

VETERANS ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., June 12, 1968.

Hon. JOHN L. McCLELLAN,
Chairman, Committee on Government Operations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This will respond to your request for a report from the Veterans Administration on S. 2981, 90th Congress, a bill "To provide temporary authority to expedite procedures for consideration and approval of projects drawing upon more than one Federal assistance program, to simplify requirements for the operation of those projects, and for other purposes."

The purpose of this bill is to remove or simplify certain administrative and technical impediments which hamper or prevent the consideration, processing, approval, and administration of projects which draw upon resources available from more than one Federal agency, program, or appropriation. This would enable State and local governments and other public or private agencies to use Federal financial assistance under two or more programs in support or multi-purpose projects.

The impact of this legislation on Veterans Administration programs would appear to be slight. However, we believe that the bill would have a beneficial effect on the administration of grants-in-aid programs by other Federal agencies and would be of great assistance to State and local governments and other public and private agencies. For these reasons we would have no objection to the favorable consideration of S. 2981 by your Committee.

We are advised by the Bureau of the Budget that there is no objection to the presentation of this report to your Committee, and that enactment of this legislation would be in accord with the program of the President.

Sincerely,

W. J. DRIVER, Administrator.

Senator MUSKIE. Our witness this morning is Mr. Phillip S. Hughes, Deputy Director, Bureau of the Budget.

Why don't you proceed?

TESTIMONY OF PHILLIP S. HUGHES, DEPUTY DIRECTOR, BUREAU
OF THE BUDGET; ACCOMPANIED BY JAMES M. FREY, DEPUTY
DIRECTOR, OFFICE OF LEGISLATIVE REFERENCE

Mr. HUGHES. Thank you, Mr. Chairman.

We are very pleased to be here, and we share your hope that the people in the room, even though they may find the subject matter complex, will not find it too dry. We agree with you that it is the substance of governmental problems and of intergovernmental relations. Since these are complex, the legislation dealing with these problems is correspondingly complex.

We hope, too, that our testimony is no more incomprehensible than complexity of the subject matter requires. We will try in the statement to deal with the substantive issues and essential questions and will be pleased to work with you and the staff on the "fine print" of amendments and of the details of changes or amendments which prove desirable.

Senator MUSKIE. Thank you very much.

Mr. HUGHES. Mr. Chairman and members of the committee, we are here to discuss S. 698, the Intergovernmental Cooperation Act, which was introduced by the chairman of the subcommittee, and other related measures which have as their purpose the enhancement of our system of federalism and the improvement of the quality of American Government.