

gorical grant programs are correlated through the use of simplified administrative procedures to achieve the basic goals set by Congress.

In this connection we also endorse the principles of S. 2981, the Joint Funding Simplification Act of 1967. This act, in conjunction with Titles V and VI of the Intergovernmental Cooperation Act, will provide a battery of means to eliminate some of the ill effects of too many diverse categorical grant programs.

Amendment number 748 to S. 698, providing for improved coordination of auditing, should be beneficial to both federal and state agencies. State agencies have frequently complained of long delays in federal audits. This amendment should make possible more timely audits, whether done by state or federal auditors, simply through reducing the number of audits any federal program auditor is required to perform. It should also, where necessary, encourage States to provide adequate and timely audits so that state agencies will not be so subject to later federal audits.

In summary, Mr. Chairman, we endorse the basic objectives of the Intergovernmental Cooperation Act and the Joint Funding Simplification Act and urge favorable and prompt Congressional action.

(The subcommittee submitted the following questions to Federal departments and agencies:

- (1. A description of any changes in your agency's relocation assistance and compensation policies, procedures and benefits made subsequent to your report to the Select Subcommittee on Real Property Acquisition, as published in December 1964.
- (2. A description of any changes in policy or procedure relating to the evaluation, appraisal, negotiation and acquisition of real property made subsequent to your report and answers to questions given to the aforesaid select subcommittee, as published.
- (3. Are your negotiators allowed to make an offer for the acquisition of real property below the agency approved appraisal; and if so, under what circumstances or rules is such action permitted?
- (4. Since January 1, 1965, state the following:
 - ((a) Number of purchases in which the initial offer was less than the agency approved appraisal;
 - ((b) Number of actual purchases made at less than the agency approved appraisal;
 - ((c) Number of purchases made at the agency approved appraisal; and
 - ((d) Number of purchases made above the agency approved appraisal.

(The responses received are as follows:)

DEPARTMENT OF THE ARMY,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, D.C., June 24, 1968.

Hon. EDMUND S. MUSKIE,
Chairman, Subcommittee on Intergovernmental Relations,
U.S. Senate, Washington, D.C.

DEAR SENATOR MUSKIE: General Cassidy has asked me to reply to your recent communication requesting certain information to be used in developing a full record with respect to S. 698, the Intergovernmental Cooperation Act.

The information in the following paragraphs is furnished in response to the corresponding paragraphs in your letter:

(a) No changes have been made in our relocation assistance and compensation policies, procedures, or benefits, subsequent to the report to the Select Subcommittee on Real Property Acquisition, as published in December 1964.

(b) No changes in policy or procedure relating to the evaluation, appraisal, negotiation and acquisition of real property have been made subsequent to the report to the select subcommittee.

(c) In our acquisition procedures, the initial offer does not always represent the exact appraisal figure but it does represent a fair price for the property. All initial offers are within a reasonable range of the appraisal figure, taking