The original documents are located in Box C5, folder "Presidential Handwriting, 10/26/1974" of the Presidential Handwriting File at the Gerald R. Ford Presidential Library.

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THE WHITE HOUSE WASHINGTON

October 26, 1974

Mr. President:

The signing statement mentioned in Ken Cole's cover memo has not completed the staffing process. It will be forwarded to you for your consideration on Monday. In the meantime I thought it important that you have the opportunity to consider this decision, since there is a staff split on the recommendation as to sign or veto.

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STATEMENT BY THE PRESIDENT

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I have approved H.R. 15736, the Reclamation Development Act of 1974.

This bill contains many desirable and needed reclamation program authorizations. For example, it will transfer the town of Page, Arizona — currently owned by the Federal Government — to non-Federal interests, thereby permitting it to function as a viable community with most residential and commercial property in private ownership. The bill will also provide for inclusion of additional hydroelectric power facilities in an existing major Colorado project.

On the other hand, H.R. 15736 contains some features which represent undesirable departures from established Federal water resource policies. In particular, several authorizations would impose on the Federal Government costs that properly should be borne by State and local interests. In addition, there are unresolved questions regarding the environmental impacts of several projects.

On balance, I have concluded that the desirable features of H.R. 15736 outweigh the undesirable ones. However, I have directed the executive agencies concerned,

as part of the post-authorization review process, to carefully examine those program authorizations which depart from established policies or involve unresolved environmental problems.

On the basis of this review, I will determine whether corrective legislation is necessary, or whether funding for questionable projects should be requested.

At the same time, in order to achieve a reduction in Federal spending, I urge the Congress to approve my request for recession and deferral of funds already approved by Congress for certain reclamation projects to make certain we stay within the \$300 billion budget for fiscal 1975.

THE WHITE HOUSE

ACTION

WASHINGTON

Last day - Tuesday, October 29

October 26, 1974

MEMORANDUM FOR

THE PRESIDENT

FROM:

KEN COLE

SUBJECT:

Enrolled Bill: Reclamation Development

Act of 1974, H.R. 15736

BACKGROUND

This bill, as indicated in the attached enrolled bill memorandum, would fund sixteen Bureau of Reclamation projects and other authorizations located in ten States, at a total cost of approximately \$204 million.

ARGUMENTS FOR SIGNING

Interior and OMB have indicated to Congress approval of ten of these projects when each was originally the subject of separate legislation. Although the bill contains some bad projects, in balance the good outweighs the bad and some of these worthwhile projects have considerable support, both in the Congress and in their respective States.

ARGUMENTS FOR VETO

The Treasury Department argues that the bill's outmoded interest rate provisions warrant a veto. However, OMB points out that this is not a particularly significant problem and it is the subject of a broad study by the Water Resources Council. The Council on Environmental Quality objects to the environmental impact of two projects, both in Texas. However, there are environmental safeguards such as the Environmental Impact Statement which would still apply and provide necessary environmental protection.

STAFF AND AGENCY POSITIONS

The following recommend signature:

Roy Ash (with a signing statement strongly urging Congress to support your request for rescission or deferral of appropriations for projects now actually under construction)

Department of Interior Ken Cole Bill Timmons Phil Areeda (defers to OMB)

The following recommend veto:

Department of Treasury CEQ

DECISION - H.R. 15736

____Sign (Tab B)

Veto