various individual spokesmen for State and local governments. Finally, enactment of this legislation, in the opinion of the Commission, will implement the President's request, stated in his Budget Message of last January, that Congress "take favorable action on general legislation to improve and strengthen intergovernmental cooperation."

Reserving its position regarding the two new titles of the bill, the Advisory Commission on Intergovernmental Relations urges enactment of S. 698, the proposed Intergovernmental Cooperation Act of 1967, as a vital means of developing more constructive relationships between the levels of government and of curbing some of the confusion that characterizes the administration of certain joint action programs.

The Commission hopes these comments will assist the Subcommittee on Intergovernmental Relations in its deliberations on the proposed legislation. I should like to make it clear that in the submission of these comments, I am speaking only for the Advisory Commission and not for the President or the Administration.

Sincerely yours,

FARRIS BRYANT,
Chairman.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C. April 20, 1967.

Hon. EDMUND S. MUSKIE,
Chairman, Subcommittee on Intergovernmental Relations, Committee on Government Operations, U.S. Senate.

DEAR MR. CHAIRMAN: By letter dated February 28, 1967, you requested our comments on S. 698, 90th Congress, the proposed Intergovernmental Cooperation Act of 1967.

The growing size and complexity of Federal grants to State and local governments have presented to an increasing degree difficult problems of administration. The general objective of the bill, designed to simplify and improve the administration of grant-in-aid programs, is one which we fully support. While we do not express a substantive opinion with respect to all of the provisions in the bill, we strongly support the idea of a periodic congressional review of the effectiveness of the grant programs.

Section 102 of the bill includes "any agency or instrumentality of a State" in the definition of the term "State." It is possible that the proposed legislation could be construed as applying to any new authorizations, or changes in existing authorizations, for Federal payments to the National Guard enacted by the 91st or subsequent Congresses, since the National Guard is an instrumentality of the various States. However, hearings on similar bills do not indicate that such legislation is intended to apply to Federal funds appropriated for the National Guard. Moreover, since the National Guard has been in existence since the formation of our country and apparently will continue in existence for the foreseeable future, we do not believe that Federal aid in support thereof will be terminated, or that the Congress intends to require the authority for such Federal support to terminate automatically every five years as provided by title V and hence require new study and authorization periodically. Hence, it is our opinion that S. 698 is not intended to apply to Federal payments to the National Guard. It would be preferable, however, if the bill itself or its legislative history would clearly so indicate.

Section 203 requires Federal agencies administering grant-in-aid programs to schedule the transfer of funds to the recipients so as to minimize the length of time elapsing between such transfer and the disbursement of such funds by the State. This is desirable. However, the last sentence of section 203 would free the States of accountability for interest earned on grant-in-aid funds pending their disbursement for program purposes. This is a broadening of the principle set out in section 205 of the Department of Health, Education, and Welfare Appropriation Act, 1965, approved September 19, 1964, Pub. L. 88–605, 78 Stat. 979, which relieved recipients of certain types of grants of liability to pay to the United States interest earned on payments of such grants made before July 1, 1964. The legislative history of that section is not very extensive. However, it would appear that at least part of the reason for enacting the cited section was the fact that the Department of Health, Education, and Welfare had for years been making excessive advances to grantees without requiring payment of the interest or other income earned thereon, and it was considered unfair to the grantee to