

To the House of Representatives:

The pressing need to control inflation compels me today to return to the Congress without my approval H.R. 15472, an appropriations bill for the Department of Agriculture, the Environmental Protection Agency and certain related agencies and programs.

Two weeks ago, I vowed to the American people that any appropriations bill substantially above my budget for fiscal year 1975 would be vetoed because it would otherwise contribute to inflationary forces in the economy. This legislation exceeds my budgetary recommendations by such a large amount—some \$540 million—that it presents a clear and distinct threat to our fight against inflation and cannot be accepted.

Under this legislation, outlays for fiscal year 1975 would exceed our recommendations by \$150 million in fiscal year 1975, \$300 million in fiscal year 1976, and by additional amounts in fiscal year 1977. Water and sewer grants for the Department of Agriculture would be authorized at a level of about \$345 million, a level more than eight times higher than any level in the past. Funding for agricultural conservation programs would be more than doubled, completely reversing recent efforts of this Administration to reform these programs Furthermore, this bill would increase certain loan programs operated by the Department of Agriculture by \$400 million more than we recommended, an increase which would further strain already overstressed credit markets and would add to inflationary pressures.

I also oppose a provision in this bill transferring from the Department of Housing and Urban Development to EPA a \$175 million program to clean up the Great Lakes. The feasibility of this cleanup program has not yet been proven. Further study is essential if we are to avoid ineffective Federal spending for these purposes.

My original budget recommendations to the Congress laid out program priorities as we see them in the executive branch. While differences have frequently existed between the Congress and the executive branch on priorities for particular programs, I firmly believe that our current fiscal situation demands national unanimity on the issues of a larger concern: namely, that we agree to enact appropriation bills which do not fuel the fires of inflation through excessive spending.

I would welcome Congressional reconsideration of this bill and the program priorities contained therein so that a more acceptable bill can be enacted. In keeping Federal spending under control, we do not intend, of course, to single out only farm or environmental programs. Indeed, I would hope that in considering all future appropriation measures, the Congress will assiduously avoid enacting measures which pose inflationary problems similar to the bill I am returning today.

RICHARD NIXON.

THE WHITE HOUSE, August 8 1974.

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