

RURAL WATER AND SEWER GRANT PROGRAM—
VETOING H.R. 3298

M E S S A G E

FROM

THE PRESIDENT OF THE UNITED STATES

VETOING

H.R. 3298, AN ACT TO RESTORE THE RURAL WATER AND SEWER
GRANT PROGRAM UNDER THE CONSOLIDATED FARM AND RURAL
DEVELOPMENT ACT

APRIL 5, 1973.—Message and accompanying act ordered to be printed as a
House Document

To the House of Representatives:

I am returning today without my approval H.R. 3298, an act to restore the rural water and sewer grant program which was terminated earlier this year.

My recent budget proposals to the Congress reflect the results of an intensive effort to identify Federal programs that should be reformed, cut back, or eliminated. In each case we asked one simple question: would this program justify an increase in taxes in order to pay for it?

The rural water and sewer program, which was launched eight years ago to assist rural communities in constructing water and sewer lines, failed that test. It forced the Federal taxpayer to pay for services that should be locally financed, and it did so in a most uneven and questionable way. We therefore terminated it on January 1, 1973, as part of our determined effort to hold down taxes and combat inflation.

Now the Congress seeks to revive the program. This is a disservice to the taxpayers of this country which I am not prepared to accept.

For many years, local communities have proudly financed and built their own water and sewer facilities. They have recognized that these services are primarily local in nature and should be primarily a local responsibility—just as local communities pay for their own garbage services and fire protection.

Resurrection of the rural water and sewer program would serve only to undercut that tradition, shoving aside local authorities for the increasingly powerful Federal Government.

This program also enlarges the Federal responsibility in a particularly ineffective and insidious way. Experience has shown that water and sewer grants have been distributed in a totally scattershot fashion. Many rural communities, although qualified under the program, have built their own water and sewage systems without waiting for Federal help. They need no incentive from Washington, D.C. Yet, in other cases, the water and sewer grants actually delay construction, as communities which would ordinarily finance the facilities on their own, choose instead to wait in line for Federal subsidies. The result has been a very uneven pattern of distribution. It should also come as no surprise that over time the program has attained a distinct flavor of porkbarrel.

Moreover, by singling out a relatively small group of people to receive Federal grants to help build their private water and sewer lines, this program forces the majority of taxpayers, in effect, to pay double taxes: once to build their own facilities and then again to build the sewers in someone else's backyard. This double taxation leads to little national good and deserves to be stopped, especially at a time when we are earnestly seeking to hold the line on Federal spending.

In view of the many defects in this program, I am convinced that it should no longer be inflicted on the American taxpayer. Congressional restoration of water and sewer grants at the appropriated level of H.R. 3298 would increase Federal spending by at least \$300 million during fiscal years 1973-1975. This would represent a dangerous crack in the fiscal dam that this Administration has constructed to hold back a further flood of inflation or higher taxes, or both.

A grave constitutional question is also raised by H.R. 3298, which purports to mandate the spending of the full amount appropriated by the Congress. The Attorney General has advised me that such a mandate conflicts with the allocation of executive power to the President made by Article II of the Constitution. Thus, H.R. 3298 is objectionable not only in its practical and economic aspects, but on basic legal grounds as well.

In reconsidering this bill, the Congress should bear in mind that my fiscal year 1974 budget already provides \$345 million in Rural Development Act loan funds for water supply systems in rural areas which will help local communities borrow at favorable interest rates. In addition, the Environmental Protection Agency will be providing grants of \$5 billion in fiscal years 1973 and 1974 for waste disposal facilities across the country. These grants will be awarded in accordance with State-established needs, and may be used in rural areas for high priority projects.

I recognize that, despite these programs, some rural communities in need of sewer assistance may still have financing difficulties because of their inability to borrow at reasonable rates. Fortunately, a solution to this problem exists.

If my veto of this bill is sustained, I will use my authority under the Rural Development Act to provide qualified rural communities with loans not only for water facilities but also for the development of sewage facilities. These loans for sewer services will be available in fiscal years 1973 and 1974. This step—taken at a fraction of the cost to the taxpayer required by H.R. 3298—will permit qualified small communities to compete for credit on reasonable terms.

Taken in conjunction with other measures already planned, this loan provision should provide sufficient Federal support to those communities which critically need water and sewage systems without shattering the limits of sound fiscal policy. I therefore urge all thoughtful, responsible Members of the Congress to join with me in preventing this costly, unwise and probably unconstitutional measure from becoming law.

In upholding my veto of the Vocational Rehabilitation Act earlier this week, the Congress demonstrated that it can set aside partisan political considerations in the interest of America's economic well-being. I urge the Members of the Congress to hold to that same resolve in reconsidering this second piece of inflationary, budget-breaking legislation.

Together, we can hold down taxes and inflation for all of the American people. Together, we can also create a climate in which local and State governments will have both the incentive and the means to meet their legitimate responsibilities without undue interference from Washington and without a proliferation of costly and unnecessary Federal programs such as the one which H.R. 3298 would re-establish.

RICHARD NIXON.

THE WHITE HOUSE, *April 5, 1973.*

H.R. 3298

NINETY-THIRD CONGRESS OF THE UNITED STATES OF AMERICA, AT THE FIRST SESSION, BEGUN AND HELD AT THE CITY OF WASHINGTON ON WEDNESDAY, THE THIRD DAY OF JANUARY, ONE THOUSAND NINE HUNDRED AND SEVENTY-THREE

AN ACT

To restore the rural water and sewer grant program under the Consolidated Farm and Rural Development Act.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 306(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(2)) is amended (1) by striking out the words "is authorized to" and inserting in lieu thereof the word "shall"; and (2) by inserting after the word "grants" the words "in the amounts specified in appropriations Acts".

SEC. 2. The first sentence of section 306 (a) (6) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926 (a) (6)) is amended by (1) striking out the word "may" and inserting in lieu thereof the word "shall"; and (2) by inserting after the word "grants" the words "in the amounts specified in appropriations Acts".

CARL ALBERT,
Speaker of the House of Representatives.

JAMES ABOUREZK,
Acting President of the Senate, Pro Tempore.

I certify that this Act originated in the House of Representatives.

W. PAT JENNINGS, *Clerk.*
By W. RAYMOND COLLEY.

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