tions to fulfill this commitment have been (1) support of full voting representation, (2) support for expansion of "Home Rule" for the District and (3) support to provide Federal tax equity and predictability to the financial relationship between the Federal government and the District.

I have also proposed removal of the Federal responsibility for the District's Budgetary process by 1982, as well as the development of an equitable Federal payment process on the District's revenue-sharing programs from the District's Budgetary process by 1982, as well as the development of an equitable Federal payment process on the District's revenue-sharing programs. We must rest on the objective, equitable basis and not be used as a device to balance the District's budget. To achieve movement toward that goal, I recommended a Federal payment for fiscal year 1979 totaling $317 million—the highest total ever recommended by a President.

It is against that background that my Administration last year expressed its willingness to work with the Congress and the District to develop a sound, reasonable solution to the District's current financial difficulties with its pension programs for police, firemen, teachers and other employees. Previous Administrations have declined to acknowledge any Federal responsibility for the District's current pension funding problems. In the interest that passed the House of Representatives, my Administration announced its willingness to assume sixty percent of the responsibility for the District's current pension funding problems. In the bill that passed the House of Representatives, my Administration announced its willingness to assume sixty percent of the cost of making a transition to an actuarially sound system. This would have obligated the Federal government to make payments of $462 million over 35 years. Instead, the Congress ultimately adopted a different method of funding which was not actuarially sound at all. The Administration has no other Federal responsibility for the District, except in the area of employee retirement policies. I share the concern for the quality of the quality of retirement programs on a sound basis in a manner which both limits the extent of Federal financial responsibility, while also recognizing the Federal responsibility in this area.

JIMMY CARTER.


H.R. 9518
MEMORANDUM OF DISAPPROVAL

I have decided not to sign into law H.R. 9518. This legislation, which would impose severe enforcement measures in the area of ocean shipping rebating, reflects concern with the possibility of disparity in enforcement of our anti-rebating laws against U.S.-flag carriers but not against foreign flag operators. I share that concern, and any disparity that exists must be eliminated.

The United States is currently engaged in important discussions with several European countries and Japan in an attempt to reach cooperative agreements involving a number of shipping problems, including rebating. Rather than taking immediate unilateral action undermining these efforts, I have directed the Secretary of State, in cooperation with the Federal Maritime Commission and other agencies to pursue these talks vigorously and to report to me on their progress. I am also directing the Administration to fulfill its Task Force to provide, by an early date, a set of recommendations that will address both the substance of our rebating laws as well as procedures for enforcement, taking into account the international character of ocean shipping.

In the interim, I am asking the Federal Maritime Commission to step up its enforcement efforts against illegal rebating under the authority now provided in the Shipping Act of 1916. The Administration is committed to assist the FMC in these efforts, and I urge the FMC to seek the assistance of the Department of State in obtaining any necessary cooperation from foreign governments.

Although I am withholding my signature on H.R. 9518 I believe the bill represents an important signal to foreign countries that we must work together to secure a cooperative shipping regime. I commit my Administration to work with the next Congress to develop a comprehensive maritime policy for the United States, in which the concerns reflected by this bill as well as broader policy issues can be fully addressed.

JIMMY CARTER.


H.R. 13719
MEMORANDUM OF DISAPPROVAL

I have withheld my approval of H.R. 13719, which would have authorized special Federal payments to Guam and the Virgin Islands to offset the local revenue losses during calendar years 1978 through 1982 caused by the Revenue Act of 1978.

Because income taxes paid by territorial residents to the governments of Guam and the Virgin Islands are based on the U.S. Internal Revenue Code, tax changes intended to reduce Federal income tax liabilities in the United States have a corresponding effect in reducing territorial tax liabilities. H.R. 13719 would have authorized direct grants to the territories to offset revenue losses associated with the 1978 tax act.

While recognizing the defects in the current territorial tax structure which H.R. 13719 was designed to alleviate, particularly the effects of periodic Federal tax reductions on local revenues, I do not believe the bill provides an acceptable and workable approach to reducing reasonable local tax efforts with direct Federal payments, the bill is simply another attempt to manage territorial deficits without addressing the underlying economic problems which have led to those deficits. We can no longer afford a piecemeal approach to the growing revenue problems of the territories.

Accordingly, although I am disapproving H.R. 13719, I am directing the Secretaries of the Interior and the Treasury to study the financial situation of both the Virgin Islands and Guam and to recommend a plan designed to help those governments achieve a higher degree of financial stability without perpetuating a piecemeal system which is costly to the Federal Government and which does not sufficiently encourage responsible financial management in these territories.

JIMMY CARTER.

H.R. 11545
MEMORANDUM OF DISAPPROVAL

I have withheld my approval of H.R. 11545, the Meat Import Act of 1978.

I do so because the bill would severely restrict Presidential authority to increase meat imports and would place a floor or minimum access level for meat imports that I believe is too low. It deprives a President of the only anti-inflationary tool available in this area.

Current law allows the President substantial flexibility to increase meat imports when, in his judgment, domestic supplies are inadequate to meet demand and the rate of prices. I am convinced that this flexibility must be preserved, as a weapon against inflation.

Under this bill, however, authority to increase meat imports would be tied to the declaration of a national emergency or natural disaster, or to a restrictive price formula. Under this formula, the farm price of cattle would have to increase faster than the retail meat price by more than ten percent during the first two calendar quarters of a year. Under this
formula, quotas could have been relaxed only once in the last ten years.

I also believe that the United States must avoid imposing excessive restrictions on our trading partners who supply us with meat. H.R. 11545 would impose those restrictions by stipulating a minimum access level for meat imports of 1.2 billion pounds, instead of the 1.3 billion pounds my Administration recommended. I am concerned that the bill's lower level could harm our trade relations with the meat exporters and thus impair their long-term reliability as sources of additional meat supplies when our own production is low, particularly at a time when we are negotiating for greater access to foreign markets for both our industrial and agricultural products.

If the Congress had enacted H.R. 11545 without those objectionable provisions, I would have been pleased to sign it, as my advisers make clear repeatedly. The bill would have amended the Meat Import Act of 1964 to provide a new formula for determining meat import quotas. The new formula would have adjusted meat import quotas up when domestic production of meats subject to the quota went down. Under the 1964 meat import law, quotas are adjusted in the opposite way, so that as domestic production declines, the limits on meat imports are tightened, at exactly the wrong time. This defect has often compelled Presidents to increase or suspend the meat import quota, in order to ensure supplies of meat at reasonable prices. The new counter-cyclical formula would, in most years, automatically make the necessary adjustment, with-out involving the President in the normal operation of the meat trade. This Administration supports such counter-cyclical management of meat imports; in fact, the Department of Agriculture was instrumental in developing the formula which the Congress approved. But for all the advantages of the new formula, it is still an untested mechanism which the President should respond ideally to all future situations. This is why I find the restrictions on the President's discretion to increase meat imports completely unacceptable and why my Administration's support for H.R. 11545 was so clearly conditioned upon removal of those restrictions and on increasing the minimum access level for meat imports to 1.3 billion pounds annually.

I am prepared to work with the Congress next year to pass a counter-cyclical meat import bill which will provide the stability and certainty the cattle industry needs, while preserving the President's existing discretionary authority and setting an acceptable minimum access level for imports.

JIMMY CARTER.


H.R. 9370

MEMORANDUM OF DISAPPROVAL

I have withheld approval from H.R. 9370, "A bill to establish new Federal programs and assistance for the development of aquaculture in the United States." While the underlying purpose of the bill—development of an active aquaculture industry—is sound, I am concerned that the numerous broad-reaching programs established under the bill are pre-mature. I have directed the National Aquaculture Council to assess the state of aquaculture in the U.S. and to prepare a National Aquaculture Development Plan—a detailed set of Federal activities to expand the commercial potential of certain aquatic species. It would establish substantial new programs of Federal assistance to carry out the plan and undertake demonstration projects in aquaculture. The bill also would create a Federal Aquaculture Assistance Fund to provide financial assistance and support to the aquaculture industry through a new Federal loan guarantee program and a new Federal insurance program.

The Administration recognizes the importance of aquaculture, the need for effective programs to support this, and the concept of an active aquaculture industry. In fact, many of the actions that the bill would require are already underway. Federal agencies are now involved in a wide variety of aquaculture activities, and they already have the legislative authorities they need to do more. We will not allow the effectiveness of our restraint agreements to be undermined by significant increases in shipments from uncontrolled suppliers, and we will maintain a worldwide evaluation of the imports of textile and apparel into the U.S. and seek appropriate action, country-by-country, as expediency warrants.

We will be prepared to expand the pilot project underway in the men's tailored clothing industry so that other sectors may benefit from that experience, and we will speed proposals for a similar program in the ladies apparel industry.

We will negotiate strenuously for removal of non-tariff barriers to U.S. textile and apparel exports, including restrictive "rules of origin."

The Office of the Special Representative for Trade Negotiations will begin a new policy review and report to me quarterly on developments in the domestic textile and apparel industry, with special emphasis on imports and exports, so that appropriate actions can be taken more promptly.

These steps, like those of the past year, will not be the limit of our assistance to this vital industry. But each step that must be directed toward the long-term health of this industry and the United States economy as a whole— unlike H.R. 9370 which on balance is detrimental to the textile industry, to its two million workers, and to the Nation as a whole.

JIMMY CARTER.


H.R. 9937

MEMORANDUM OF DISAPPROVAL

I have withheld approval from H.R. 9937, "A bill to establish new Federal programs and assistance for the development of aquaculture in the United States."