programs which cannot be assumed by others, and second, on the conviction that others should begin to assume the full responsibility for the cost of construction and improvement of civil airports.

Over the past two decades, more and more airports have progressed to the point of self-sufficiency. Aviation generally is a state of economy in which the users should be expected to pay an increasing share of airport costs. With the continued growth of aviation and the application of sound management principles, the progress toward airport self-sufficiency should continue.

I recognize that there will doubtless be a transitional period during which the Federal Government will be required to provide aid to urgent airport projects which are essential to an adequate national aviation facilities system and which cannot be completed in any other way. However, this bill does not provide for this purpose — the program itself sharply increases the level of the existing program. It does not provide for aid to the most urgent airport projects, but only for the development of an operation formula which is not related to broad aeronautical needs.

The existing program continues through June 30, 1959, so no community will be hurt by the withholding of approval of this legislation. At the next session of the Congress, the administration will recommend a transitional program to provide aid for the construction of urgent projects that are essential to an adequate national aviation facilities system.

Dwight D. Eisenhower.

THE WHITE HOUSE, September 2, 1958.

AREA REDEVELOPMENT BILL

S. 3683. I am withholding my approval from S. 3683, the area redevelopment bill.

Every year for the past 3 years I have strongly endorsed the proposition of a program of Federal assistance to communities of substantial and persistent unemployment for the purpose of assisting those communities to construct a sounder and more secure economic base. I regret that no action along these lines has been taken by the Congress until this year and, needless to add, I am greatly disappointed that I find myself unable to approve the present bill.

My disapproval need cause no unnecessary delay in initiating a sound area assistance program. Even the unsound program contemplated by S. 3683 could not be of immediate help to any community because the Congress, before adjournment, failed to provide any money to carry out the bill’s purposes. Until the next session of the Congress, the needs of areas of severe and persistent unemployment can be met in part through the new program of loans to State and local development companies under the Small Business Investment Act of 1958 which I recently approved.

The repeated recommendations of the administration recognized that the major responsibility for planning and financing the economic redevelopment of communities of chronic unemployment must re-

main with local citizens if Federal programs are to be effective. The present bill departs from this principle, and would greatly diminish local responsibility. In doing so, and in including other undesirable features, it defeats any reasonable chance of giving effective help to the communities really in need.

S. 3683 provides for less local participation in the costs of local development projects than is necessary to stimulate and assure the continuing interest and support of local governmental and private interests. The administration recommended loans, for periods of 25 years, in amounts not exceeding $5 percent of the cost of redevelopment projects. S. 3683, on the other hand, provides for loans for such projects for periods of 40 years, at artificially low interest rates, in amounts up to 65 percent of the total cost of a project.

S. 3683 proposes in addition a program of Federal grants for public works in rural areas. However, I believe it would be possible to have no local participation whatever. Moreover, the criteria for making these grants are so loosely drawn that no assurance that funds, administration of these provisions would be almost impossible. This is a field in which, if the Federal Government participates at all, it should be able to rely on local efforts backed by significant local contributions.

S. 3683 is also defective in my judgment because its assistance in certain instances, would be available in areas in which unemployment is traceable essentially to temporary conditions. Federal assistance to communities where unemployment is not clearly chronic would necessarily mean the assumption of responsibility by the Government for the direct support of local economies—an assumption of responsibility that would have the most profound consequences.

I also believe it would be a grave mistake to establish an area program which would be that of an area assistance program in the Housing and Home Finance Agency. Such a program should be lodged, not with an agency concerned with residential housing and related matters, but rather with the Department of Commerce which has primary responsibility for business and industrial development and a long experience in extending to local areas technical aid for economic development.

S. 3683 also contemplates a Federal redevelopment assistance, including loans, in rural areas. There is serious question as to whether Federal loans for the construction of industrial buildings in rural areas would be a proper or effective approach, much less a permanent one, to the problems of surplus labor in essentially agricultural communities.

It is my intention next January when the Congress reconvenes to request the Congress to enact area assistance legislation containing provisions to carry out the purposes which I have repeatedly stressed as being in the national interest. It is my hope that Congress at that time will move with all possible speed to enact such an area assistance program.

Dwight D. Eisenhower.

THE WHITE HOUSE, September 6, 1958.