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James C. Hagerty
Press Secretary to the President

THE WHITE HOUSE

TO THE SENATE OF THE UNITED STATES:

I return herewith, without my approval, S. 497. The bill would properly authorize needed appropriations of over \$800 million for 14 previously authorized river basin plans on which legal limitations on appropriations were imposed in earlier legislation. The bill would also authorize future appropriations for 140 new water resources development projects or project modifications estimated to cost nearly \$900 million. Many of these are sound projects which will make important contributions to our national wealth, but others are not justified for reasons I shall detail.

It is with real regret that I have found it necessary for the second time in two years and for many of the same reasons to disapprove omnibus legislation authorizing appropriations for rivers and harbors and flood control improvements.

The Congress in enacting S. 497 has in many instances disregarded the careful study and considered judgments of the professional services and other executive agencies concerned. The bill would authorize 28 new projects or project modifications estimated to cost about \$350 million under terms which I cannot approve without destroying some of the most important governmental policies in the field of water resources development. The bill has other unacceptable provisions. In particular I believe that the bill is defective for the following reasons:

1. It would authorize 14 projects, estimated to cost about \$168 million, on which the local participation provided for in the bill does not adequately reflect the substantial local benefits which would result. It would also reduce the cost sharing required for one other previously authorized project. I believe a sound national policy requires that a comparable measure of responsibility for projects where there are identifiable beneficiaries must remain at the State and local level. I also believe, as I stated in August of 1956 in my disapproval of legislation similar to S. 497, that authorization of water resource projects on the terms provided for in the bill would result in the loss of the best test yet devised for insuring that a project is sound -- the willingness of local people to invest their own money in a joint enterprise with the Federal Government.
2. It would authorize 4 projects estimated to cost over \$27 million on which adequate reports have not yet been submitted to the Congress under legally established procedures. It is, therefore, not possible to determine whether their authorization would be in the public interest.

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3. It would authorize 3 projects estimated to cost about \$115 million which the reports of the Chief of Engineers show have no economic justification.

I cannot overstate my opposition to this kind of waste of public funds.

4. It would authorize the reimbursement of local interests for work accomplished by them in their own behalf prior to authorization of a Federal project, on the grounds that the work is similar to that undertaken elsewhere by the Federal Government. I consider it quite inequitable to provide for this kind of reimbursement when local communities all over the country are investing their money in public works projects which are similar to many kinds of Federal projects.
5. It would authorize a new small boat harbor in spite of the fact that adequate harbors are located nearby and the likelihood that local interests cannot meet the cost sharing requirements recommended by the Chief of Engineers.
6. It would authorize as costs to Oahe and Fort Randall Reservoirs 5 payments for damages alleged to have been suffered from construction of those reservoirs in South Dakota. In 3 of these cases the executive branch has determined that there is no legal liability and the Congress has previously accepted this determination. In one of the other 2 cases there appears to be no merit to the claim, and in the final case it may be possible to adjust the claim administratively.
7. It would authorize, in reservoir projects of the Corps of Engineers and the Bureau of Reclamation, the inclusion without reimbursement of water storage for increasing the flow in times of low water, even though the beneficiaries of such works may be clearly identifiable. It would also authorize the inclusion of municipal and industrial water supply storage in such projects without providing adequate standards for payment of an appropriate share of the basic costs by local interests. In addition, there has been insufficient exploration of the complex legal implications of these ambiguous provisions as affecting water rights. It is my firm conviction that such important substantive changes affecting water resources policy and costs should be made, if at all, only after full, independent consideration not related to an omnibus authorization bill. The Secretary of the Army has previously made suggestions for acceptable legislation on this subject.
8. It contains a provision that, contrary to a time honored principle, is intended to affect the conduct of litigation now pending in a Federal Court.

In addition, the bill would authorize 3 projects estimated to cost about \$38 million, representing the first proposals for a broad new Federal program of hurricane flood protection in tidal waters, without adequate consideration of the level of local participation in the cost of such a program. These three are sound, worthwhile projects, and I believe that the Federal Government has a responsibility to assist State and local communities in such a program of local protection against floods resulting from hurricanes. I have, therefore, requested the Secretary of the Army to submit to me at the earliest practicable date his recommendations for an appropriate

Sec 205

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division of responsibilities between the Federal Government and the affected State and local governments for such a program. I shall then be prepared to recommend to the Congress the enactment of legislation on this subject.

The argument has been advanced that S. 497 is needed for the stimulus to the economy which would result from starting the projects it would authorize. I would point out that significant steps have already been taken to accelerate Federal construction activities. Should it be found desirable to increase these activities further, appropriations will be recommended for projects capable of being started quickly.

At the present time there is a backlog of public works projects estimated to cost nearly \$5 billion. With a few minor exceptions, it would be many months, even years in the case of larger projects, before the necessary plans could be completed and actual construction started on the new projects which this bill would authorize.

I believe that the experience of the last three years suggests that the authorization of water resources development projects might better be handled by a divided approach to the problem. Projects favorably reported on by the Chief of Engineers, and to which the Executive Branch has no objection, could be included in one bill. The authorization of other projects, not meeting either of the above criteria, could then be proposed in separate bills, one for each such project. This approach would, I believe, provide a better opportunity for the kind of careful review by the Congress and the Executive Branch which should be given to matters of such importance to the people of this Nation.

Meanwhile, I recommend that the Congress act quickly to provide increased monetary authorizations for the river basins where 1958 and 1959 fund requirements for projects now under construction will exceed present statutory limits. This can be accomplished by enactment of legislation submitted to the Congress in January by the Secretary of the Army.

DWIGHT D. EISENHOWER

THE WHITE HOUSE,

April 15, 1958

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