

The Bureau of the Budget has advised that, from the standpoint of the Administration's program, there is no objection to the submission of this report to your Committee.

Sincerely yours,

J. E. MOODY,
Acting Administrator.

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. 735, 90th Congress. The stated purpose of this measure is "To provide for periodic review of Federal programs of grant-in-aid assistance to the States."

We note that section 5 of the bill erroneously listed as section 4 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 90th 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 each Federal support to terminate automatically every five years as provided in S. 735 and hence require new study and authorization periodically. Hence, it is our opinion that S. 735 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.

We note that this measure, in large part, would provide for the same type of Congressional review of grant-in-aid assistance as would be provided by title V of S. 698, 90th Congress. The primary difference between the provisions of this bill and title V of S. 698 is that in this bill no specific provision is made for studies by the Comptroller General of Federal grant-in-aid programs as provided in section 504 of S. 698. As pointed out in our report of today's date on S. 698, we do not feel that such requirement in S. 698 imposes any requirements on our office in addition to those we believe now exist for reporting to the Congress on the results of our reviews of Government programs, including Federal grant-in-aid programs. Consequently, we do not feel that—so far as our office is concerned—there is any substantial difference between S. 735 and title V of S. 698.

We recognize that any provision for specific review by the Comptroller General of such programs will perhaps change the frequency of our review of such programs and of course, such provision would serve to emphasize congressional interest in a continuing overall review of grant-in-aid programs. In any event, the question of whether specific provision should be made for review of grant-in-aid by our office is viewed as fundamentally a question of policy for the sole determination of the Congress.

We are of course strongly in accord with the objectives of this bill and title V of S. 698. Legislation along the lines of these measures would appear to be beneficial not only as an additional device for strengthening congressional control over Federal grants-in-aid but also as an additional means for acquiring current information as a basis for legislation in the complex and changing area of Federal-State-local relationships.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.