

while at the same time strengthening what we regard as a basically effective and purposeful working relationship.

#### TITLE IX

Part A of this title (Federal Programs) sets forth certain policies vis-a-vis property owners that are to be followed by Federal agencies in acquiring real property from such owners by purchase or condemnation. For the most part, these policies seem designed to assure fair treatment to the owner and to others in possession of the real property.

Part B would provide that financial assistance to a State agency, or to an agency of a political subdivision of a State, shall not be available to pay for the cost of acquisition of real property, or the cost of a public improvement for which real property is to be acquired, unless such agency agrees to follow certain rules (set forth in part B) that, as in the case of part A, seem designed to assure fair treatment to the owner (and others in possession) of the property to be acquired by such agency by purchase or condemnation. Some of these rules would take effect on January 1, 1970. In part, these provisions are patterned after the land acquisition policy provisions contained in Section 402 of the Housing and Urban Development Act of 1965 (P.L. 89-117) which applies to certain programs administered by the Department of Housing and Urban Development. That section, together with certain related sections (Sections 401, 403) of P.L. 89-117, would be repealed effective January 1, 1970.

While we endorse the objectives of this title, on its details we defer, particularly in the case of direct acquisitions, to the General Services Administration and other agencies more frequently involved in such acquisitions.

#### TITLE X

The purpose of title X is to encourage simplification and improve coordination of accounting, auditing, and financial reporting requirements of Federal assistance programs, and to provide for a survey of the adequacy and effectiveness of the accounting and auditing systems of recipient jurisdictions. This title would authorize the Comptroller General to prescribe rules and regulations for using State and political subdivision accounting and auditing in meeting financial management requirements of such programs. The Comptroller General, the Secretary of the Treasury, and the Director of the Bureau of the Budget would be required to conduct a joint study of the principles, standards, and related requirements of Executive agencies for accounting and auditing of Federal assistance programs, with a view to developing improved Government-wide accounting and auditing procedures.

Within the last month the Comptroller General, the Secretary of the Treasury, and the Director of the Bureau of the Budget have agreed to initiate an inter-agency study in this area. Consequently, we recommend deferral of legislative action of title X pending completion of this study.

We are advised by the Bureau of the Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

WILBUR J. COHEN,  
*Secretary.*

OFFICE OF THE SECRETARY OF TRANSPORTATION,  
*Washington, D.C., June 12, 1968.*

Hon. EDMUND S. MUSKIE,

*Chairman, Subcommittee on Intergovernmental Relations, Committee on Government Operations, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in response to your request for our views on S. 698, a bill "To achieve the fullest cooperation and coordination of activities among the levels of government in order to improve the operation of our federal system in an increasingly complex society, to improve the administration of grants-in-aid to the States, to provide for periodic congressional review of Federal grants-in-aid, to permit provision of reimbursable technical services to State and local government, to establish coordinated intergovernmental policy and administration of grants and loans for urban development, to authorize the consolidation of certain grant-in-aid programs, to provide for the acquisition, use, and disposition of land within urban areas by Federal agencies in conformity with local government programs, to establish a uniform relocation assistance policy, to establish a uniform land acquisition policy for Federal and federally aided programs, and for other purposes."