

been largely corrected. Today, state governments are well prepared and eager to participate in urban programs. They realize that the problem of America is the problem of the cities — that one percent of American land where 70 percent of Americans live. They recognize that almost every state's prosperity is ultimately linked to its one or several mercantile centers. If these are allowed to decay or implode, the wealth of the entire state is adversely affected.

Our problems are compounded by the tremendous financial burdens placed on the state by such rapidly changing Federal programs as Welfare, Medicare-Medicaid; and by the fluctuations in our anticipated tax revenues caused by national monetary policies. In addition, the Federal government's own fiscal problems have resulted in indecision over Federal appropriations, causing state uncertainty as to whether we can proceed in such diverse fields as employment opportunities and urban interstate highway construction.

Consistency, in Federal policy and in Federal aid commitments, is imperative if the states are to plan properly and the cities are to keep their proper commitments to the poor. I share Richard Nixon's views that the only thing worse than failing to fulfill a promise is making a promise, fully cognizant that it cannot be fulfilled.

Presently, most significant Federal aid is by way of categorical grant. In many cases, the incompatibility of such restrictive assistance with existing state programs prohibits full utilization of the aid. There seems to be an approach toward block grants — for example, the recently enacted Safe Street Law. Every Governor I have talked to, regardless of party, is enthusiastic about the flexibility of block grants. It is suggested that the Congress consider grants in such broad areas as transportation, rather than roads or mass transit. A metropolitan transit system doesn't really excite a state like Alaska or Wyoming, and I am sure that Governors Hickel and Hathaway would appreciate the ability to convert that assistance to their roads programs.

The Nixon Administration looks with favor on the consolidation of the approximately 400 grants-in-aid programs now in existence. Everything is to be gained by reforming the present system, substituting the broad for the narrow, the general for the specific, and coordination for competition. Flexibility in major functional areas is the primary objective but at no time should block grants be interpreted to mean the abrogation of Congressional intent or handing the states blank checks. Our goal should be *balance*.