing up the line, too.

Chairman BOLLING. One advantage of having hecklers of the type I described is that they, the hecklers, generally are people who are representatives of the particular interests, not representatives of a relatively small geographical area. And this is one of the great dilemmas.

Representative BROWN. It infers as self-appointed as opposed to one who is really representative of interests where they have to be responsive to those interests, because I think some of the people who speak to the special interests speak really for themselves and not really for those special interests.

Chairman BOLLING. Absolutely.

Mr. FREILICH. I would like to suggest, Mr. Chairman, that one of the things about the councils of government and other regional agencies is that they are not actually representative bodies at the regional level. And they also disperse power in such a way as to only

arrive at the conclusions of the least common denominator, only those the unanimous approval of the whole body can arrive at. The courts also are groping, for example, towards regional solutions. Just in the last 2 years there are a number of decisions which have interpreted the zoning power, for example, in accordance with the comprehensive plan, to mean that they must take into account regional plans and regional considerations in making their determination, which would include such things as regional and metropolitan planning proposals and the needs of the region as a whole. So we are groping toward regional solutions and towards true methods of representation. I am certain that we can obtain this through many particular forms, either councils of government or elective procedures. But it is going to be a long process.

Chairman BOLLING. I agree with that.

Now, moving from the quite general and the somewhat philosophical to the very specific, Mr. Freilich, you were specific about everything except this business of how you would use tax rates to accomplish certain purposes, or at least I didn't understand how that would be done. And I would like to know what you mean.

Mr. FREILICH. One of the reasons why land is so rapidly developed in the urban fringe is that agricultural land as it comes within the umbrella of development, or possibility of development, increases its value mainly because of the development value that is added to that land. It does not reflect its agricultural, recreational, forest, or mountain use. What therefore happens is that the landowner who is faced with constantly rising taxes, or the farmer, or whoever it might be, is under great pressure to sell that land for development. The process of urbanization speeds and accelerates. What I am suggesting is that in connection with sequence and timing controls that we recognize that since we have put a control on development of the land that we recognize that control and therefore not increase the assessed valuation, keep it at the marginal agricultural or timberland, or whatever assessed valuation it had for those uses without development value. In that way I think we would be preserving the private enterprise system of land development, and at the same time accomplishing a rational tax proposal. Some of this has been done. California has experimented with this system. We did it in Ramapo, N.Y. through the Development Easement Acquisition Commission. This was a completely voluntary program. We were able to achieve great results in keeping open space simply by offering the landowners—if they would give us development easements for 10 years or more, the assurance that during that period of time the land would not be assessed for the developmental value. We have had tremendous positive response from people who said that without this program that land would have been forced to development, and we would have lost valuable recreational and open space land. I think this principle can be exploited.

Chairman BOLLING. That clarifies it.

Unless either of you have some further comment, I want to thank you again for a very stimulating contribution and presentation. We are grateful to you. The subcommittee will stand adjourned until Tuesday, May 18, at 10 a.m., at which time we will meet in room S-407, the Atomic Energy Committee hearing room, and we will hear Norman Elkins, executive director of the commission on Urban Government, Chicago, Ill.; Professor William I. Goodman, University of Illinois, Urbana, Ill.; and Professor Frank Smallwood, Dartmouth College, Hanover, N.H.

Thank you, gentlemen.

(Whereupon, at 12:10 p.m., the subcommittee was adjourned, to reconvene at 10 a.m., Tuesday, May 18, 1971.)

REGIONAL PLANNING ISSUES

TUESDAY, MAY 18, 1971

CONGRESS OF THE UNITED STATES,
SUBCOMMITTEE ON URBAN AFFAIRS
OF THE JOINT ECONOMIC COMMITTEE,
Washington, D.C.

The subcommittee met, pursuant to recess, at 10 a.m., in room S-407, the Capitol Building, Hon. Richard Bolling (chairman of the subcommittee) presiding.

Present: Representative Bolling.

Also present: James W. Knowles, director of research; and Walter B. Laessig and Leslie J. Barr, economists for the minority.

OPENING STATEMENT OF CHAIRMAN BOLLING

Chairman BOLLING. The subcommittee will be in order.

This is the fourth day of the current Senate hearings on regional planning issues being conducted by the subcommittee on urban affairs. They are proving to be quite useful to the subcommittee in illuminating the problems to be faced in bringing to bear a coordinated Federal presence in the regions so as to assist the cooperative efforts to state and local governments. This morning we have three more experts to assist us in our search for solutions. First we have Norman Elkin, executive director of the Commission on Urban Government of the State of Illinois, based in Chicago. Our second witness is William Goodman who is chairman of the Department of Urban and Regional Planning at the University of Illinois at Urbana. Professor Goodman has also contributed a paper for our part 2 of these proceedings. Part 2 has just been released. Our third expert is Frank Smallwood, Professor in the Department of Government at Dartmouth College at Hanover, N.H. Professor Smallwood's statement will be particularly useful since he has had some experience with these problems in other countries.

Before proceeding with the statements of the witnesses, I wish to announce that Mr. Robert Wood who was scheduled to testify tomorrow, will testify instead on Tuesday, May 25, and that we will add to the witness list of tomorrow Carl Feiss who is a fellow at the American Institute of Architects. We shall hear from each of our three witnesses in turn and then proceed with the questions.

Mr. Elkin, you are first at bat and you may proceed as you wish.

STATEMENT OF NORMAN ELKIN, EXECUTIVE DIRECTOR, ILLINOIS
COMMISSION ON URBAN AREA GOVERNMENT

Mr. ELKIN. Thank you, Mr. Chairman.

Since I have submitted a prepared statement, I will not take the time to read it.

Chairman BOLLING. That will be included in full in the record at the end of your oral statement.

Mr. ELKIN. So I think what I will do is try to impart what I think are the most significant points as I see them.

I think if there is one thought I would like to leave with the subcommittee, it is that there is a need in America for a positive policy on how we want to see local government develop in the future. I think we have to give as much attention to the institutional framework for planning the good life, if you will, in urban centers as we are giving to the substantive matters of planning, such as housing, land use, and so forth. I would say, having reflected on some of the previous testimony, that Mr. Kolderie, of Minneapolis, probably comes closest to sharing our perspective on this problem; namely, that regional planning in this country suffers for lack of a political base. By political base, I mean simply the absence of a Government which rests directly on the electorate and which has the capacity to act in matters of significance and to resolve policy issues, because our problems at the regional levels are problems of growth, rebuilding, and of raising or converting the type of cities we have been living in. These are, therefore, political issues rather than administrative or technical issues. They are matters of choice.

These policy questions can't be resolved through intergovernmental relations or through technical research or through technical planning, but we need some sort of political framework for bringing these issues squarely out before the public for public discussion and resolution.

I think what we are trying to do, in Illinois, is provide such a political base. What we are trying to say simply is that the people ought to have the right to create democratic institutions wherever their sense of constituency takes them. We find that their sense of constituency is presently taking them in many directions. Some want neighborhood government, some want subcity government, some want intergovernmental arrangements—that is, joint ventures by two or three governments back to back. Some want regional government. This is a part of the problem of responsiveness in government; that is, the ability of governments to address themselves to these different constituencies, and to give them a voice, in effect. The new State—1970—constitution in Illinois, which I consider to be a marked improvement over both our own 1870 Illinois Constitution and other State constitutions in the country, starts to give expression to this need. It starts to give government, at least local government, a capacity to respond to its own needs and change its own structure, its own nature.

In respect to metropolitan organization, we have taken a hard look at the "state of the art" in the North American continent and tried to avoid what we find has been a trap for many efforts in this area—that is, trying to divine "the" proper form of local govern-

ment. This is the kind of thing that I am sure Professor Goodman could devote three courses to. As a result, the commission on Urban Area Government has, in effect, proposed to the Illinois General Assembly that we take the best existing examples of metropolitan government or metropolitan organization and make them all available to the people of Illinois, and let them—that is the people—make the choices, let them build the institutions, so to speak. The important thing is that they have choices available for metropolitan institutions.

The problem in regional planning today, as I see it, is that it is hard to find a regional planning commission that has survived longer than 5 years and still knows what its mission is, because it does not know what its mandate is. You know that many of them are ad hoc creatures. Some exist either by the sufferance of a legislative body such as a State legislature, while others are an administrative response to an act of the Federal Government. People are always telling them what is "feasible" and what is "not feasible." So they sit around and wring their hands and wonder how far dare they go. As a consequence, we have had very little significant regional planning in America, very little bold planning, and even less action. I feel that at least one curative for this situation to go to the electorate periodically to find out what your mandate is. It will change from time to time, as you know. Sometimes you are elected and sometimes you are not, but at least you know where you are at—you are either in or out. This is the basic hangup, really, with regional planning: We have nothing to go with. We do not know what the parameters of permissible planning are; we do not even know where the beginnings of political legitimacy are for regional planning.

So I would say the first order of business to promote regional planning, if that is a desirable goal, which I think it is, is to encourage the creation of political institutions to give effect to that activity, and I believe that it should be in the mainstream of the system of local government we have, which is a system of government that rests fairly directly on the electorate.

If I were to be critical and say what I would try to avoid, I would avoid what the Federal Government has been doing in the past in terms, let us say, of encouraging the creation of regional councils of government and other forms of organization based solely on existing local officers because it is my impression that you cannot serve two masters or wear two hats at once, particularly when one master is paying you and the other is not. If you are the mayor of a town and that is where your base is, that is your first order of interest.

I would say secondly, that the interest of a city or a suburb or a segment of a region is not synonymous with the interest of a region as a whole.

I think that things like regional councils of government have a place, but they are something that comes after you have a basic structure. For example, it would be ridiculous to have an Illinois Municipal League without a State of Illinois. The State is the thing that the Illinois Municipal League relates to. The State is its adversary in certain matters, its friend in other matters, depending on the character of the subject area, be it legislation, taxation, and so forth.

The same thing is true of the regional councils of governments. Without a regional government to relate to, they have neither friend nor foe but only a need to discover a mission. COG's could be productive once you have a regional framework: They add another layer of legitimacy, another layer of interaction.

With respect to the substance of planning, I think we have three things that are vital. One is—and I think this would be true even in the more advanced regional areas like the Twin Cities—that as long as local officials have to view each land use decision in terms of whether it is going to add to or subtract from the city treasury, I do not think we are going to significantly upgrade the quality of public planning because you are in a bind between the good environment and the good economy. Day by day, in big cities and small cities, the best intentioned, the best informed public officials have to toss in the towel for a shopping center—even second-rate ones that are going to create more problems than they will solve—rather than support a new park or playground, because parks and playgrounds do not bring in taxes and the shopping centers will. The rationalization is that the taxes from the shopping center will make it a little easier to build future playgrounds, you see. It is always a deferral to the future good.

We have to find some system of financing urban services that will take this curse off the backs of our officials if you want a good environment, which I believe is the end product of good planning. If you are not willing to take the curse off their backs, at least to some extent, then you have to settle for the prospect that we are going to continue to get the same kind of congestion, the same kind of destruction of our environment that we now have, in the suburbs no less than in the cities.

A second problem of a substantive character has to do, I think, basically with open space. I am convinced—I do not claim to be a scientist in this area, but just from casual observation—that unless we do something really big, something that parallels what the Northwest Ordinance did for schools, school land, then we are going to fall so far behind that all the planning in the world will not reverse the congestion and give us a proper environment or proper protection from the excesses of urban growth. I think this is an area, if we talk about a national urban plan, that should be carried out by the Federal Government. In other words, I do not believe that you should just continue to encourage other levels of government to plan. I think the Federal Government itself should do something directly. And I think if it acted in this area with some boldness, and if it acted in the area of transportation with some boldness, I think it would release a lot of intellectual energies on the local level and really put some momentum in local planning. Both transportation and open space are monumental needs; their costs are very high but they do not necessarily have any immediate fiscal benefits for local treasuries. This brings us back to the problem of land use decisions. I believe Federal participation is needed to get over the "hump" on both open space and transportation.

My last comment has to do with intergovernmental relationships. I think somehow we have to figure out a better way of doing it than we have in the past. My feeling is that essentially—at least in times

past—Federal agencies, particularly in the housing and planning areas, were basically supervising and approving local planning rather than administering grants. So you had a chin-and-shoulder situation, where the chin was often that of an administrative person in the Federal agency and the shoulder was usually that of the local mayor. It is a very demeaning relationship politically to have a civil servant look over the shoulder of an elected official. If you want to get some policy consistency or policy harmony, or resolve policy issues, which probably is more accurate, between governmental levels, I think it has to be done among peers, with the recognition of each other's role.

Thank you.

(The prepared statement of Mr. Elkin follows:)

PREPARED STATEMENT OF NORMAN ELKIN

As I understand it, the subject before the Subcommittee is regional planning. I presume my presence here relates directly to the work of the Commission on Urban Area Government and in particular to the Commission's proposals relative to metropolitan government. These proposals have been introduced in the Illinois General Assembly as Senate Bill 809 and House Bill 1801, respectively, and appear under the designation of the "Illinois Metropolitan Local Options Act". Although it would be presumptuous to predict its ultimate disposition, this proposal has created considerable interest, much of it positive in nature. The propositions themselves are neither novel nor unique: in truth, the Act is a comprehensive synthesis of the "state of the art" as it is currently found on the North American continent. What is important is the reasoning and the philosophy behind it. I would like to share that with you because it may have some relevance for the course of action you may elect to follow in the Congress. The observations expressed are my own and do not necessarily reflect the views of the Commission or of its members individually.

We started with the premise that metropolitan government, and regional planning for that matter, are political issues and not administrative or technical problems. The need therefore was to create a political framework for addressing those issues and for implementing their resolution from time to time. It has been the law and the practice in Illinois since 1870 to entrust to the people the power to CREATE local government. Almost without exception, every unit of local government created in the last 100 years has been the result of petition and referendum. The fact that Illinois has more local governments than any other state in the union, and in fact has more governments than dentists, suggests that the people have made frequent use of this power. The Illinois Metropolitan Local Options Act extends this same historic citizens' prerogative to the creation of metropolitan units of government and thus endows the concept of metropolitan government with statutory and political legitimacy. We have no way of knowing whether or not our citizens will take advantage of this Act and actually create metropolitan governments. What is certain is that they will have the opportunity and thus the political power to deal with and resolve metropolitan issues.

The Illinois Metropolitan Local Options Act makes available a number of options to the citizens of metropolitan areas. These include three specific types and degrees of metropolitan organization, namely: (1) Metropolitan Service Corporations, (2) Metropolitan Development Councils and (3) Metropolitan Federations. Stated briefly, Metropolitan Service Corporations are empowered to plan and operate any combination of regional services, including sewage disposal, water supply, public transportation, solid waste disposal, parks and recreation, airports, public health facilities and public utility systems.

Metropolitan Development Councils are regional planning and coordinating bodies with authority to adopt and enforce regional development policies through control over long-term capital funding and physical planning of all service facilities that are regional or substantially regional in character. They also have the power to protect undeveloped land through adoption and enforcement of land use standards and controls for unincorporated areas not otherwise protected.

Metropolitan Federations are two-tier forms of government based on a general redistribution of services between existing local units and a metropolitan government. The Act provides for a 3-way division of functions in which certain functions are (a) shared between the metropolitan government and local units; (b) others are primarily the responsibility of the metropolitan government and (c) the remainder are exclusively within the purview of existing local units.

In addition, the Act offers the people a fourth option; namely, elected Metropolitan Charter Commissions. These commissions are empowered to propose their own metropolitan solutions. This is intended to cover situations where the people in an area feel that none of the first three options meet their particular needs.

This concept of LOCAL OPTIONS reflects a basic belief by the Commission that it (and others, for that matter) should not prejudice and thus unduly limit the range of metropolitan solutions that ought to be available to the public, particularly in view of the differences in size and condition that exists among metropolitan areas.

While the several metropolitan options vary considerably in their scope and responsibilities, we have recommended that all metropolitan units, including those whose authority is limited to planning and coordination functions, should be governed by councils elected directly by the people in a manner consistent with the one-man one-vote principle of representative government. The Commission reviewed the various methods of representation used in the United States and Canada to administer metropolitan units. These methods included appointed boards, councils of local governmental officials, and multiple-member representation from existing local political subdivisions. The Commission rejected those alternative methods because in one way or another each violates the basic democratic principle of fair and equal representation and all lack the political legitimacy that direct popular elections bestow on governmental policies. Parenthetically, too many regional planning commissions flounder because they do not know what their popular mandate is and there is no way for them to find out. As a consequence, they are beset by internal doubts and the gratuitous counsel of self-appointed interpreters of the popular will. I believe regional planning would be much further advanced in this country if presidents and chairmen of regional plan commissions were required to campaign for their office on a public platform.

In short, I would say that the Commission's position on metropolitan government and regional planning is that they must be rooted in the political mainstream, they must be visible, they must continually renew their sense of mission by resort to the electorate, and they must have the power to act on matters of significance.

The Commission's metropolitan proposals are part of a more comprehensive program which includes constitutional home rule powers for cities and counties, and the authority for such units to provide special services on a differential basis to sub-areas within cities and counties by special taxation in the areas directly benefitting. These concrete, far-reaching measures are now incorporated in the newly-adopted state constitution. They provide a solid base for decentralization and specialization of governmental services. Thus we have moved toward larger and smaller units simultaneously, recognizing that there is a need and a place for both.

I would like to make two general observations. The present governmental disarray in our metropolitan areas is in large measure the consequence of the traditional tendency among states to diffuse local power and fragment local power and fragment local political institutions. There is a need to reverse this condition with a policy of consolidating power in local institutions. I am not optimistic about any national commitment to urban or regional planning that does not address itself to the modernization of the system of local government. I would venture further to say that in my opinion it would be in the public interest to allocate a portion of our national and state resources to the restructuring of local government. The late Charles E. Merriam, dean of American political scientists, is quoted as having said that "good planning follows from good organization". I believe further that good organization follows from good financing and we must look seriously to means of rationalizing our methods of financing public services as a precondition to modernization of governmental structure. The American city is constrained to exploit itself in order to sustain its local tax base, which is its major source of revenues. No amount of

intellectualizing or planning can offset the pressure on local officials to give first priority to the requirements of fiscal survival. The conflicting demands of the "good life" vs. making a "good living" have come home to roost as our cities are neither economically solvent nor environmentally viable. Unless we can in fact rationalize the system of public financing, regional planning will remain simply a tag on our civic conscience.

I would like to make two comments specifically directed to federal participation in regional planning. First, if the federal government feels that there is a need for regional planning, or for a national urban policy in general (which I subscribe to), then let the federal government do its own regional planning instead of setting up elaborate incentives and controls to nudge others to do it. There is absolutely nothing wrong, as far as I can see, with the federal government making its own evaluation of regional planning needs side by side with, but independent of, similar undertakings by state, regional or local agencies. Heaven knows we are far from sated with good planning. We can use inputs from all quarters. An independent approach might be more productive than the conventional nagging that has become a standard product of inter-governmentally-funded planning programs. What I am saying, or trying to say, is that the intellectual content of our present planning is far from adequate, let alone bold in its conceptions. I would like to see us spend less time looking over each other's shoulders and more time on just digging in on the job.

In conclusion, I feel that the single most important action the federal government can take at this juncture in time to assure the future well-being of our urban centers and to provide a setting for healthy urban growth is to commit itself to the acquisition, preservation and development of the natural environment around and within our metropolitan areas. We need something in the magnitude and vision of the Northwest Ordinance of 1787 for preservation and development of the natural environment in urbanizing areas. The challenge of environmental control has surpassed and obsoleted our more conventional concerns with model new towns, and model neighborhoods, and model shopping centers. The scale of relevant planning is now regional and the first order of business is to prevent the destruction of the environment before we have geared up to make the changeover from a society housed in obsolete industrial cities to one housed in life-giving residential cities.

Chairman BOLLING. Thank you.

Mr. Goodman, you may proceed as you wish.

**STATEMENT OF WILLIAM GOODMAN, CHAIRMAN, DEPARTMENT
OF URBAN AND REGIONAL PLANNING, UNIVERSITY OF ILLINOIS
AT URBANA-CHAMPAIGN**

Mr. GOODMAN. Thank you, Mr. Chairman. I have obviously been thinking about a different aspect of this problem than has Mr. Elkin. He has addressed himself to the issue from the interest of State and local constituencies. I have tried to give the matter of regionalism a structural basis, and I feel this is the challenge that is posed by decentralization and that we have to think in terms of a structure and a set of relationships. So I put together the ingredients of a model in the prepared statement which I brought with me today, and it delineates primarily the Federal inputs into the matter of regional decisionmaking, policymaking, and planning. The model constituted the bare essentials which will have to be fleshed out in order to become operational. I do not pretend to be confident about the additional elements that have to be incorporated in the model, but I do feel that there are a couple of principles illustrated by the model which form the underlying support.

The principles are, first, the need for effectiveness in resulting complex issues of policy and, secondly, the principle of widespread participation in the shaping of government policy.

The first principle, that of maintaining effectiveness, is based on the retention of ultimate authority by the Federal Government in regional programs, in programs that are now under the aegis of the Federal Government; they retain this authority by acting through a set of agents which are shown on the attachment in two charts at the end of my prepared statement. The first chart, labeled "structure," provides for: a national planning and development staff within the executive office of the President, which sets goals and policy as between the various regions that will be carved out within the Nation; a number of regional administrators and their professional staff that act as a focal point for policy making and planning within each of the regions; and a council of the heads of certain executive departments that would serve to pass on specific plans and programs that require integration and coordination within the several regions.

That is the first principle, namely, there is a distribution and a decentralization of the decision-making and policymaking functions laterally and vertically.

The second principle, that of participation, I seek to accommodate by providing for direct popular election of a representative from each of the States incorporated within the region and from each of the metropolitan areas, over a certain size, also within that region. These representatives serve as members of an advisory commission to each regional administrator.

The commissions would be responsible for reviewing and guiding the regional staffs in developing policy and in allocating funds to the jurisdictions within the region as well as for redeveloping specific plans and programs within the region.

Now, the basic structure, functions, and inter-relations, are shown on the two charts in my prepared statement. That is really the gist of what I want to say. I think I have developed a dual style with these principles. That is, I have been very flexible with the regional administrator and his operations; I have been very specific about the selection of representatives to serve on the regional advisory commissions. This is deliberate, this choice of dual styles.

I think my feeling about what is important in regionalism is first that it institutionalizes regional decision-making within the Federal structure and secondly, it combines regional planning and regional programming with national policy. And for the remaining few minutes, I want to address myself to that issue.

I think that regionalization of the processes of planning and programming would begin to sort out all of the issues that are now being bruited about separately—revenue sharing, reorganization of the Federal establishment, coordination of Federal programs on behalf of States, urban and metropolitan areas, and subregions within the State. I think this leverage of regionalizing may be a way of beginning to settle the dust on these matters.

I think the discussion of each of these as a separate item, and the potential settlement or nonsettlement of each of these as a separate item, will not insure much progress on a broad front. I think the cutting through of this cake with the leverage of regionalism is probably the most interesting and perhaps the most potentially ad-

vantageous way of settling all of the major issues that have been in the forefront of discussion over the last year or two.

That is the gist, really, of my remarks. I have attached to my prepared statement an appendix as an explanation of how the model operates and the objectives and some of the language that might find itself in a Federal statute. But they are based on certain principles and certain goals that I have in mind as the basis for regionalism.

Thank you.

Chairman BOLLING. Thank you. Your prepared statement with attached appendix and charts will be included in the record at this point.

(The prepared statement, with attached appendix and charts, of Mr. Goodman follows:)

PREPARED STATEMENT OF WILLIAM GOODMAN

I should like to express my thanks to the Chairman and to the members of the Subcommittee for the invitation extended to me to testify before you.

I am William Goodman, Chairman of the Department of Urban and Regional Planning at the University of Illinois. I serve as president of the Association of Collegiate Schools of Planning, and I served in 1969-70 as the vice-president of the American Institute of Planners. I speak today as an individual rather than as a representative of an institution or of a professional organization.

In response to an invitation several months ago from the Chairman of the Subcommittee, Congressman Bolling, I outlined my views in regard to the objective sought by the Subcommittee. In addition, I submitted at that time a model of how regional planning and decision-making might become operational. It is essentially this model that I intend to summarize and to point up in my prepared statement today.

The model builds on two principles that are recognized as essential under a democratic political system but that are often difficult to achieve in practice concurrently:

First, the principle of widespread participation in the shaping of government policy; second, the need for effectiveness in resolving complex issues of policy.

My model seeks to accommodate the first principle by providing for direct popular election of representatives from each state and each major metropolitan area to serve as members of an Advisory Commission to each regional administrator. The commissions would have the responsibility for reviewing and guiding the regional staffs in developing policy and in allocating funds to jurisdictions within the region, as well as for reviewing specific plans and programs.

The second principle—that of maintaining effectiveness—is based on the retention of ultimate authority by the federal government, acting through various agents. These include:

A National Planning and Development staff, within the Executive Office of the President, setting goals and development policy as between the regions and in the aggregate for the nation; regional administrators and their staffs acting as a focal point for policy-making and planning within the regions; and a Council of the heads of relevant Executive Departments serving to coordinate specific plans and programs that require integration of the efforts of several regions.

Aside from the roles defined for this network, the government would have the responsibility for formulating standards and setting ground-rules for distribution to states and localities of the funds under the jurisdiction of the regional offices. The standards do not seek to dictate the direction of planning to the other levels of government but rather to assure that mechanisms exist to provide adequate resources in making decisions.

For example, the states would develop the capacity to plan for their future

growth and change, to evaluate the status of their statutes in this area, and to inter-act with the cities and counties within their area. The localities would be required to establish mechanisms that seek to up-grade the community.

These may be considered logical extensions of what many jurisdictions are already practicing—that is, the standards specified here attempt to build upon a nucleus that has been constructed in many of the states and by a host of municipalities.

One additional specification in regard to the model might be cited. It is that the regional administrator's position is critical. An individual whose approach to the assignment lacks imagination or responsiveness would defeat the purpose of this program. The selection of these officials should therefore be based on an assessment of demonstrated qualifications, including professional competence and personal characteristics. There is no need to restrict the appointment to someone within the region, especially in view of the mobility of many professionals and their successful accomplishment in a variety of assignments and a diversity of geographic areas. Further, an individual of the kind described would find it essential to exercise discretion in the use of some of the funds allocated to the region. He should have such discretion, so as to be able to proceed to a certain degree selectively rather than by rote. My model suggests that the uncommitted pool of funds within the regions begin at 25 per cent during the first year of the program and taper off to 10 per cent on a continuing basis. There is no magic in these figures. I suggest them primarily to underscore a point.

I indicated at the outset of this statement that the model I put forward sought to blend the somewhat divergent principles of maintaining effectiveness in executing policy with recognizing the need for widespread participation in shaping such policies. An examination of the model will reveal that the specifications for advancing these principles are likewise drawn along somewhat divergent lines: They provide for flexibility, rather than formula, in the administration and implementation of the program. They provide for specificity, rather than flexibility, in delineating the participants and their contribution.

This is a deliberate choice of styles, and it rests upon my view of what is critical about this program: namely, first, to institutionalize decision-making at the regional level; and, second, to combine regional planning and programming with national policy.

My views can be high-lighted by reference to the current debate over federal revenue-sharing, which constitutes an excellent example of the wide-spread clamor by all elements of the public sector for the funds raised by means of the income tax. Indeed, the stakes here are so great that the issues have become confused and transformed. States and municipalities are seeking to establish a claim by right to a part of this money, on the premise that it originates with residents within these jurisdictions and on the further premise that the problems faced by state and local governments are so massive that they require the use of money beyond the resources normally available to these jurisdictions.

Regionalization of the processes of planning and programming would begin to sort out this issue. First, it would recognize the validity of the claim to a stake in the disposition of a share of the federal income taxes. Furthermore, it would point up the fact that a number of problems are national in their scope and severity, although they may be geographically concentrated in urban and metropolitan areas. I refer to problem areas like poverty and education, which have already been identified through legislation as incorporating national objectives.

To develop appropriate policies and programs in these areas requires continued airing of the special conditions that beset the regional and local areas where the problem are experienced at first-hand. To achieve such an airing, it is essential that area representation be specified explicitly in the statute that establishes the regional process. Hence the proposal for the election of representatives on a systematized basis.

At the same time, it is also necessary to keep in mind that the problems are national and thereby to retain federal responsibility for devising strategies to deal with them. In this connection, an open-ended approach to programming, planning, and policy-making are essential. Once again, the problems and the

regions do differ, so a differential treatment is called for. Furthermore, flexibility cannot be maintained if the resources are simply transferred by a formula that applies rigidly to all local and state governments.

The diversity of the capacity of these jurisdictions to mount resources, and the diverse application of these resources, are hard evidence of the extreme range of performance that is possible in the administration of major programs. In view of these circumstances, the model builds in both flexibility and centrality in the decision-making process.

Let me in my concluding remarks call your attention to what I believe to be one of the most salient aspects of this matter that is being studied by the Subcommittee.

I chose to illustrate my views by expanding on revenue-sharing, since it is a timely issue that bears on regionalization. But I should like to press the point that additional issues, representing the focal points of current debate, might also be used in this manner.

These include government reorganization, coordination of federal programs directed at services for urban and regional areas, and comprehensive planning. They are all inter-related and they all likewise bear on regionalization. I believe that the lever of regionalization may be the most appropriate single means to tie together the various strands that are being separately examined.

Once again, let me express my thanks to the Subcommittee and its staff.

Appendix

ELEMENTS OF A "MODEL" FOR REGIONALIZING THE ACTIVITIES RELATED TO THE CONCERN OF THE FEDERAL GOVERNMENT IN STATE AND LOCAL PLANNING

Several challenges are inherent in devising a system which would regionalize the decision-making process and the function of planning: allocating appropriate responsibilities among the several levels of government, establishing a basis for popular representation and for selection of representatives, and providing for a means of communication between the citizen and the representatives of the federal government.

None of these challenges need pose an operational or a constitutional dilemma. The proposal incorporated in this *Appendix* seeks to devise a pattern which would introduce state and local concerns in an advisory, mediating, and review capacity

Authority would continue to be lodged within a number of points in the federal hierarchy.

GOALS AND OBJECTIVES

A. Formulation of a national policy and plan for effective development of the nation's resources—social, economic, governmental, environmental, urban and rural, natural, and aesthetic.

B. Establishment of a mechanism to promote mutual inter-action for planning and resource allocation among all levels of government.

C. Establishment of a mechanism to promote mutual interaction for planning and resource allocation between governments and private enterprise, institutions, and citizens.

D. Creation of a network of Regional Administrators, Regional Advisory Commissions, and a National Development Council, with functions and relationships as specified.

E. Establishment of procedures for eliciting and sharing information relevant to the programs and objectives of the Administrators, the Commissions, and the Council, and for undertaking requisite surveys and analyses.

F. Formulation of a policy and plan for urban growth and change and for regional development.

G. Formulation of a policy and plan for sectors of the national economy and for the use of the nation's natural resources.

H. Establishment of guidelines to achieve coordination and integration within the Federal government in administering federal programs.

I. Separation of the functions of formulating basic policy for development, and of implementing such policies, as between central and regional offices of the Federal Executive Departments and other units.

J. Improvement in the capabilities and performance in the operations of state and local governments.

ORGANIZATION AND FUNCTIONS

A. *Regional Administrators* would be the focal points of a network of advisors and policy-makers.

1. The Regional Administrators would be appointed by the President, preferably with the advice and consent of both houses of Congress, to the extent that such ratification is feasible.

2. The Administrators would meet periodically with the National Development and Planning staff of the Executive Office of the President—
annually, to discuss budget allocation and the guidelines for allocation to the regions, as well as national planning policies and goals.
at intervals, to review the regional programs.

3. An annual report would be prepared by the Administrators for submittal to the Office of the President, the National Development Council, and the Congress.

B. Within the Executive Office of the President, a National Development and Planning staff would report to the President and the Congress and would be responsible for—

- establishing national development goals.
- formulating guidelines for the Regional Administrators.
- determining the allocation of such funds to each regional office.
- evaluating development needs and problems of urban and rural areas, sectors of the economy, and natural resources.
- devising criteria to measure such needs and problems.
- coordinating development policies between regions and between sectors of the economy.

C. A National Development Council would be established, consisting of the principal officer of such Executive Departments and other units whose programs are coordinated by the Regional Administrator. The Council would be responsible for—

- reviewing and approving overall regional plans and programs and plans and programs involving two or more regions.
- coordinating such plans and programs as between regions.
- adjudicating conflicts between Regional offices relative to jurisdiction, interpretation of guidelines, and plans and programs.

D. A Regional Advisory Commission would be elected at large from the respective states, and from metropolitan areas within the region with more than 500,000 population (Based on the most recent decennial census). In the case of multi-state metropolitan areas, the state contributing the largest population to the metropolitan areas would elect the representative. If, however, the total population of a given metropolis from the state with the lesser proportion nevertheless exceeded 500,000, it too would select a member of the commission.

1. Responsibility for conducting elections and for certifying elected members would be invested in the States. Responsibility for election of members from the metropolitan areas could be delegated by the state to a suitable agency in the metropolitan area. If a state should fail to exercise its election responsibility, the Regional Administrator would have the authority to appoint commission members to fill eligible vacancies.

2. In addition to meetings of the Commission itself, it would be appropriate for the Regional Administrator and the Commission to hold a public hearing annually, in order to review work accomplished and contemplated; to elicit citizen input into the program, and to provide for an exchange of ideas about the policies and programs being followed in the region:

3. The Regional Advisory Commissions would be responsible for—
- reviewing guidelines for allocations within the region as recommended by the Regional Administrator;
 - reviewing planning and development policies and goals for the region;
 - reviewing plans and programs covering areas in more than one state located within the region or those involving an adjacent region;
 - mediating inter-state or state-metropolitan disputes within the region;
 - advising on coordination of plans within the region and in proximate regions.

STANDARDS FOR STATE GOVERNMENTS

A. Establishment of an agency, with staff, to develop and administer a state plan, and the policies related thereto—including the elements of land development; conservation and utilization of natural resources, human resources, and economic resources: transportation; recreation; and capital programs for state services and facilities.

B. Establishment of one or more agencies, with staff, to facilitate interaction between the State government and units of other governments, in the following functional areas:

Government operation—including budgeting, revenue and expenditure, tax policies and procedures, annexation and incorporation, capital planning and programming, and relations with local governments.

Economic development.

Community development and planning—including housing, transportation, industrial location, recreation and open space, natural resources, land regulation and land use.

C. Formulation of a system for regionalizing, within the State, such services and offices as would benefit from regionalization, including planning and the location of facilities.

D. Initiation of a continuing process for review and up-dating, codification, and consolidation, of state enabling and exercising legislation pertaining to the powers, resources, and activities of local, regional, and state planning and development.

E. Initiation of a continuing process of review and up-dating of statutes and procedures pertaining to the fiscal operation of the state.

F. Initiation of a continuing process of review and up-dating of the statutes and operations pertaining to voting and citizen representation—including registration, legislative districting, and elections.

STANDARDS FOR LOCAL GOVERNMENTS

A. Establishment of a mechanism to review and reorganize, local government, in order to strengthen its capacity for planning, finance, enforcement, and implementation of programs and policies.

B. Preparation and continued up-dating of a community plan, and policies, pertaining to the development and regulation of land use, transportation, community facilities and services, open space, housing and renewal, and other areas significant to physical development.

C. Adoption of social policies, and a program, pertaining to citizen welfare, health, education, employment, and residential location and standards.

D. Establishment of a mechanism to facilitate interaction for planning and resource allocation between the local government and private enterprise, institutions, and citizens in respect to development planning and formulation of related policies.

POWERS OF THE REGIONAL ADMINISTRATOR

The Administrators would be empowered to:

(a) Prepare guidelines for allocation of funds within the region, subject to directives of the Executive Office and the advice of the Regional Commission.

(b) Establish planning and development policies and goals for the region, subject to review by the Regional Commission.

(c) Review and approve plans and programs pertaining to the region as a whole or bearing on a State in another region, subject to the advice of the regional Commission for submittal to the Development Council for final approval.

(d) Review and approve plans and programs involving two or more states within the region, subject to review by the Regional Commission.

(e) Resolve conflicts between states, or states and metropolitan areas, subject to review by the Regional Commission.

(f) Approve plans and programs of individual states, regions within a state, and localities.

(g) Approve plans and programs involving multiple regional and local jurisdictions within a state.

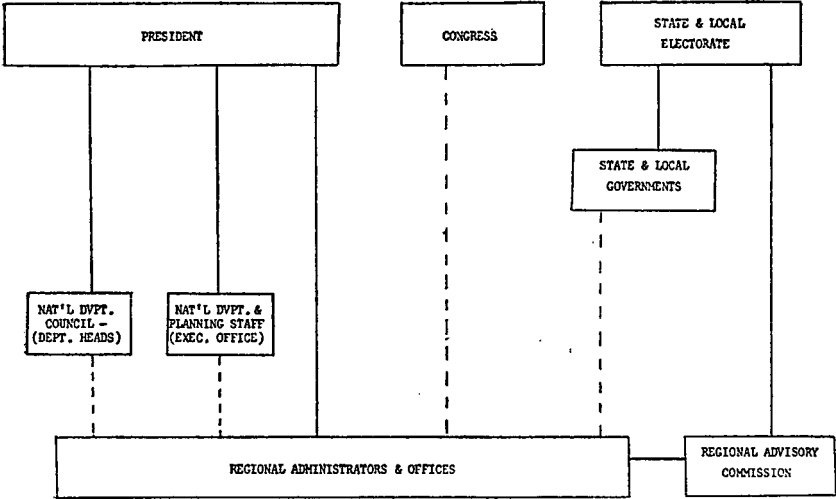
(h) Allocate funds for individual projects, individual jurisdictions, or multiple jurisdictions within a state.

(i) Allocate funds from the uncommitted pool specified below.

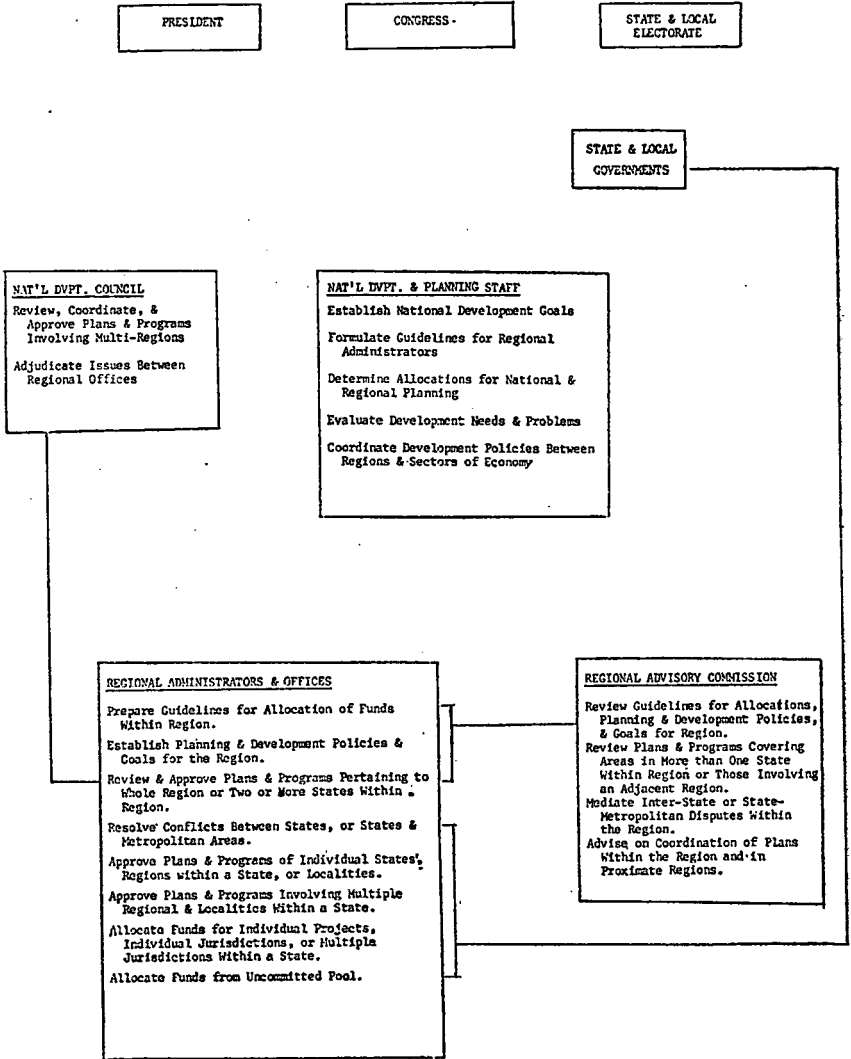
ALLOCATION OF FUNDS WITHIN THE REGIONS

A. It is vital that a pool of uncommitted funds be maintained: to establish the power of the Regional Administrator; to provide incentives for state and local units of government to shape up their operations; and to build in flexibility, especially during the period of incubation of this undertaking.

B. Twenty-five per cent of the funds allocated to the region during the first year should be unrestricted, i.e., not earmarked. The proportion might be reduced by five per cent annually, to reach a continuing level of 10 per cent.



STRUCTURE



FUNCTION

Chairman BOLLING. Mr. Smallwood, you may proceed.

**STATEMENT OF FRANK SMALLWOOD, ORVIL E. DRYFOOS
PROFESSOR OF PUBLIC AFFAIRS, DARTMOUTH COLLEGE**

Mr. SMALLWOOD. Thank you, Mr. Chairman. Let me start out by explaining that there must have been some sort of communications mix-up because I never received the January 11, 1971, letter of the subcommittee which asked five specific questions on regional reorganizations. As a result, I did not specifically direct my statement to deal with these five questions. However, I am happy to say that sit-

ting up there in New Hampshire, I came to remarkably similar conclusions to those implied in the subcommittee's January 11 letter. This is reassuring to me if not to the members of the Urban Affairs Subcommittee.

Mr. Knowles, director of research, Joint Economic Committee, asked me to take a look at some key regional and metropolitan reform developments abroad and try to relate some of these developments in other countries to the types of required issues we face here in the United States. I have attached an article to my prepared statement which summarizes some recent reorganization developments in England and Canada. Whether you look at England or Canada or other countries like France, I think you come to the same general conclusions.

Basically, these countries are engaging in quite a bit of structural reorganization at the subnational level, creating new metropolitan mechanisms and various kinds of regional planning organizations. However, they are all doing this within the context of comprehensive national planning and policy guidelines. This is not being done just for the sake of creating new structures at the local level, but it is being done as part of a national effort in the case of England, or a provincial effort in the case of Ontario and New Brunswick, so the new local structures fit into some kind of holistic concept of national planning. I think this is very important.

Secondly, in most of countries abroad, the national governments are allowing some general flexibility as to the specific form the particular local structures should take. They do not have a set form in most countries where they say local government has to be reorganized this way, but they leave options up to the local communities to develop their own forms within a larger regional policy planning context.

Finally, and I think this is very important—indeed, if I have a main theme, this is going to be it—these reorganization efforts abroad are part of a coordinated executive-legislative package. Of course, in England and Canada, you have parliamentary democracies which provide for an intimate relationship between the executive and the legislative branches. Hence, you do not see the legislature going off and creating one set of regional policies which the executive agencies may be working in another direction. I am not advocating parliamentary government in the United States—we have been through that in the 1930's and before. But I think there is a key lesson we ought to learn here vis-a-vis the relationships between Congress and the Executive Branch in dealing with our own regional problems.

In my prepared statement I next try to relate this experience abroad to the congressional arena by asking what does Congress really do today in terms of regional planning and regional policy in the United States? I think that Congress exercises at least three major roles here. The first Congress bears the ultimate responsibility for identifying our key national domestic priorities. This is, of course, done through substantive legislation. Since Congress is the chief legislative body within our governmental hierarchy, it shapes the key domestic priorities that this nation is going to follow.

Secondly, Congress obviously performs an extensive redistributive role in terms of the public wealth of this country via taxation and grant-in-aid policies. In effect, Congress takes money out of one region and pumps it into another.

Finally, Congress creates specific incentives which are designed to stimulate State and local governmental action to meet certain programmatic ends.

Now, in looking at the Congress' performance in this area, the main point I want to emphasize is that while I agree 100 percent with Mr. Elkin that structure is very important, I think that substance is very important, too, and the two have to be coordinated. In other words, if we attempt to modernize our regional governmental structures and do not pay attention to what we are trying to accomplish through these structures, we are in trouble. I think Congress would be making a great mistake if it asked, or directed, the Executive Branch and State and local governments to reorganize themselves and ignored its own role in regional policy formulation. I think Congress has a very important policy role in regional affairs.

In my prepared statement, I emphasize this legislative policy role by making a few substantive suggestions. First, I suggest that Congress might consider creating what I call comprehensive regional "target programs" that would identify national priorities for regional treatment. I stick my neck out here and suggest that we could emphasize health delivery systems, low-income housing, and economic development as three priority "target programs" for regional treatment.

Secondly, I suggest that Congress should establish some uniform regions through which all major federally-supported programs could be administered. I think the 10 executive regions are as good as any I know of at this point.

Finally, I suggest that Congress should allow some flexibility within these 10 uniform regions—interstate and intercommunity flexibility—in terms of how local and State governments should organize themselves to administer these programs. I like very much and I copied down the phrase Mr. Elkin used: "The right of localities and the right of citizens to create democratic institutions wherever their sense of constituency takes them." I think that is very important and I do not think that this is contradictory with the concept of having uniform regions which could serve as the focus of a major Federal target effort along the lines I have suggested.

I finally suggest, on a procedural level, that I would like to see Congress consider two things. One, I think there should be some mechanism within the legislative branch itself, some kind of congressional mechanism that would be responsible for reviewing all the substantive domestic legislation that is passed by Congress to make sure that it is consistent with the regional goals that Congress is trying to achieve. In other words, this review should insure that the legislation passed by Congress does not cut across and defeat the kinds of regional cooperational flexibility that we are trying to achieve at the state and local level.

I am talking here about the substantive aspect of the legislation; what is written into law. It is often very difficult to achieve interstate and interlocal cooperation because legislation is written by Con-

gress in such a way that it makes it impossible to do this at the local level.

Another suggestion I make is that if we could agree on some uniform regions, I would like to see Congress ask for the collection of what I call "standardized regional statistical data." We now have standardized metropolitan statistical areas which cut across all sorts of metropolitan regions. I am not criticizing the Census Bureau because I think we define our metropolitan and other regions in so many different ways it is difficult to come up with a meaningful set of standard regional data, but I think if we could here agree on how we want to define our major regions, we could get better information on what is happening on a regional basis in this country.

In conclusion, Mr. Chairman, I am very much in favor of some kind of regional model along the lines proposed by Professor Goodman. I think we need to modernize our regional structures in the United States. However, I also think it is incumbent upon the Congress to create the kind of policy climate in which regional cooperation can actually flourish. In short, I do not think any kind of reorganized structure is really going to work unless Congress emphasizes its responsibility to create a legislative climate which is designed to promote regional planning and coordination. I think it would be a waste of effort to emphasize structural considerations alone because it is very difficult to reorganize government at the state and local level. However, I think it would be a waste of time to come up with a model for regional administration and then find out that Congress has passed legislation that is impossible to implement at the regional level.

What I am trying to say is that while I am generally in favor of modernizing local government, I think Congress has to take a hard look at itself in terms of its responsibility to promote the kind of climate that will encourage the sort of thing that Bill Goodman and Mr. Elkin have discussed earlier.

Thank you very much.

(The prepared statement, with an attachment, of Mr. Smallwood follows:)

PREPARED STATEMENT OF FRANK SMALLWOOD

NEEDED: A CONGRESSIONAL REGIONAL POLICY

Mr. Chairman, I am very pleased to have this opportunity to appear before the Subcommittee on Urban Affairs.

After reading the thoughtful, yet often divergent, testimony which was offered at the Subcommittee's Regional Planning hearings on October 13-15, 1970, I couldn't help but recall the advice a very sage man once gave me; namely, that it is often desirable to stand on one's hands and look at a complex public policy issue upside-down in order to gain the most accurate perspective on the problem.

I would like to emphasize this upside-down approach in my testimony before the Subcommittee today in an effort to evaluate the role that the Congress plays- and could play-in shaping our regional and metropolitan policies and priorities in the United States.

I have decided to look at this situation from the top down because it is my belief that the type of ad hoc legislative policies which are initiated and perpetuated by Congress represent one of the most serious roadblocks that inhibits the development of a more effective regional and metropolitan planning effort in this country. As a result of this belief, I do not feel it is appropriate for Congress to attempt to pressure our state and local governments into more formalized structural reorganizations at the local or metropolitan levels until

the Congress, itself, first develops a more comprehensive and coordinated policy approach to govern its own legislative incursions into the field of domestic affairs.

I have chosen to emphasize the role of Congress in my testimony because, despite general public criticism which is often leveled at the federal bureaucracy, I feel the executive branch has taken a number of very important actions in recent years in an effort to coordinate and strengthen the field administration of its regional and sub-regional programs. Notable executive highlights include the establishment of an Urban Affairs Council and an Office of Intergovernmental Affairs in 1969, the more recent creation of the Domestic Council in 1970, and the decentralization of the field activities of HEW, HUD, OEO, the Department of Labor and the Small Business Administration into ten standard geographical regions. The Congress, under the prodding of the Advisory Commission on Intergovernmental Relations and other groups, has also begun to make some modest progress in promoting more coordinated inter-governmental approaches to regional and sub-regional field policies by means of such legislation as Model Cities, the Intergovernmental Cooperation Act of 1968 (PL 91-468), the Intergovernmental Personnel Act (PL 91-469), the Uniform Relocation and Land Acquisition Policies Act (PL 91-646), and Title VII of the Housing and Urban Development Act of 1970 (PL 91-609). However, I believe Congress could exercise considerably stronger leadership in formulating a more comprehensive and coordinated national legislative policy for regional and urban development, and for this reason, I have focused my statement on the Congressional role in regional affairs.

Let me try to support my rather blunt position by initially describing a number of key regional reform programs abroad, particularly in such countries as Canada and the United Kingdom. I will then attempt to contrast this experience abroad with the type of ad hoc confusion that too often characterizes our own Congressional approach to regional planning issues in the United States. Finally, I will try to offer some specific suggestions that hopefully might lead to a more effective regional planning policy in this country.

I—REGIONAL PLANNING EXPERIENCE ABROAD

In an attempt to condense my testimony, I am attaching copies of an article which I wrote for the September/October 1970 issue of *The Public Administration Review* entitled "Reshaping Local Government Abroad: Anglo-Canadian Experiments".

As this article points out, both Canada and England have recently engaged in a series of comprehensive local governmental reforms, most of which have involved formal structural reorganization at the regional level. Thus, the Province of Ontario has sponsored some nine major regional governmental review since 1963. In England, the government of metropolitan London was reorganized in 1963 and more recently the Redcliffe-Maud Royal Commission recommended a consolidation of all local governments throughout England into 61 new regional authorities. Finally, the article cites a different type of "Equal Opportunity" reform program which was initiated in Canada's New Brunswick Province in 1965. I call this program a "redistributive" reform because it minimizes formal structural realignments at the local government level and emphasizes the reallocation of functional responsibilities between the New Brunswick localities and the Provincial Government to provide for a more equitable allocation of financial resources (and hence services) throughout the Province.

Whether one looks at these structural or redistributive regional reform efforts abroad, three key points emerge which contrast rather sharply with present practices in the United States.

1. Comprehensive Planning and Policy Guidelines

All of these specific reform programs abroad are part of a larger comprehensive planning effort that embraces an entire political jurisdiction, either sub-national (i.e. Ontario, New Brunswick) or national (i.e. England).

This holistic approach is not unique to Canada and England. The French government, for example, has adopted a national urbanization policy built around 21 regional planning authorities and a supplementary series of regional growth axes and "priority urbanization zones" (Z.U.P.'s). Numerous other illustrations could be cited to support this emphasis on comprehensive regional planning and development efforts in most foreign countries as part of an

emerging national environmental and urbanization policy and strategy. Indeed, the United States appears to be somewhat unique to the extent that it has ignored a comprehensive national approach to the field of regional planning.

2. *Flexibility Within Broad Policy Guidelines*

Once governments abroad have established their overall regional planning policies and priorities, they have demonstrated considerable flexibility in the implementation of these plans at the local levels. In the Ontario regional reviews, for example, a wide variety of different regional governments have been proposed to deal with quite divergent local needs and conditions. Similarly, England's Royal Commission proposed 58 single-tier regional authorities to deal with local problems outside major metropolitan areas and three two-tier authorities to deal with the more complex urban problems of Birmingham, Liverpool and Manchester. The French have adopted this same flexible approach. As David N. Kinsey pointed out in his article on "The French Z.U.P. Technique of Urban Development" (AIP Journal, November 1969), "The French government, despite its strongly national form, promotes its urbanization policy by stimulating local authorities, not assuming their roles." The key exception to the above flexibility, has been the New Brunswick redistributive experiment which, as noted previously, represents a major departure from the more traditional approach to structural reform at the regional level.

3. *Coordinated Executive—Legislative Action*

A final key contrast between experience abroad and our own experience in dealing with regional problems in the United States relates to the nature of the relationship between the executive and legislative branches. Since countries such as Canada, the United Kingdom and France are Parliamentary Democracies, there is a very close coordination and fusion between the regional policy recommendations formulated by the executive branch and final policy proposals adopted by the legislative branch. On occasion, the legislature will modify and amend executive proposals, but very few countries abroad adopt two different sets of regional priorities—one formulated by the executive branch and the second evolving as a result of legislative action. Obviously, the United States is not a Parliamentary Democracy and I do not believe it is either feasible or desirable for us to advocate the adoption of a parliamentary system of government in this country. I do believe however, that we can, and should develop closer working relationships between the executive and legislative branches of our federal government in such a basic area as that of regional planning policy.

II—FEDERAL REGIONAL PLANNING IN THE U.S.

In considering the role which our own federal government—and more particularly the Congress—plays in the area of regional affairs, it is helpful to briefly summarize the broad types of responsibilities that Congress exercises vis-a-vis our state and local governments. At the risk of some oversimplification, I would highlight three particularly crucial responsibilities that Congress discharges in the field of intergovernmental relations:

(1) *National Priorities*

As the chief legislative body within our governmental hierarchy, Congress possesses the ultimate responsibility to identify and articulate broad areas of domestic concern and commitment for the entire nation. Thus, since World War II we have seen Congress endorse a wide range of substantive legislative programs encompassing such varied concerns as Airport and Hospital Construction (1946), Urban Renewal (1949), Interstate Highways (1956), the "War on Poverty" (1964), and a host of others.

While many would argue that these commitments have been exceedingly worthy, our policy-making process has been such that very few of these national priorities have been developed and coordinated in a fashion which has enabled different programs to supplement each other to serve multi-purpose ends. To the contrary, many of our major policies have tended to cross-cut each other and they are rarely conceived in a fashion to be delivered to regions as an integrated package to foster development. Thus, a program such as urban renewal can undermine some of the key goals of the "War on Poverty" while the momentum built up by the interstate highway program can, in turn, undermine urban renewal, and so on down the line.

In short, because we have identified our major domestic priorities in an ad hoc fashion, we have failed to realize the full benefits that could accrue from a more sustained and coordinated attack on our crucial domestic problems. As Victor Fischer and Selma Muskin pointed out in testimony before this Subcommittee on October 14, 1970, we have not been able, or willing, to make an all-out federal commitment to solve our most pressing social and economic problems in a comprehensive fashion. As a result, there have been very few multi-purpose domestic programs in the United States comparable, for example, to Britain's "New Towns" commitment (1946) which was designed to stimulate economic development, disperse population settlement, provide new housing, and guide national infrastructure investment all at the same time. The Model Cities program has been a modest start in this general direction, but thus far it has received only minimal commitment and support.

(2) *Redistributive Function*

Whether intentionally or not, the federal government has developed into the major redistributor of public wealth between our states and localities. As a result of taxation and grant-in-aid policies, the federal government actually serves as a gigantic clearing house for the transfer of public funds on a geographical, functional and sectoral basis.

In our major urban areas, for example, the federal government really acts as a quasi-metro government, collecting wealth from more affluent suburban communities and pumping some of his wealth back into our hard-pressed central cities.

Once again, however, this redistributive function is performed in a highly piecemeal fashion. Any such comment on the inadequacies of our existing redistributive procedures inevitably raises the question of my views on the new revenue sharing proposals presently before Congress. Very briefly, I am in favor of the general concept of revenue sharing. However, whether considering the Nixon Proposal, the Humphrey-Reuss Plan, or the ACIR formula, I think the Congress should be very careful to minimize the potentially adverse impact that revenue sharing (and particularly "pass through" provisions) could have on regional coordination and regional planning programs throughout the United States. Hence, I would strongly urge that any Revenue Sharing Program should include both incentives and restrictions (possibly modeled on the Humphrey-Reuss proposal) to insure that "pass-through" funds do not further solidify existing state and local governmental fragmentation and discourage regional cooperation. In addition, I think our major regional authorities, once rationalized, should also be included in any new revenue sharing effort.

(3) *Incentives*

A third crucial intergovernmental role that Congress discharges is to stimulate state and local governments to assume responsibility for a broad array of service delivery activities. Since our tradition has very much emphasized the carrot, rather than the stick, in the field of federal-state-local relations, we have witnessed the explosion of a bewildering proliferation of federal grant-in-aid programs to states and localities since World War II which now exceeds \$20 billion a year.

The fragmentation and rigidity that characterizes our present federal grant-in-aid effort has been so widely documented that there is no need for me to elaborate on this subject here. Rather, let me conclude this portion of my presentation by asserting that our Congressional approach to domestic policy planning has differed rather dramatically from the more comprehensive and holistic planning policies utilized in such countries as Canada, England and France. While I agree with Victor Jones' and Chairman Bolling's observation that our pluralistic system of participatory democracy is, of necessity, extraordinarily messy at times (October 13, 1970 Hearing), I question whether it really needs to be quite as messy as we have managed to make it during the past quarter century.

III—CONGRESSIONAL REGIONAL POLICY

The single most important challenge facing Congress in the field of metropolitan and regional reform is to take the lead in establishing the kind of federal legislative climate that would facilitate and encourage coordinated intergovernmental planning and administration of federal programs at regional, state and metropolitan levels throughout the United States. Based on an analysis of regional planning experience abroad, there are three substantive—and two

procedural—actions Congress could take to enhance significantly the regional planning and administrative capabilities of our state and local governments, both inside and outside our major metropolitan areas.

A. Substantive Actions

1. Comprehensive Regional Target Programs

Many of our most crucial domestic programs are being carried out by state and local authorities in response to legislative priorities and incentives that were originally established by Congress. The sheer proliferation of these federal grant-in-aid programs, however, has made it extremely difficult to achieve concentrated implementation in the field. In light of this fact, Congress should designate a limited number of domestic "target programs," for comprehensive, multi-functional treatment on both a regional, and sub-regional basis, and focus sufficient funds into these "target" areas to achieve program goals. Differences of opinion will undoubtedly arise as to what types of "target programs" would be the most susceptible to multi-state regional attack, but let me begin the debate by proposing the following:

(a) *Health Delivery Systems*.—We are in very real trouble here in both our urban and our rural areas. We need broad regional planning, financing, and administrative coordination to guide our major infrastructure investment in the health delivery area (e.g. regional hospital construction, etc.) and to experiment with innovative new techniques designed to improve our delivery capabilities in both metropolitan and rural areas.

(b) *Public Housing*.—Despite a Congressional commitment that dates back to the Wagner Act of 1937, we have failed dismally to meet our low income housing needs in this country. This problem is compounded by an apparently widespread suburban resistance to such housing projects which promises to continue, and possibly grow worse, following the recent disappointing Supreme Court decision in the *Valtierra Cases*.¹ Since the cost of urban and suburban land represents an additional roadblock that inhibits low-cost housing construction, perhaps it is time for us to begin experimenting with very broad regional approaches to our low-income housing needs, possibly coupling low-income housing production with "New towns" economic development planning along the lines of the British, Dutch, French, Scandinavian, etc. programs.

(c) *Economic Development*.—We have finally begun to recognize that many of our most serious urban economic problems are linked directly to the economic health of our outlying rural areas. Congress began to attack this problem on a regional basis in 1965 when it created the six Economic Development Regions (Appalachia, Coastal Plains, Ozarks, Four Corners, Upper Great Lakes, and New England). I think the regional emphasis here was very desirable, yet any such effort should be closely coupled with urban economic development. In addition, the creation of these particular geographical regions for economic development purposes has raised questions about whether federal coordination at the regional level will be achieved by the proliferation of disparate planning regions for different program objectives (see point 2 below).

The above three programs—health delivery systems, low income housing and economic development—represent ideal targets for a comprehensive and coordinated regional field approach. Other programs that readily come to mind include education (especially regional cooperation in the field of higher education), regional transportation planning, regional energy resource and environmental policy planning, and regional law enforcement. A final major domestic concern—welfare—should be administered on a national basis along the general lines proposed in the stalemated Nixon-Moynihan family assistance plan.

2. Uniform Regional Administrative Areas

Congress should encourage the establishment of a uniform set of regional field areas for the administration of all federally-supported programs at the state and local levels. As was noted above, Congress has established six Regional Commissions which encompass only 33 states to deal with economic development problems, while, as noted at the outset, the Executive Branch is utilizing ten field regions in 50 states to coordinate programs sponsored by HEW,

¹ The Supreme Court upheld a California law requiring a favorable referendum on all low-rent public housing.

HUD, OEO, the Small Business Administration and the Department of Labor Outside New England (where the two regional jurisdictions overlap), there is considerable geographical disparity between these differential regional organizations, and 17 states (including all of the Pacific West Coast and the Northwest) are not covered by any of the regional Economic Development Commissions.

This type of regional mis-match can create obvious difficulties in the field administration of federal programs. In my opinion, the ten executive department regions represent a logical (and all-inclusive) geographical base for the regional administration of federal programs, and I would urge that these geographical areas should serve as the base for the field administration of all federally-supported field programs.

3. Flexibility Within Uniform Regions

If the federal government could encourage the utilization of these ten uniform regional field areas, considerable latitude should be permitted to encourage inter-state and inter-local cooperation within these larger regions and also to encourage cooperative relationships between these ten federal regions when this proves to be desirable. Indeed, I would go so far as to argue that Congress should consider establishing special bonus incentives and enabling legislation to stimulate interstate cooperation and suburban-urban cooperation in our metropolitan areas. In reality, the problems we face here are not entirely urban since rural areas are affected as well. For example, although New Hampshire and Vermont are not very populous states, it is extremely difficult to establish cooperative interstate arrangements for the administration of many federal programs in such fields as health delivery services, educational administration, etc. due to restrictions contained in federal legislation. Indeed, the small Town of Norwich, Vermont (pp. 1966) where I live had to join with the Town of Hanover, New Hampshire and secure special enabling legislation from the Congress of the United States in order to create the first interstate school district in the United States. Interstate cooperation should not be this difficult.

If Congress could act effectively in delineating a series of "target programs" for comprehensive regional treatment; in establishing a uniform set of geographical regions for the field implementation of all federal programs; and in encouraging intercommunity, inter-state, and inter-regional cooperation, this would go a very long way toward creating the type of climate necessary to enhance the effectiveness of regional planning and administration among all of our state and local governments. Two additional procedural recommendations are suggested to enhance Congressional capabilities to realize these objectives and to oversee the results of such regional cooperation.

B. Procedural Actions

4. Congressional Regional Review Procedure

Congress does its primary business in committees. When one attempts to ascertain the number of different committees and subcommittees that become involved in developing our domestic legislative programs and priorities, the results are staggering. In light of the present Congressional committee structure, some type of Congressional mechanism should be established to review all major domestic legislation programs to insure that they meet the regional guidelines recommended in 2) and 3) above (ie. uniform federal field regions and encouragement of flexibility within and between regions). The Legislative Reorganization Act of 1970 (P.L. 91-510) was a start in the right direction, but I believe a more focused regional review procedure of major legislation is highly desirable.

The review might be carried out by an existing Congressional Committee or Subcommittee (e.g. the Subcommittee on Urban Affairs?), it might be delegated to a group such as the Advisory Commission on Intergovernmental Relations, or it might be assigned as a staff function to the Legislative Reference Service or to some other body. Whatever the most appropriate mechanism, some type of procedural review should be established to make sure that the substantive domestic legislation passed by Congress is designed to encourage the most effective possible regional implementation at the field level.

5. Standardized Regional Statistical Areas

One of the major problems facing regional planning and administration in the United States today relates to the fact that we define our many different regions in so many different ways that it is difficult to collect meaningful information on key regional trends and developments. This is particularly true of our metropolitan sub-regions. As Richard Burton pointed out in his testimony (October 15, 1970 Hearing), the San Francisco Bay Region is divided into three Census Bureau "Standard Metropolitan Statistical Areas." In a similar fashion, the New York Metropolitan Region (depending upon how you define it) is divided into numerous SMSA's and the same condition holds in many other metropolitan centers. In addition, outside of New England (which appears to have a uniquely mystical regional aura which has become part of American folklore), it is very difficult to compile useful statistical information on broad regional trends in the United States because, again, we use very divergent criteria to define our many different regions. Thus, for example, the Appalachia Economic Development Region reaches from Alabama to New York State (although managing to exclude New Jersey and Delaware) which certainly represents an extended and highly divergent regional entity. I am sure that the Census Bureau would be prepared to compile more useful regional data if we could first agree on some uniform regional jurisdictions as recommended above.

IV—CONCLUSION

In conclusion, let me be the first to admit that my testimony today has been somewhat unorthodox and probably highly impolitic, although I hope not impolite. You have been kind enough to ask me how Congress might attempt to reorganize state and local governments, particularly in metropolitan areas, to deal with regional planning issues, and I have advised you to first turn your sights upon Congress, itself, if you really want to develop a more effective system of regional planning and administration in the United States.

In addition, my views differ from that of some of your other witnesses and Subcommittee members with respect to the uniqueness of the so-called "metropolitan problem." We obviously face some terribly serious urban and metropolitan problems in this country today, but I do not feel these problems can be divorced from their larger regional and national setting. My concerns in this regard are two-fold. First, our major urban and metropolitan centers are highly dependent upon their regional environs for many of their most basic resources such as water and often power, as well as open space and other recreational assets. Secondly, both our metropolitan centers and their larger regional surroundings can hurt each other very badly if they work at cross purposes. It is obvious today that the massive welfare load in many of our central cities is a result of economic stagnation and outmigration from rural areas and depressed national regions. In a similar vein, central city air pollution and other key environmental problems that have resulted from urbanization now extend far beyond our metropolitan centers to engulf very large regional areas, while agricultural and industrial water pollution from more rural sites often impinges on our cities.

Hence, I do not feel we can deal with our metropolitan problems in isolation and I think it would be extremely unwise for Congress to consider establishing "metropolitan states" as has been previously urged before this Subcommittee. Indeed, I question whether it would be wise at the present time for Congress to push for the creation of any new formal levels of local government—metropolitan or otherwise. I have spent the past ten years watching the metropolitan government scene here and in numerous foreign countries. The degree of political energy which is expended on metropolitan reorganization proposals is extremely high and the results are often rather minimal. Minority groups, central city political parties, local government officialdom and a variety of other forces are prepared to do battle on this issue, often for quite justified reasons. In light of this fact and in light of the fact that a number of countries abroad are developing significant regional and urban growth strategies, I would urge the Subcommittee to take the lead in developing a more coordinated federal approach to regional planning in the United States as its priority order of business.

Thank you very much.

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RESHAPING LOCAL GOVERNMENT ABROAD: ANGLO-CANADIAN EXPERIMENTS

(By Frank Smallwood, *Dartmouth College*)

It is of more than passing curiosity to note that the CED's latest report on *Reshaping Government in Metropolitan Areas* contains an elaborate case study description of "The Metropolitan Toronto Experience."¹

This paradox highlights the fact that whereas Americans have become perhaps the world's most prolific writers of "how-to-do-it" manuals on metropolitan governmental reform, we must still gaze beyond our own borders to see one of those full-blown "metro" governments in action. With the exception of the now historic Dade County and Nashville experiments—supplemented by recent stirrings in such areas as Minneapolis and Indianapolis—the metropolitan government movement in the United States has languished in a post-war state of suspended animation for a full quarter century. As a result, many of our original metropolitan reform advocates have abandoned all hope of entering into significant programs of structural reorganization, and most have turned instead to more modest council of government cooperative approaches.

Obviously something very basic must have gone wrong with the earlier calculations and expectations of the metropolitan government reformers. For one thing, they seriously underestimated the extremely tough political obstacles that have stood in the way of their reorganization proposals. Political opposition to metropolitan government has been so widespread in the United States that it has united such highly divergent groups as the white suburbanites (who have been reluctant to assume their fair share of the central city tax burden) and the black ghetto dwellers (who have been reluctant to give up their growing political control over the central city now that such power is almost within their grasp).² In contrast, it is significant to note that this same issue has split the theoreticians to a point where,

Americans have not only been the biggest protagonists of the need for more efficient metropolitan structures, but they have also been the most imposing protagonists of the opposing view; that existing fragmentation is a positive good.³

A second, and perhaps even more critical, limitation that has frustrated the metropolitan reform movement has been a widespread lack of effective governmental leadership, especially at the state level, that has grown out of our still deeper failure to formulate any kind of comprehensive urban or metropolitan development policies that could serve as the basis for a meaningful reform effort. As the recent CED report observes:

One reason for the failure of the states to respond is clear. Except for New York, New Jersey, Connecticut and California, no state has even attempted to develop a *comprehensive urban program*, and even these states have had little success.⁴

Because we have never developed a consistent set of overall urban and metropolitan development goals, our federal and state governments have been in no position to exercise forceful leadership in the field of metropolitan governmental reorganization. It is significant, for example, that virtually all governments abroad have utilized strong regulatory powers to reorganize local government, whereas we have virtually ignored the exercise of similar regulatory powers in the United States. Instead, we have attempted to secure local governmental coordination by means of fragmentary subsidy policies with predictable results; namely, in their grab for specific subsidy payoffs, a bewildering variety of conflicting and cross-cutting interest have reduced overall planning to a shambles. In urban America (as in life in general) form follows function. It is hardly surprising that we have experienced difficulty in our attempt to rationalize governmental structures in our urban and metropolitan areas in light of our failure to develop a more clear-cut concept of what we wanted these structures to accomplish.

NOTE.—See footnotes at end of article.

How do we break out of this cycle? How do we go about formulating a set of comprehensive policy objectives which could serve as the basis for a more meaningful approach to local governmental reorganization in the United States? Here, indeed, it would appear that we may be able to learn something from others by looking beyond our own borders. One of the immediate difficulties in making any such assessments, however, stems from the fact that local government reform experience abroad is now extremely divergent, both in terms of overall goals and in terms of organizational responses to these goals. The Japanese, for example, concerned with pragmatic problems of a spiraling population density in the Metropolitan Tokyo area, have relied on a broad-based satellite cities-metropolitan government approach. The Yugoslavs, on the other hand, concerned with the theoretical realization of a classless society, have placed their primary emphasis on the creation of small-scale nonhierarchical, self-regulating governmental mechanisms in the form of local functional (workers') councils.

To provide an appropriate focus for the evaluation of our own future reform efforts, this article concentrates on three recent experiments abroad which are of particular relevance to the United States. Each has been carried out within the basic framework of the Anglo-Canadian local governmental tradition; each has been guided by a thoroughly studied, and clearly articulated, set of goals and priorities; and each has benefited from a strong expression of governmental leadership which has emerged as a result of the political support generated by these basic goals and priorities.

The first two programs—which have grown out of the study of The Royal Commission on Local Government in England (June 1969) and the metropolitan review programs sponsored by the Province of Ontario, Canada (1963 to 1970)—have been characterized by a "classical" emphasis on structural reform. In both England and Ontario, primary emphasis has been placed on the geographical realignment of local governmental structures in an effort to improve their efficiency and to enhance their responsiveness.

The third case study—a provincial "Program for Equal Opportunity" inaugurated in New Brunswick, Canada, during 1965-1967—has emphasized a different type of redistributive reform. While the New Brunswick program is also concerned with local government reorganization, its primary orientation is functional, rather than geographic. Instead of focusing on structural realignments designed to achieve economies of scale and more efficient performance of services at local and regional levels, the New Brunswick program places its basic emphasis on a reallocation of basic functions to higher levels of government in an effort to minimize existing resource inequities between different municipalities. Hence, while the more classical structural reforms have attempted to achieve geographical self-sufficiency at a metropolitan or a regional level, the redistributive reforms adopted in New Brunswick are concerned with functional shifts between different levels of government to achieve a more equitable utilization of public resources between divergent communities.

Both approaches are important. Once the various programs have been described in more detail, consideration is given to the question of whether the type of redistributive policies adopted in New Brunswick may perhaps be destined to play an increasingly more significant role in the United States in the years ahead, especially since we have experienced only minimal success to date with the more traditional types of structural reorganization which have taken place in such areas as England and Ontario.

ENGLAND'S ROYAL COMMISSION

The report of the Royal Commission on Local Government in England (1966-1969) was quickly dubbed the Maud Report upon its release in honor of its chairman, The Rt. Hon. Lord Redcliffe-Maud.⁵ To students of local government, recognition should also be given to L. J. Sharpe, Nuffield College, Oxford, who served as director of intelligence in charge of the Commission's extremely impressive research program. There is little question that the Royal Commission's research staff—under the leadership of such Commission members as Lord Redcliffe-Maud; Baroness Sharp of Hornsey, a long-time member of the Ministry of Housing and Local Government; and Derek Senior, former plan-

NOTE.—See footnotes at end of article.

ning and local government correspondent for the *Manchester Guardian* who wrote an elaborate Memorandum of Dissent to the Commission's report—has produced an extraordinarily penetrating and thoughtful analysis of the considerations affecting the structural reorganization of local government.

By way of overall scale, the Commission's study embraces three major reports: Volume I, Majority Report; Volume II, Senior's Dissent; and Volume III, Research Appendices by the Commission's staff, plus 10 separate research study reports.⁶

At the outset of the majority report (Vol. I), four basic functions of local government are identified as being critical in affecting both the pattern and character of any local governmental reorganization. These four functions are, (a) the service function: "Local government must . . . perform efficiently a wide range of tasks concerned with the safety, health and well-being, both material and cultural, of people in different localities"; (b) the public function: ". . . attract and hold the interest of its citizens"; (c) the partnership function: ". . . develop enough inherent strength to deal with national authorities in a valid partnership"; and (d) the adaptive function: ". . . adapt itself without disruption to the present unprecedented process of change."⁷

Once it has identified these four functional concerns, the report analyzes the need for change in England's existent local government structure as outlined both by the evidence of witnesses and the evidence of research. Much of the material presented here relates to that will-o'-the-wisp consideration that plagues all local reformers—what is the optimum size for the ideal local government unit? The Department of Education and the majority of the Educational Associations' witnesses indicate an ideal educational authority should have a population base between 400,000 to 500,000 plus, although some were prepared to accept 300,000 in more sparsely populated areas. The Home Office points to a minimum population base of 250,000 for child-care services, while the Ministry of Health advises that local health and welfare authorities should have a minimum population base of 200,000. Overall, the government departments left the Commission with the impression that "were it not for democratic considerations, they would really like a system of 30 to 40 all-purpose authorities," or city-regions to serve the approximately 37,500,000 people residing throughout England outside the Greater London area.

Democratic considerations were important to the Commission, however, which organized its research program around the following three criteria (a) any new local government system should correspond as far as possible to the patterns of living of the population; (b) the new system should be capable of providing a rising standard of service while achieving better cost effectiveness; and (c) the new system must be democratically viable.⁸ Admitting that this third criterion was unfortunately the "most ambiguous and the least tangible" of the three, the Commission nevertheless made a valiant effort to evaluate factors affecting the democratic vitality of local government by studying the concepts of community, accessibility and responsiveness, decentralized administration, parish government, and public attitudes toward local government and local leadership.⁹

After weighing all of the above considerations, the majority of commissioners formulated a set of general principles which led them to propose the creation of 61 new local government areas throughout England. In 58 of these areas the majority report recommended that a single-tier (unitary) authority should be responsible for all services, while in three metropolitan areas (Birmingham, Liverpool, and Manchester) they suggested that local government should be divided into a two-tier arrangement comparable to that which operates in Greater London. On the macro-scale, the Commission suggested further that the 61 new local government authorities should be grouped into eight provinces, each with its own provincial council (elected by the local authorities and primarily responsible for the formulation and continual up-dating of a strategic provincewide development plan). On the other hand, as a concession to localist participatory traditions, the Commission also recommended that anywhere within the 61 areas:

Local councils should be elected to represent and communicate the wishes of cities, towns and villages in all matters of special concern to the inhabitants. The only *duty* of the local council would be to represent

NOTE.—See footnotes at end of article.

local opinion, but it would have the *right* to be consulted on matters of interest to its inhabitants and it would have the *power* to do for the local community a number of things best done locally, including the opportunity to play a part in some of the main local government services on a scale appropriate to its resources and subject to the agreement of the main authority.¹⁰

In summary, the majority report of the Royal Commission placed major emphasis on a regional regrouping (seven regions) which gave broad governmental powers to a series of three two-tier metropolitan governments (with populations ranging between two to three million) and 58 single-purpose unitary authorities, with populations ranging from Halifax (195,000) to Sheffield (one million). In addition, a wide number of essentially powerless local councils could, and should, be created to serve as potential communication links between the local communities and the new unitary and metropolitan authorities.

Derek Senior's lengthy *Memorandum of Dissent* (Vol. II) against the Royal Commission's majority plan was based on the argument that the Commission had placed too much emphasis on economics of scale to be achieved from increases in population size alone as the basis for its structural reforms and had, thereby, ignored important considerations of social geography. He urged that the facts of social geography, requirements of functional effectiveness, and the conditions of democratic viability should all be meshed together to determine the appropriate principles of organization. His major conclusion was that the Commission should have recommended a two-tier provincial-regional scheme throughout the country instead of the 58 unitary (i.e., one-tier) authorities proposed in the majority report.¹¹

One can hardly do justice to either the Commission's majority report or to Mr. Senior's minority views in a summary analysis of this type. The important point is that both parties first attempted to study and formulate a comprehensive overview of their reorganization goals before attempting to spell out the specific structural changes they felt would best meet these goals. In terms of comprehensiveness and completeness, nothing comparable to this latest Royal Commission report has been attempted in the United States. The total cost of the three-year project was 378,857 pounds (or slightly over \$900,000). In February 1970, the government issued a White Paper (Cmnd. 4276) accepting the broad outlines of the report which is now before Parliament.¹² If the London precedent is followed, the English may end up establishing a modernized local governmental system at a research cost of approximately three cents per inhabitant, less any receipts obtained from sale of the Commission's report! Perhaps this fact alone says something important about our own sense of national priorities.

ONTARIO'S METROPOLITAN REVIEWS

Ontario is the most populous, the most affluent, and the most heavily urbanized province in Canada. According to the 1966 Canadian census, 5.5 million (or 80 per cent) of Ontario's 6.9 million residents lived in urban areas. In addition to metropolitan Toronto, with a population over two million, the 1966 census listed eight other Ontario metropolitan areas with 100,000 or more inhabitants (Ottawa, Hamilton, Windsor, London, Kitchener, Sudbury, St. Catharines, and Oshawa).¹³

Because of its widespread and rapidly growing urban population—plus the prestige which the provincial government has inherited since 1954 as a result of the fact that it established North America's first major metropolitan government in Toronto—Ontario's Department of Municipal Affairs has developed a long-standing concern for rationalizing local government structures to meet expanding urban and regional growth patterns. This concern has manifested itself in a series of regional government reviews throughout the province which began in 1963 and which have now been extended during the past seven years.

The scope and variety of these reviews is so extensive that, once again, it is only possible to provide a summary description. First, by way of coverage, the reviews have encompassed the major areas (of 100,000 or more residents) listed in Table 1.

NOTE.—See footnotes at end of article.

TABLE 1.—ONTARIO'S MUNICIPAL REVIEWS 1963-70¹⁴

Review (year instituted)	Basic study area	Key population centers
Metropolitan Toronto (1963).....	(2 million population; 240 square miles; 13 municipalities).	Toronto.
Ottawa-Carleton County (1964).....	(425,000 population; 1,100 square miles; 16 municipalities).	Ottawa.
Niagara region (1965).....	(300,000 population; 700 square miles; 26 municipalities).	St.Catherines-Niagara Falls.
Lakehead region (1965).....	(103,000 population; 120 square miles; 5 municipalities).	Port Arthur-Fort William.
Peel-Halton Counties (1965).....	(380,000 population; 840 square miles; 17 municipalities).	Suburban Toronto.
Waterloo region (1966).....	(230,000 population; 506 square miles; 15 municipalities).	Waterloo.
Hamilton region (1967).....	(455,000 population; 523 square miles; 12 municipalities).	Hamilton.
Sudbury region (1968).....	(190,000 population; 3,100 square miles; 20 municipalities).	Sudbury.
OAPADS (1969).....	(180,000 population; 450 square miles; 10 municipalities).	Oshawa.

In addition to the above major studies, a variety of other reviews have been conducted in the Muskoka district, in northern Ontario, in the Brant area, and in the Norfolk-Haldimand area of Ontario. The above summary indicates that, unlike England where a single study commission was empowered to make comprehensive recommendations covering all municipalities, Ontario has established separate review boards to look at a wide variety of different regional areas. Each of these Ontario review boards has followed the common procedure of first holding hearings and issuing a basic "Data Book" describing the area under its study before forwarding its final recommendations for consideration by the Ontario Department of Municipal Affairs and the provincial legislature. Despite this procedural similarity, the key commissioners appointed to lead the different reviews have come from quite diverse backgrounds. For example, H. Carl Goldenber, a nationally prominent labor lawyer, was appointed to conduct the Toronto review; Henry B. Mayo and Stewart Fyfe, two members of the academic community, were appointed to lead the Niagara and Waterloo reviews; and Thomas J. Plunkett, a professional municipal consultant from Montreal, was in charge of the Peel-Halton review.

As a result of the diversity of backgrounds of the individual review commissioners, plus the wide differences in the areas under study, a variety of different recommendations have emerged from the reviews. As is now widely known, the Toronto review led to the retention of the basic two-tier "metro" structure, with the 13 existent local governments being amalgamated into six new expanded municipalities. The Ottawa review led to a similar proposal for regional government, with the result that a totally new metropolitan entity, the "Regional Municipality of Ottawa—Carleton," has now been established. The Lakehead review, on the other hand, resulted in the amalgamation of Port Arthur, Fort William, and adjacent municipalities into the new "City of Thunder Bay"; and the just-completed Waterloo area review presents alternative proposals for either a new regional government or a reorganized city-county system. One of the most unique of the Commission studies, which struck this observer as particularly interesting and imaginative, was the proposal by Thomas Plunkett that a new type of "urban and rural county" government be established in the Peel-Halton area outside metropolitan Toronto.¹⁵ Apparently, however, this proposal did not meet with the approval of the Ontario Department of Municipal Affairs, and the Minister proposed an alternative scheme for the area in 1969 after a lengthy period of delay.

This delay in implementing the Peel-Halton study has been the exception to the rule. To date, the Ontario government has moved very aggressively in implementing the various proposals despite the fact that a completely separate

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provincial study group, the Ontario Commission on Taxation (OCT), proposed its own comprehensive regional governmental scheme which was at considerable variance with some of the studies undertaken by the Department of Municipal Affairs.¹⁶ The OCT approach was not adopted, however, and the Department has moved ahead with its own program.

At least two central lessons stand out as a result of the English and Ontario reform experiences. First, these experiences tend to reinforce the widely held belief that there is no single (or simple) answer to the complex issues of local government reorganization. The key point to emerge is that form does, indeed, follow function and that different structural mechanisms can take on a logic of their own, depending upon the basic goals and given needs of a particular reform effort.

The second factor to emerge is that, as important as the study of local reform may be, such study is of marginal significance unless leadership exists to translate proposals into action. In both England and Ontario significant reorganization programs are under way because higher levels of government have accepted the responsibility to implement proposals for structural reform. As significant as these proposals have been, however, most are grounded in a classical orientation that emphasizes the rationalization of structures at the local level to increase the efficiency and enhance the democratic responsiveness of the local governmental system.

A quite different approach to reform has been attempted in New Brunswick, Canada, where a dramatic "Equal Opportunity" program has led to an upward allocation of governmental functions (from the local to provincial level) in an effort to achieve a more equitable allocation of limited public resources to citizens throughout the province.

NEW BRUNSWICK'S EQUAL OPPORTUNITY PROGRAM

The picturesque maritime Province of New Brunswick hardly looks like the setting for one of the most ambitious and dramatic local government reorganization programs ever attempted on the North American continent. With a current population estimated at 625,000, New Brunswick experienced a net migration loss of 34,377 people between 1961 and 1966, a loss which highlights the fact that this is one of Canada's poorer and more underdeveloped provinces. Only 25,000, or 13 per cent, of a total labor force of 193,000 people are engaged in manufacturing, and in 1968 the province had an estimated 15,000 unemployed. Much of the province's economy is dependent upon lumbering and fishing, approximately half the population lives in rural communities of 1,000 inhabitants or less. The only sizeable urban areas are metropolitan St. John (101,192) and metropolitan Moncton (59,780), plus the provincial capital of Fredericton (22,460). The smaller rural communities are inhabited largely by Acadian French, and these communities are considerably less wealthy than the larger urban areas.¹⁷

The Liberal Party took over power in New Brunswick in 1960 and shortly thereafter the new provincial government appointed a five-member Royal Commission on Finance and Municipal Taxation under the chairmanship of a local lawyer, E. G. Byrne. The Byrne Commission was empowered to evaluate an inefficient and antiquated local governmental structure which, in the words of Professor H. J. Whelan, consisted of "much the same institutions the province had acquired . . . in the last century."¹⁸

During the course of its study, the Byrne Commission calculated that although "the whole province did not have enough population for a single medium sized city . . . there were some 550 local taxing and tax-supported authorities in New Brunswick—one for every 1,100 residents."¹⁹ This proliferation of local governments magnified the extreme inequities in financial resources available to local communities, and, hence, magnified inequities in local services provided by the different municipalities within the province. The situation was particularly severe in the field of public education. There were 444 school boards in the province, but 275 offered no work at the high school level. Operating costs per pupil varied from under \$200 to over \$500 despite provincial subsidies which exceeded 40 per cent of the total operating expenditures of the schools. The ratio of pupils to teachers ranged from under 15 to one in some areas to over 50 to one in others. Teachers' salaries varied from less than \$2,000 per year to levels competitive with any across Canada. An es-

NOTE.—See footnotes at end of article.

timated 44,000 students—or about one-quarter of the provincial school enrollment—were taking classes in substandard facilities. One impoverished local school district had not offered any schooling of any kind for over 10 years!

In the words of one observer, "most revolutions start with a very simple idea and the revolution in New Brunswick was no different. The idea was that every person, regardless of location or economic condition, should have equal access to an adequate level of educational service."²⁰ How was this to be accomplished?

After due consideration the [Byrne] Commission concluded that a patchwork approach would be inappropriate to the present needs. The Commission could not see how serious structural difficulties could be solved merely by raising grants to municipalities. Instead it had to go to the heart of the matter and recommend a complete reallocation of provincial and municipal government *activities*.²¹

This complete reallocation was based on the fact that although the Commission found pockets of relative prosperity, it also discovered that the traditional tax base in rural areas was being eroded by migration to the cities or away from the province entirely. As a result, "the poorest residents of the province tended to pay the highest [proportional] taxes and to receive the lowest level of services."²² To correct this situation, the Byrne Commission concluded:

. . . under the structure of government which we propose, the *general service programs* which are of province-wide significance and which require large units for efficient operation *will be performed directly by provincial government agencies* [italic added].²³

This, then, was to be the basis of the New Brunswick governmental reform. Because of widespread disparities in basic public services at the local level, the Byrne Commission recommended that the provincial government should assume responsibility for the direct provision of key basic services at the province-wide level. On November 16, 1965, in an address to the Legislative Assembly entitled "A Program for Equal Opportunity," Liberal Premier L. J. Robichaud accepted the Commission's challenge and indicated how widespread the changes would be. In his speech, Premier Robichaud stated that the province would assume direct responsibility for elementary and secondary education, for the provision of welfare services, for the provision of justice, and for the provision of public health services. In short, the provincial government would assume overall responsibility for basic "human services" throughout the province. In addition, Premier Robichaud recommended a uniform provincial assessment procedure, the abolition of county government and the retention by local municipal government of all responsibilities relating to fire protection, water supply, and the other major physical services.

In simple terms, Byrne had recommended that all government services to *people* be provided by the provincial government and all services associated with *property* be provided by the local government. It further proposed a simplified tax system with the province entering into the real property tax field, and in the end, financing all social services directly and approximately half of local government services. . . . [The Province then] took the most unpredictable step of implementing the Commission's recommendations.²⁴

The only major recommendation of the Byrne Commission that the provincial government rejected was one calling for the creation of a series of new independent administrative commissions at the provincial governmental level to implement the new human service programs. When the Byrne Commission's report was originally issued, one commentator noted, it was "read by few people, ignored by most, and understood by none."²⁵ Once the provincial government indicated it planned to take the report seriously, however, an alarmed local governmental officialdom, supported by the Conservative Party opposition, derided the Commission's proposals as "socialistic, antidemocratic, immoral, irresponsible, power-crazed, unworkable, too expensive, improperly conceived and beyond the comprehension of cabinet members!"²⁶ Such opposition was, of course, to be expected, for the Equal Opportunity Program actually amounted to a massive redistribution of the province's limited wealth, with the key groups to gain from the new equalization plan being the Acadian French and the Roman Catholics, especially in rural areas.

NOTE.—See footnotes at end of article.

Premier Robichaud created an Office of Government Organization (OGO) to prepare the necessary legislation and administrative backup to initiate the Equal Opportunity Program by January 1, 1967. The program was launched on schedule, and although it is still very early to attempt any major assessments, some key changes have already become apparent. In the field of education, the first province-wide teachers' salary agreement in Canada became effective on January 1, 1967, with a proviso that no school district in the province could pay more than the scales set forth in the agreement. The previous 444 local school districts were consolidated into 33, "thus making each district large enough to include the greater student populations needed for a non-graded system of education, more courses and more options."²⁷ The 33 new school boards are responsible for the local implementation of the basic educational objectives and programs set down by the provincial government. An expanded school building program has been started and a separate teachers college for French-speaking candidates has been established. A new tax assessment program has been consolidated under 12 regional offices with uniform assessment procedures applied throughout the province. The provincial government instituted a uniform real property tax at the rate of \$1.50 per \$100 of assessment at market value (100 per cent valuation), while prohibiting any new municipal tax concessions to local industries. As a result of these measures, local taxation policies in New Brunswick are now probably more equitable than anywhere else on the North American continent.

These higher levels of services have, however, cost more money. In the first year of the program the total salary bill for teachers rose by 25 percent and overall educational expenditures have more than doubled from \$45 million in 1965-66 to \$104 million in 1969-70. As a result, the Liberal Government has been forced to increase the provincial sales tax from three per cent in 1965 to six per cent in 1967 to eight per cent in 1969. This increase in taxation has whittled away the popularity of Premier Robichaud's Liberal Government, which now controls only 31 seats to the Conservative Opposition's 27 seats. Whatever the future political fate of the New Brunswick Liberals, however, they can certainly look back to the decade of the 1960's with the realization that they attempted to do something tangible about equal opportunity, while many other government reformers throughout both Canada and the United States were giving this basic ideal extensive lip service, but little else in the way of meaningful political support.²⁸

The New Brunswick experiment may mark an important new venture, not only for Canada but for the United States as well. While both countries have long relied upon taxation and subsidization policies to redistribute societal wealth, neither had emphasized such an ambitious or comprehensive shift of governmental functions for redistributive purposes. It would appear that similar redistributive shifts may characterize the new urban policies of both countries in future years. In Canada, for example, the federal cabinet is presently attempting to formulate a national urban development policy, under the leadership of Minister without Portfolio Robert Andras, which has grown out of a realization that if present population trends continue, more than 50 per cent of all Canadians will be concentrated in the Montreal, Toronto, and Vancouver metropolitan areas alone by the year 2000.²⁹ The new national urban development policy presently under consideration would emphasize fiscal planning and the use of revenue flows to create new towns and satellite cities in an effort to disperse the massive concentrations of urban population presently projected. Constitutionally, however, this may prove to be a very different policy for Ottawa to implement, since the British North America Act gives the provinces exclusive jurisdiction over local affairs.

Here in the United States, a significant new emphasis upon redistributive policies is to be found at the state level in such organizations as the New York Urban Development Corporation and at the federal level in such proposals as the Nixon-Moynihan welfare package. The extent to which these new policy initiatives tend to redistribute basic public resources, both geographically and by socioeconomic class, will go a long way in determining the future development of our cities, and these policies may well become very powerful agents for reshaping our metropolitan areas of the future.

It is extremely important to note, however, that these new redistributive

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concerns are emerging at the very same time that increasing emphasis is being placed upon participatory democracy at the local level. Hence, it looks as if we may be in for a continuously more tumultuous tug-of-war between forces of centralization and decentralization. Under the circumstances, we cannot afford to ignore the more classical types of structural reorganization, particularly as these may help to alleviate existing inequities at the metropolitan level. As the most recent CED report notes, quite accurately, our existing fragmented system of government in metropolitan areas works better for some citizens than for others, specifically it favors those who possess the political influence and sophistication to bypass existing bureaucratic procedures.³⁰

The end result is that our urban and metropolitan areas are destined to be reshaped by both formal programs of structural reform at the local level and more informal shifts in redistributive powers at the intergovernmental level. This indicates that we will continue to experience much of the same type of government-by-improvisation that has characterized the urban reform process in the past. Perhaps, however, we will be in a better position to adjust to the changes that such improvisation may bring in the years ahead if we take the time to gain a better understanding of the steps that other nations are taking in an effort to meet many of these very same forces of urban and metropolitan change.

FOOTNOTES

¹ Committee for Economic Development, *Reshaping Government in Metropolitan Areas* (New York: the Committee, February 1970), pp. 70-83.

² For a more detailed discussion of political obstacles to reform, see Frank Smallwood, "The Politics of Regional Government," in Feldman and Goldrick (eds.), *Politics and Government in Urban Canada* (Toronto: Methuen Paperback, 1969).

³ Letter from L. J. Sharpe (Oxford) to Frank Smallwood, March 19, 1970. Sharp cites Jane Jacobs, Edward Banfield, and the Ostrom-Tiebout-Warren article in the December 1961 *American Political Science Review* as illustrative of this latter orientation.

⁴ CED, *op. cit.*, p. 39.

⁵ *Royal Commission on Local Government in England* (London: Her Majesty's Stationery Office, Commd. 4040, June 1969). The study area included all local governmental units in England, outside of the Greater London Council (GLC) area which had been subjected to a previous reorganization in 1963. For an evaluation of the earlier GLC reform, see Frank Smallwood, *Greater London: The Politics of Metropolitan Reform* (New York: Bobbs-Merrill Paperback, 1965).

⁶ The research reports embrace a variety of important subjects as follows: (1) Local Government in South East England, (2) The Lessons of the London Government Reforms, (3) Economics of Scale in Local Government Services, (4) Performance and Size of Local Education Authorities, (5) Local Authority Services and the Characteristics of Administrative Areas, (6) School Management and Government, (7) Aspects of Administration in Birmingham, (8) The Inner London Education Authority, (9) Community Attitudes Survey (nationwide opinion sample on public attitudes towards community), and (10) Aspects of Administration in Large Local Authorities.

⁷ Royal Commission Report, *op. cit.*, Vol. I, p. 1.

⁸ *Ibid.*, pp. 48-49.

⁹ *Ibid.*, pp. 60-64.

¹⁰ *Ibid.*, p. 2.

¹¹ Royal Commission, Commd. 4040-II. For a further elaboration of Senior's general views, see his comments on structure in *The Regional City*, Derek Senior (ed), (London: Longmans, Green & Co. Ltd., 1966), pp. 16-27.

¹² The major changes in the government's White Paper were as follows: The number of metropolitan authorities should be increased from three to five to include the Portsmouth-Southampton and the Yorkshire areas. This, in turn, increases the number of metropolitan districts to 28 and reduces the number of unitary authorities to 51. In addition, the government charged the metropolitan authorities with responsibility for educational services and indicated it would do nothing regarding the provincial council proposals until the Crowther Commission on the Constitution has issued its report.

¹³ Statistical data for 1966 *Census of Canada*, (Ottawa: Dominion Bureau of Statistics, 1969), pp. 4-1 to 4-3.

¹⁴ Summary data from "Progress Report on the Reviews of Local Government in Ontario" (Department of Municipal Affairs, Municipal Research Branch, December 1969, mimeo.).

¹⁵ T. J. Plunkett (special commissioner), *Peel-Halton Local Government Review* (September 1966). For copies of this, and other major review reports, inquiries should be directed to: Department of Municipal Affairs, Toronto, Ontario, Canada.

¹⁶ The OTC Study called for a comprehensive provincialwide scheme whereby a series of regional governments would be established throughout Ontario. See: *The Ontario Committee on Taxation*, Vol. II (Ottawa: Queens Printer, 1967), chapter 23, "Reconciling Structure with Finances." For commentary on this proposal see: D. Del Guidice and S. M. Zacks, "Regional Government—the Key to Genuine Local Autonomy" (Toronto: Bureau of Municipal Research, May 1968).

¹⁷ Statistics from *Canada Yearbook*, 1968 (Ottawa: Dominion Bureau of Statistics, 1968), pp. 9, 30, 32, 166; *The World Almanac*, 1970 (New York: Newspaper Enterprise Assoc. Inc., 1970), p. 499; and 1966 *Census of Canada*, Introductory Report to Vol. I, Population (Ottawa: Dominion Bureau of Statistics, 1969), pp. 4-2, 4-3, 5-1.

Chairman BOLLING. Thank you very much, Mr. Smallwood. I think those three statements are individually and collectively so stimulating that I could spend a considerable length of time talking with any one of you and then trying to see what you did with each other's ideas.

I will start with the last statement because it happens to ring a bell with me so loud that I have to respond. I have, I guess, been the noisiest critic of the Congress' failure to act in a coordinated fashion who has been around in the House for a long time. I have even written a couple of books on it. And I happen to believe that, since you bring it up, that there is never going to be any successful executive reorganization, successful regional decentralization, until the Congress reorganizes itself in a rather substantial way so that we are not constantly adding to the chaos that already exists in Federal programs. We clearly do not have any coordinated program in any field, be it health or education or planning or what have you. That goes back to the problem that I hope this hearing consistently addresses itself to, the question that power underlies all the acts that are involved and the Congress has allowed itself to become so fractionalized in its exercise of power that quite often, within a matter of a month, it will pass legislation which, in a rather subtle way, is in direct conflict with other legislation passed in the same time span. That is a result of the way in which we do not organize ourselves. We are not even organized into anything like 10 regions; we are organized into a couple of hundred little fiefdoms, and it seems remarkable to me that the country survives this total lack of organization. Since I have said that a number of times before, I am only repeating what I have said.

It seems to me that emphasis is a very important one.

Mr. SMALLWOOD. Could I ask you a question on that, Mr. Chairman? You know a lot more, obviously, about Congress than I do. However, I realize that congressional committees and subcommittees are jealous of certain prerogatives and powers. But the kind of regional problems we are dealing with here, are these problems a result of overlap and lack of coordination, or is this really a power

¹⁸ H. J. Whelan, *The Development of Local Government in New Brunswick* (Fredericton: University of New Brunswick, 1963), p. 41.

¹⁹ J. F. O'Sullivan, "The Way It Was," Report to the 21st Annual Conference of the Institute of Public Administration of Canada, St. John's Newfoundland, September 1969.

²⁰ B. Toole, "Case Study in Change—New Brunswick: The Schools Act," 21st Annual CIPA Conference, *op. cit.*, September 3, 1969.

²¹ H. J. Whelan, "The Byrne Commission of New Brunswick: How Did the People React?" Paper presented at the Winter Conference of Canadian Institute of Public Affairs, Toronto, January 29, 1966.

²² O'Sullivan, *op. cit.*, p. 4.

²³ Whelan, *op. cit.*, p. 3.

²⁴ F. R. Drummie, "Case Study on Change—New Brunswick Information and Background," 21st Annual CIPA Conference, *op. cit.*, September 3, 1969.

²⁵ *Ibid.*, p. 7.

²⁶ Whelan, *op. cit.*, p. 7.

²⁷ "Program for Equal Opportunity," *Canadian Tax Journal* (May-June 1967), pp. 223-225.

²⁸ After completing this manuscript, the author became aware of a comprehensive new evaluation of the New Brunswick experiment by Ralph R. Krueger entitled "The Provincial-Municipal Government Revolution in New Brunswick," *Canadian Public Administration*, Vol. VII, No. 1 (Spring 1970), pp. 51-99. Although pointing out some key problems that have risen as a result of the provincial reorganization, Krueger concludes that "the Program for Equal Opportunity was a bold revolutionary change . . . which has resulted in a system unquestionably superior to the one it replaced."

²⁹ The same trends indicate that more than 70 per cent of all Canadians will be concentrated into 12 metropolitan areas during the next 30 years. According to the 1966 Census, slightly more than a quarter of the Canadian population lived in the Montreal, Toronto, and Vancouver areas.

³⁰ CED, *op. cit.*, p. 10.

issue? In other words, is this basically due to sloppiness, or because different groups in Congress have different ideas about how to treat regional issues?

Chairman BOLLING. I think you will get a view from me that you will not get from any Congressman. I think it is basically sloppiness. It is sloppiness compounded by the desire of all politicians to at least appear to exercise power. I think I am unique in the Joint Economic Committee in having given up heretofore two subcommittee chairmanships. The desire of an elected official at a distant place called Washington to be able to tell his constituents that he is a chairman of something begins with his arrival here and you have this very difficult problem of the constituency, whether it be a congressional district or a State, tending to automatically pervert the performance of its representative by demanding of him some appearance of having the exercise of power. And what happens is that as more people get the appearance of power, the Congress as a whole is less effectively able to use its whole power. This is particularly so in relation to the executive. It is a conservative theme song to complain about the power that the Congress has lost to the executive. But it has lost it because it is fractionalized.

I do not care how telegenic or how powerful, seemingly, any one committee chairman is; he certainly does not have the power of the executive. In a contest, he is bound to lose unless he develops an enormously and overwhelmingly powerful constituency on a temporary basis on a single issue.

So you have this very weird situation up here where we almost deliberately fractionalize our power to the point that it is ineffective on the one hand, and secondly, we fractionalize it in such a way that it could not possibly lead to a coordinated policy. We do not have a coordinated policy on any subject that I can think of. It may be that we have a coordinated policy for the moment on Vietnam, because there it is. But you cannot say we have a coordinated foreign policy, certainly not a coordinated domestic policy. And the dilemma is a power dilemma.

It seems to me that the point that Mr. Elkin is trying to—is making, not trying to make, but making—about a need to have regional planning legitimized is another aspect of this same thing. I think we are talking about a dilemma that very much relates to the problem of the way the Congress organizes itself.

Now, there have been times—and I will not go on forever on this—there have been times in the history of the United States when the Congress exercised its power in a unitary fashion and most people forget that. There have been a number of times. A good many of them have been disastrous because the Congress did not work very well—the war hawks in the War of 1812, Thaddeus Stevens in the Civil War, the War of the Rebellion in the Reconstruction.

Mr. SMALLWOOD. A Dartmouth man.

Chairman BOLLING. Yes, indeed. But unlike most Dartmouth men, a fanatic.

On the other hand, there have been times when the Congress did centralize its power and operate effectively in conjunction with the President. The best example is not that of a speaker but of a majority leader named Underwood who is really responsible for all of

Wilson's "New Freedom" program. That is too complicated to get into. But you keep looking at it and you find it is perfectly possible for this institution to function, but it does not.

Now, you know, if you strongly disagree with that, this is the time to say.

Mr. SMALLWOOD. Let me just say, then I will be quiet because I am saying too much. At first, I was tempted to suggest a joint regional committee or some new congressional group, but I think mighty oaks from little acorns can indeed grow. It seems to me if there is a beginning—I don't know if it is this staff, this subcommittee, or maybe it is a staff or another committee or the Legislative Reference Service, but if some group in Congress could just take responsibility for reviewing legislation in terms of this sloppiness thing we are talking about, this would help a great deal.

Chairman BOLLING. I would go a step further than that. The reason I mentioned it is because it came up so clearly, and I do not spend most of these hearings grinding my own particular axe; I do not consider that seemly. But it seems to me there is only one solution. We are dealing in power. We are dealing in a power that has to be legitimate. It has to be related to elections. It has to be exercised by people who can be called to account. And the real problem, if you expect to have a policy approach, is to have somebody in the Congress who has enough power to pull together the policy decision. This inevitably gets you to the point of strengthening the leadership.

Mr. GOODMAN. May I pursue this matter of congressional power a little further?

Chairman BOLLING. Surely.

Mr. GOODMAN. I think we have a chicken-and-egg question here. I believe we could all agree on the need for congressional reform and the need for regionalizing some of the decision-making functions, and the matter of congressional power is a very subtle one here. Although I think that, collectively, the Congress is perhaps more vulnerable to the executive branch than before, still, from the standpoint of regional planning, the roster of congressional committees serves as the lever for whatever regional and interregional planning is done in this country. The distribution of committees—that is, their identification by title and function and the fact that certain committees are dominated by liberals, others by conservatives, certain by farm interests, other by metropolitan based Congressmen and Senators, certain others by the interior States as against the seaboard States, and each of these operating with considerable clout and each of these pulling in a different direction, makes for a system of planning. It is not an ideal system of planning, but that is what you have.

The chicken-and-egg question arises over where the direction of reform should come from first. I am not convinced that Congress will be happy to respond or eager to respond until the executive branch of government is strengthened and put on a regional basis systematically. I think that when the array of forces against the Congress will be massive that ipso facto, as a protective measure, they will then respond.

I do not see the initiative being taken by Congress to reform itself. I do not believe in the effectiveness of self-policing by any group, including my own professional organization. I think it comes as a reaction and a response, and therefore, I see the chicken and egg resolving itself in the reactive reform of Congress, following a breakthrough toward regionalism on an executive level.

Chairman BOLLING. Of course, that is really, I am sure you recognize what is sort of implicit in those five questions, that perhaps you break through the problem that I suggest by a massive shift somewhere else, which makes the Congress, which is full of people who watch power with reasonable care, aware that there are some new power centers with which they have to reckon.

I have a couple of specific questions of Mr. Elkin, then I have some others that I will ask of you others.

I was interested in your selection of two areas in which we most—I am not trying to put words in your mouth, but you in effect said we most desperately need a national policy.

Mr. ELKIN. Yes.

Chairman BOLLING. And they were areas in which only a national power would solve the problem—transportation and open space.

Mr. ELKIN. Yes.

Chairman BOLLING. Would you mind going into that in a little more detail? Do you have any inkling of how we would handle it nationally? I happen to believe that the land use—land use and then where do you get the money and so on—are pretty fundamental.

Mr. ELKIN. Let me say this, Senator.

Chairman BOLLING. Do not do that to me. I am like Mr. Rayburn; I would rather be a member of the House, which I am.

Mr. ELKIN. Ally from the heartland. How is that? We share a muddy river.

Chairman BOLLING. That is right.

Mr. ELKIN. I am not as current on the issues as they are seen in Washington. In fact, I am not quite sure why a department has to be housed in Washington. It might be better for it to be housed in Chicago in terms of relating to the country as a whole, maybe even as a step before decentralization of negotiation. But aside from that, what I had in mind was this: It may be all right to pump money into encouraging such efforts as Operation Breakthrough and new Model Cities. These are intended to create models, or prototypes, of how we should live. But I think studies would show that despite the growth of the modern regional shopping centers about 70 percent of all square footage of retail space is still in the old strip developments right alongside the beautiful shopping center, fanning out wherever they can. The only places I know where the old pattern of strip commercial development has not recurred is where a shopping center is bounded by a cemetery or a forest preserve. Similarly, I think you are going to find that the new towns that we are building will sooner or later be surrounded by the same kind of pattern of urban development as we have had in the past, whether that be "suburban sprawl," urban congestion, or whatever. We have focused on the node, the prototype, as the thing, but what we really need is to make sure that undesirable patterns of growth do not repeat.

For example, you can build a series of model cities between Chicago and Dubuque, but they might all end up connected in one urban mass like on the eastern seaboard if we do not alter the general pattern of land development. When I am talking about land development I am talking about the basic conditions that affect public health and urban congestion and influence our ability to really deliver public services and to keep and protect the public's health.

Experience has demonstrated that there is such a thing as too much and too big and too many in one place. I think the problem of over-population is not a problem yet, at least in American, in gross terms; that is, of having too many people, but rather is a problem of too many people living in limited amounts of space.

Well, how do you deal with problem? Well, maybe we simply ought to say that for every 10 miles of urban area we are going to intersperse square miles for forest preserves where nobody can build. If some one wants to build another town or a subdivision, they have to jump over that 5-mile green belt. That way at least we can assure the presence of oxygen-producing plants in the environment.

I think we are in a situation where we have to deal in those terms. It is not a question of picking "the best locations" for conserving the environment. Almost any locations that can be saved are now the order of business.

Chairman BOLLING. Do you have an order of magnitude? Just to make sure you do not hold yourself down too much, I would not be the least bit frightened if we spent the same amount on this kind of program or more or double that we spent on the interstate highway program. That would get us up to 50, 60, 70 billion dollars, I guess. What order of magnitude are you talking about? Are you talking about a program at the Federal level where the Federal Government, under relatively strict restrictions, would possess, would obtain land and hold it?

Mr. ELKIN. Yes.

Chairman BOLLING. You are talking about a multibillion dollar program, which makes sense.

Mr. ELKIN. We are falling behind in space acquisition—I am talking historically—relative to the absorption of land and the spread of population. We did a study on local debt in connection with the recent constitutional convention in Illinois and found that 70 percent of the municipal debt went for traffic, transportation, airports, bridges—all traffic-related—and for basic utilities such as waters and sewers. In other words, cities are trying to keep alive, to get people to work and to keep pace with the national economy. Every city wants to have a jet airport to stay alive economically to be a part of the national economy. Relatively few dollars are being invested in long-term environmental protection and improvement in such items as major parks and beaches.

Chairman BOLLING. This raises a very interesting point, because one of the things we had to do, for example, in the Marshall plan, was to recognize that the economics of the developing nations were no longer viable because they had lost what they called the fancy infrastructure and the infrastructure is what you have described.

While we learned that lesson there and perhaps learned it a little bit in our dealing with whatever the present euphuism for the developing nations is, you have to have roads and sewage and pure water and so on to survive, we have not really seemed to draw that lesson ourselves at the Federal level.

Now, I do not want to limit you on open space. I will buy that as an individual. I wish I thought I had a majority in either the House or the Senate that would buy it in those terms. But do you then take transportation as essentially of the the same vital importance as the space?

Mr. ELKIN. Yes, because you can barely get around in our cities. You can barely get around within your own metropolitan area anymore. We are all aware of the problems of, let us say, job access, racial discrimination, the whole urban problem. In effect, the inability to get around cheaply and conventionally and without losing half a day in time traveling is a limitation on our urban opportunities. I think as we expand the urban area, we have to improve our circulation almost in geometric proportion. Without it, we are losing our social fabric.

Chairman BOLLING. I am glad to hear you say we are just losing it. I thought we had lost it in a number of places.

Mr. ELKIN. Well, in some places, it has gotten rough.

Chairman BOLLING. I want to do this in a way—I would like to leave you and go to Mr. Smallwood on his priorities and relate the five and then come to Mr. Goodman and see how it fits into his plan.

Mr. SMALLWOOD. Well, I am very much in agreement with Mr. Elkin, what he just said. In my oral testimony I suggested various socially oriented target programs. In my prepared statement I also suggested additional target programs dealing with such issues as regional transportation planning, regional energy resources and environmental policy planning, and regional law enforcement. I think these are all related.

Now, when you were asking Mr. Elkins about land use and transportation, obviously, these are part and parcel of the same package. I think a perfect example of this on a very small scale, using a foreign example, would be the Stockholm area in Sweden. I was there about a year ago. There, at the local level, in 1907 or 1908, the city of Stockholm started to buy land, substantial amounts of land, both within the city borders and outside, recreational land outside the formal jurisdiction of the city. Then subsequently, 40 or 50 years later, a half-century later, they planned their transportation network—they have a very superb subway system in Stockholm—to interconnect with planned suburbs, to open up new land the city already owned. Then they take bids and build planned new communities on this land.

I asked the chief planner of Stockholm if they ever considered opening up a new subway route—they use a radial route system to provide their green spaces—to private land.

He looked at me dumbfounded and said, why would we do that? We would not recover any return on our investment. We bought this land so we could have planned communities.

So I think transportation, open space, and the acquisition of land are all part of the same package. As I said, I think different people might disagree on precisely which target priorities to start with first. I think you could get 100 experts in a room and get all sorts of different answers. I would like to see us start on some of these. I will not argue about which ones, so I am very much in agreement with what he said.

Chairman BOLLING. Mr. Goodman, how does all this relate, as you see it, to your model making?

Mr. GOODMAN. It is interesting, Mr. Chairman, that my two colleagues here have opted for priorities in diffuse directions, although they are complementary. Mr. Elkin addressed himself very much to the physical infrastructure, citing transportation and open space. Professor Smallwood addressed himself primarily to the social infrastructure with his statement.

Of the two, I would say generally the social infrastructure is in greater need of planning, of clear articulation, than are many of the physical elements, simply because the social programs are newer, they are not quite as well entrenched and they are not well blanketed across the country.

The planning of highways, for example, is a remarkable facility in that there is a State highway department in every State; there is a county highway department in every county; the decisionmaking function therefore can be traced from the Department of Transportation, through the States, counties and cities, and is probably the most fully blanketed facility in terms of planning and decisionmaking in the country. I do not think any other physical facility can parallel this, but some come pretty close. On the other hand, the social programs which are newer are still being adapted. They have not in some States even been given an identity.

In general terms, I would say that the Federal Government's greatest stake today is in articulating and systematizing some of the social planning functions. If I were to choose among the physical planning programs and identify one that is of the greatest urgency, I would say that it is a policy of urban growth and development, a policy of determining whether our cities are going to grow by accretion, a policy of determining, for example, whether new towns will be encouraged and underwritten by a Federal Government and the States, a policy of determining the location of general growth and change.

Now, this cuts across the physical planning programs of transportation, recreation, sewage, et cetera, and I think it is probably appropriate to cut across, because we should think in terms of areas of settlement rather than in terms of individual facilities.

I reach two conclusions. I think social planning is a much more serious matter for the Federal Government at this time. On the other hand, I think, in the physical realm, it is time for an urban growth policy.

Chairman BOLLING. How would all this relate to your model?

Mr. GOODMAN. I think any program should be capable of fitting in, of being subsumed in that model. It seems to me that of the current executive departments, say HUD, which has responsibility for a

number of programs of a physical and some of a rather social thrust, these could generally be subsumed under the office of the regional administrator. Probably the executive departments would retain their identity, even though they might be combined, consolidated, or reorganized. But the key is the regional administrator, his staff and his advisory commission. And whatever is felt appropriate to place under the original administrator is eligible for such a structure.

Chairman BOLLING. Now that we have more or less established very briefly not a difference in point of view, but a slightly different set of approaches to the same problem, and I would say, really, to the same kind of solution, regardless of whether you take a physical approach or a social approach—I think we are all talking about the same thing, really, from a different point of view—what harm would be done to any one of the points of view, of the three points of view presented, assuming that there are three different points of views? For the purpose of argument, starting out by saying there is enough difference in your individual statements to describe them as different points of view. What harm or help would there be if by some wave of the wand we could decentralize into each of the 10 Federal regions the Presidential power as it affects Federal programs and their relationship to State and local programs just like that? If we took that power of decision as to how money would be allocated within that region for all the various programs that the U.S. is involved in, would that hurt or help the approach that each of us has suggested? I am not talking about taking the President's power in whole and giving it to 10 regional people, I am talking about taking a very clear portion of the Presidential power and putting it in a region, one czar—I will use the word that its opponents will undoubtedly come up with—one czar in each of the 10 regions with the power of making the decisions that the President has, that he delegates here to his cabinet officers to a degree, but he can not get rid of because he is responsible for it. One czar in each region. Does it hurt or help? Who wants to try to begin on it?

Mr. GOODMAN. Let me say I think it would hurt those constituencies at the State and local level who acquire Federal resources as of right, not through a meritorious program thoughtfully devised, but simply as a matter of right and formula. They would be shaken because my conception of the regional office is that these decisions would be based to a considerably greater extent on the merits of each case rather than by rote.

Chairman BOLLING. Let me be sure I precisely understand. Let me have an example of one that is done by formula as by right—any one—and one that is not. I think I know but I would like to hear it.

Mr. GOODMAN. Well, perhaps my colleagues can help me out on this, because my insight into the 200 or more Federal programs is somewhat fuzzy. I know there are guidelines for each of them, but I am sure Mr. Elkin, who works with this from day to day, can cite one.

Chairman BOLLING. There is an interesting problem of what the number of Federal programs is because we get a figure that ranges from a low of around 200 to a high of around a thousand. I am now beginning to wonder really what the figure is.

But in any event, would you care to bite that bullet or grasp that thorn?

Mr. ELKIN. Well, I am trying to figure out what the virtues and vices are and why. Are you really suggesting a lateral series of departments, each one for a different part of the country?

Chairman BOLLING. I am talking about a conceptual change, and I hate to have to use military comparisons, but I am talking about taking most of the operating functions, the final operating decisions, out of the hands of cabinet officers and putting them in the hands of individuals who are representatives of the President; that is all they are. They are high toned assistants to the President—creating another set of high toned assistants to the President who have the operational power out in 10 geographic regions which already have been established. Now, that is too neat, too clean, and too pretty and it does not work that way. But it seems to me that the present situation is so ghastly as to be incredible. How you get a decision other than in Washington, it is sort of a miracle if you get many major ones. You know, you tell them to plan, they plan, it comes back up through the separate regions, it gets up here to the cabinet, then it starts going back.

What I am really trying to do is figure out a way to force action back into 10 geographic regions.

Mr. ELKIN. Well, I would say that I see nothing wrong, provided there is one proviso, if that is good English. I would compare it to the idea of little city halls for neighborhoods. The little city halls are not much used if they have to buck up all their problems to the big city hall. If the power stops in the region—in other words, if the regional official in Chicago or Detroit or Omaha, or wherever he is operating out of, is really able to say “Yes, this is it,” then I think the idea has great virtue.

Chairman BOLLING. There have to be exceptions or there would be no purpose in decentralizing unless it stopped there.

Mr. ELKIN. But I think there are things that have to go with it. Here I agree with a scholar out at the University of Chicago, Professor Loewi. I join him not so much on intellectual but on practical grounds. He has an idea that many laws are not laws but mainly delegations of authority to administrators. You have laws, and I am overexaggerating, that seem to leave the substance to an administrator or departmental secretary who writes a manual and figures out what projects are eligible for certain grants in aid, or such other types of assistance as are made available. Well, that is government by administrative law, as you well know. I think there are limits to that. I would favor decentralization if I knew what the law was. This is especially so for grant-in-aid programs.

If you are going to pass a law to give grants for open space acquisitions in the hope of encouraging local governments to buy land for parks, then the law ought to be very specific as to intent and the conditions under which local units are entitled to grants. Then when a local official goes to the regional administrator, he is not bargaining over a set of administrative interpretations.

You have to be very specific in your law. Otherwise, frankly, a lot of well-intentioned programs become a source of frustration and un-

necessary conflict. I think if the law is clear as to what it is you are going to do, or encourage local units to do, and then if you have decentralization, I think it makes sense.

Chairman BOLLING. First the policy.

Mr. ELKIN. That is right.

Chairman BOLLING. Would you like to comment on that?

Mr. SMALLWOOD. Again, I think it obviously relates to these very important questions of detail that Professor Goodman has tried to deal with in his interesting model, how you actually create a meaningful regional organizational structure.

Paul Ylvisaker raised this same concern in his letter to the subcommittee that you just raised, Mr. Elkin, about whether things would be bucked up or just stagnate—obviously that would defeat any regional reform. But assuming it could be structured and there were some policy criteria that made sense, I think a regional approach would have two practical benefits. One, unlike some of your previous witnesses, I think that many of the problems we are talking about here, and I do not care whether they are physical or social, are regional problems.

I just finished reading an interesting new book, "Rural Poverty and the Urban Crisis, a Strategy for Regional Development," by Professor Hansen of the University of Texas. Here is a perfect example. We are talking about the welfare problems of the central city and obviously these problems are related to what is going on outside the central city itself. Hence, I think if a regional organization led in the direction of looking at these problems as regional problems—open space, water resources, energy problems, pollution problems, all of these problems—that this would be beneficial.

Secondly, obviously, there would have to be some method of assuring a meaningful democratic input at the regional level, perhaps along the lines of the advisory council suggested by Professor Goodman. Even if this did nothing more than give a little accountability to how we are administering our present programs this would be helpful. Right now it is very difficult to find out what is going on in many existing programs. We talk about democratic controls, but I do not think we have them in terms of our existing proliferation of Federal programs. One very important step in the direction of democratic accountability is simply to provide more meaningful information that people can understand on our existing programs. If these proposed new regional administrators could publish information on what is happening in the region, what kind of Federal programs, what kind of investments are being made, how money is being spent, I think this would be a major step toward improving democratic accountability.

So obviously, the results would relate to how it was structured, but I think generally we should be moving in the direction of more effective regional decentralization, planning, and coordination. I disagree with Paul Ylvisaker when he says this is a search for the Holy Grail. This is not an unreasonable or an impossible goal.

Chairman BOLLING. I am going to raise this with him when he comes again if he comes again, but it is not a "Holy Grail." We are talking about the possession and distribution of power by people who are elected by the people. There is nothing holy about that search. You know, it is just everybody scratching for it. And I think that is

as it should be. I think that Scammon's book on the Real Majority had a very useful point—many useful points, but at the very end, it thanked God that the American people did really have some kind of self-interest and understood what was in their interest in the long run, generally, over time. It seems to me that what we are trying to figure out is how to make more efficient the expression of that self-interest through all these complexities of government. That is really what we are talking about.

Mr. SMALLWOOD. My assumption is that right now, we keep using this term infrastructure, we are investing a massive amount of public money in this country in physical and social infrastructure. We do not even know how many grant-in-aid programs we are sponsoring. As you just said, they range from 200 to 1,000. We do not know how much money is actually being spent. We subsidize these programs in many different ways—some of them involve tax writeoffs, or accelerated depreciation, or direct grants. I do not think we have any idea of the total amount of dollars involved in this. My own assumption is if we could provide the public with better information on what we are already doing, the public could hold officials more accountable for the kind of programs we are sponsoring and this would be good.

Mr. GOODMAN. You asked for an example of the kind of program which desbursed funds almost as a right rather than on the basis of merit. One of these is in my own professional field. You know that the 701 program administered by HUD was devised for the purpose of bringing the comprehensive planning function to small communities, underpopulated communities. Now, those are approved pretty much without the very high level of standards that apply to larger programs where significantly more money is involved. But that is an example of the kind of program which it seems to me ought to be much more tightly scrutinized. I am not even sure, for example, whether it is valid for the Federal Government to earmark funds for general planning. It is like paying a man to stay sober. He is supposed to do that most of the time anyway. And this is, I think, an integral function of local government which should not drain Federal dollars. I bring this out because it is my own field and I am familiar with many of the programs that have acquired support and continue to acquire support under the 701 aegis.

Chairman BOLLING. Do you have anything you would like to add, Mr. Elkin?

Mr. ELKIN. I would make one comment that ties back a little bit to the comments made about statutes. I want to be explicit.

You know, you have to have a little trust. Trust is a hard thing for people who have the upper hand to exhibit. I have heard comments in the paper, for example, relative to certain legislative proposals, that you cannot trust State people because they are incompetent. If that does not shake you, then you will hear State people accused of being corrupt. If that does not shake you, then you hear they are either reactionary or radical. These are the same comments we heard in Springfield when we were arguing for home rule for cities; that is, that you cannot trust local people, they are incompetent and so forth. City halls often say these same things about neighborhood groups that want a little share of the local power.

Chairman BOLLING. That is because they are all rival powers.

Mr. ELKIN. Well, it is hard to give up a little power. But the arguments are always the same. That is my point. It shows that people are not very original. But they are persistent. And in reading some of the hearings and other literature, there is a lot of talk about local performance requirements in connection with Federal aid. This is a part of the problem, I think, because in a way it is presumptuous. I say that knowing that perhaps I am in the wrong temple to say that. But a lot of our problems in the intergovernmental relations field stems from such presumptions. It is the sort of attitude that breeds government by administrative law and a lot of the second-guessing of local programs and plans by Federal agencies.

Chairman BOLLING. That is the reason I asked you if you had a final comment, because one of the things that I think would commend the notion of a Federal czar—and that would be the last place that something would be reviewed except in very clearly defined exceptional circumstances. This guy would have the right to say yes or no if the Federal Government had any decision to make on planning. He would have the right to say yes or no if it had any decision on where money would go. The buck would really be passed down.

Of course, the President is not going to give away his power totally. No President is that I have ever heard of. These people are going to be basically very high level assistants. But they are sure going to be very high level. That are going to have a lot of money to deal with, they are going to have a lot of decisions to deal with, and obviously, they are going to get overruled sometimes by the guy that is elected by whatever number of people vote in that election. But that is all there are. They are his pro-consuls or delegates or what have you. But there would not be many mayors around—I can only think of one or two—who might think they could stand head to head with this guy on real power. Because this is a guy who is elected to office delegating some of his power, power to make decisions.

And it would seem to me that it would cure this business, this asininity of some clerk—and that is not too tough a phrase—who is backed by some maybe first rate, second rate, third rate, fourth rate Congressman from some jerkwater district nowhere connected to that particular region who tells that clerk, yes, you go ahead and do that. That is the way it works, really, somewhere in the background, there is usually a subcommittee chairman who does not have relationship to that particular area who has something to say about that decision. Maybe you are not aware of that, maybe you are. But it is there. And that is one of the problems that is involved. You have to break through all this set of incestuous relationships.

One of the reasons you have clerks who have the power to demean a mayor—most mayors, anyway, not all—one of the reasons you have that is illustrated in the story that I like to tell so much. It is a true story about the time when two Mississippi Congressmen were thrown in the same district in a redistricting. And one of them had the overt support of the President of the United States. One of them, the same one, had the overt support of the Secretary of Agriculture. But when it came to feeding out to the candidates the little goodies that you can feed out in the way of information, advance in-

formation on grants and on activities, the guy that got the information was not the man supported by the President of the United States or the Secretary of Agriculture. The people that fed the information, the bureau people in the Department of Agriculture, fed it to the other man.

Now, that is not a myth. That is a fact. And that is one of the dilemmas that you have to break through. The only way I can see to break through is to focus the power somewhere else and then I think somebody said—I have forgotten which one of you—that Congress would be likely to adjust itself somewhat.

Mr. ELKIN. Let me make one short comment. If it works that way—

Chairman BOLLING. If.

Mr. ELKIN. I think there is another reason why it would be important. And that is to reach out to the smaller communities. The big cities, as you know, long ago established their relationships with Washington. They have been in the game of grantsmanship for some 20 years. But to the smaller towns in places like western Iowa and northwestern Wisconsin Uncle Sam is a big thing out there and they are not sure it is a positive thing, by the way. I have seen how the various Federal programs have helped to at least create a start of a relationship between these small urban communities located out there and their Federal Government. They have touched the "big government" and found that they did not die from its bite. For the sake of the Nation I think it is important, from the standpoint of creating at least some sense of political awareness, that there should be some outreach, if I can borrow a phrase, between the Federal Government and these smaller communities. I think if you look at the 1960's, the fastest enrollment of new participants in the various programs of federally assisted planning and urban renewal activity were the small towns in States like Iowa and Minnesota. They started to enroll in such programs because they have their own problems. For that segment of America, I think it is very important, sir.

Chairman BOLLING. Clearly, no sane person would leave the rural areas out of the urban problem. I watched all the urban problems in my city, Kansas City, Mo., start when I grew up in the southern highlands back in the 1930's, every one of them, black and white. They all moved in from down there because there was not anything to hold them there in the southeastern part of the United States.

Gentlemen, I thank you all and in case you have the fear that you are in the hands of some congressional nut who does not deal in reality, the last time I suggested something wild, I was told that it could not happen for two or three generations and part of it started happening in about 5 years. So I know that this is not an original set of approaches and since we have all had them together, I thank you very much for your contribution.

The subcommittee will stand adjourned until tomorrow at 10 a.m., in room 1202, New Senate Office Building, when we will hear from Edward H. Costikyan and Carl Feiss.

(Whereupon, at 11:25 a.m., the subcommittee was adjourned until 10 a.m., Wednesday, May 19, 1971.)