

To the House of Representatives:

I am returning herewith without my approval H.R. 1, the "Water Quality Act of 1987." Because all regulatory, research, enforcement, and permit issuance activities are continued under permanent law and current appropriations—including grants to finance the construction of sewage treatment plants—I emphasize that my veto will have no impact whatsoever on the immediate status of any water quality programs.

The cleanup of our Nation's rivers, lakes, and estuaries is, and has been for the past 15 years, a national priority of the highest order. This Administration remains committed to the objectives of the Clean Water Act and to continuing the outstanding progress we have made in reducing water pollution. But the issue facing me today does not concern the ensuring of clean water for future generations. The real issue is the Federal deficit—and the pork-barrel and spending boondoggles that increase it.

The Clean Water Act construction grant program, which this legislation funds, is a classic example of how well-intentioned, shortterm programs balloon into open-ended, long-term commitments costing billions of dollars more than anticipated or needed. Since 1972, the Federal Government has helped fund the construction of local sewage treatment facilities. This is a matter that historically and properly was the responsibility of State and local governments. The Federal Government's first spending in this area was intended to be a short-term effort to assist in financing the backlog of facilities needed at the time to meet the original Clean Water Act requirements. When the program started, the cost of that commitment to the Federal taxpayer was estimated at \$18 billion. Yet to date, \$47 billion has been appropriated. H.R. 1 proposes to put still another \$18 billion of taxpayers' money into this program. Despite all this money, only 67 percent of all municipalities have actually completed the construction needed to comply with the Clean Water Act pollution limits. On the other hand, non-municipal treatment systems, which have received no Federal funding, have completed 94 percent of the construction needed for compliance with Federal pollution standards. I want a bill that spends only what we need to spend and no more-not a blank check. For these reasons I must disapprove H.R. 1, a bill virtually identical to S. 1128, which I disapproved last November.

Money is not the only problem with this legislation. In my November 6th memorandum of disapproval, I noted that S. 1128 was unacceptable not only because it provided excessive funding for the sewage treatment grant program, but also because it reversed important reforms enacted in 1981, for example, increasing the Federal share of costs on some projects that municipalities were going to build anyway. Furthermore, both S. 1128 and this bill would also establish a federally controlled and directed program to control what is called "non-point" source pollution. This new program threatens to become the ultimate whip hand for Federal regulators. For example, in participating States, if farmers have more run-off from their land than the Environmental Protection Agency decides is right, that Agency will be able to intrude into decisions such as how and where the farmers must plow their fields, what fertilizers they must use, and what kind of cover crops they must plant. To take another example, the Agency will be able to become a major force in local zoning decisions that will determine whether families can do such basic things as build a new home. That is too much power for anyone to have, least of all the Federal Government.

As part of my FY 1988 Budget, I proposed legislation that would avoid all these problems, while continuing our commitment to clean water. It would provide \$12 billion for the sewage treatment program, halfway between the \$6 billion I had proposed in 1985 and the \$18 billion the Congress proposes. Senator Dole introduced this proposal as a substitute for H.R. 1.

Specifically, the Dole substitute that was voted on by the Senate was identical to all provisions of H.R. 1 for programs other than sewage treatment, with one important exception—its program for non-point source pollution was not an open end for Federal regulators. It kept Federal environmental regulators off of our farms, off of our municipal zoning boards, and out of the lives of ordinary citizens. The Dole substitute would have given States complete discretion over participation in the non-point source pollution program and complete discretion over how they used Federal funds in the program. Let me repeat—controlling non-point source pollution has the potential to touch, in the most intimate ways, practically all of us as citizens, whether farmers, business people, or homeowners. I do not believe State programs should be subject to Federal control.

The \$12 billion requested in the Dole substitute would have financed the "Federal share" of all of the treatment plants that have already been started. It would also have provided the "Federal share" of financing for all facilities needed to meet the July 1, 1988, compliance requirements in the Clean Water Act. It was as much money as we needed to get the job done—period.

The Dole substitute offered the Congress a genuine compromise that met all of the national objectives and goals. Nevertheless, the Congress chose to ignore that proposal, forgoing even the normal hearing process, and repassed last year's legislation with virtually no changes. The House Rules Committee even prevented consideration of this compromise by the full House. They sought to challenge me. But in so doing they are sending a message to the American people and the world that those who want to raise taxes and take the lid off spending are back again. This is perilous.

H.R. 1 gave the Congress the opportunity to demonstrate whether or not it is serious about getting Federal spending under control. The Congress should fulfill its responsibility to the American people and support me on these important fiscal issues. Together we can cut the deficit and reduce spending. But by passing such measures as H.R. 1, the Congress divides our interests and threatens our future.

Ronald Reagan.

THE WHITE HOUSE, January 30, 1987.