

January 4, 1975

Office of the White House Press Secretary

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NOTICE TO THE PRESS

The President has signed the following bills:

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| S. 3934     | Federal Aid Highway Amendments of 1974<br>(statement)                        |
| H. R. 14449 | Extension & Modifications and the Economic<br>Opportunity Act<br>(statement) |
| H. R. 14689 | Lowell (Massachusetts) Historic Canal District<br>Commission<br>(statement)  |
| H. R. 17045 | Social Services Amendments of 1974<br>(statement)                            |
| S. 3548     | Harry S. Truman Memorial Scholarship Act<br>(statement)                      |
| S. 1017     | Indian Self-Determination and Education Assistance Act<br>(statement)        |
| S. 356      | Product warranties and FTC Act Amendments                                    |
| S. 2994     | National Health Planning and Resources Development<br>Act of 1974            |

The President has withheld his signature from:

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| H. R. 13296 | Authorization of Appropriations for the Maritime<br>Administration |
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January 4, 1975

Office of the White House Press Secretary

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NOTICE TO THE PRESS

The President has signed S. 3934 - Federal-Aid Highway Amendments of 1974 -- which authorizes over \$300 million for a number of categorical grants for various special projects; provides \$200 million in contract authority to implement a new program of aid to off-system roads; provides an additional \$150 million in contract authority for the construction of highways on the Federal-aid primary and secondary systems; authorizes appropriations of \$75 million for highway beauty programs; increased truck weight ceilings on interstate highways; makes the 55 mile per hour speed limit permanent; and extends the carpooling demonstration program to December 31, 1975.

The bill makes permanent the current temporary 55 mile per hour national speed limit which will otherwise expire on June 30, 1975, and extends until December 31, 1975 the demonstration carpooling program due to expire on December 31, 1974.

The bill increases the allowable truck weights for interstate highways from 18,000 to 20,000 pounds for single axle trucks, from 32,000 to 34,000 pounds for tandem axle trucks, and from 73,280 to 80,000 pounds for overall gross weight.

The bill provides contract authority of \$75 million for fiscal year 1975 for highway beauty programs -- \$50 million for the control of outdoor advertising, \$15 million for control of junkyards, and \$10 million for landscaping and scenic enhancement.

It provides \$347 million in additional authorizations for existing highway programs and \$405 million for new categorical grants.

The bill provides an additional \$100 million in contract authority for the construction of roads on the Federal rural primary system and an additional \$50 million for rural secondary system roads. The bill also authorizes contract authority of \$200 million to establish a new program for Federal assistance for the construction or reconstruction of rural roads not currently on any Federal-aid system.

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JANUARY 4, 1975

Office of the White House Press Secretary

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THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I am signing S. 3934, the Federal-Aid Highway Amendments of 1974.

This bill contains three energy-related provisions which I find highly desirable. First, it will establish 55 miles per hour as the national speed limit on a permanent basis. This limit has proven to be of great value in not only saving fuel but in decreasing the loss of life on our highways.

Second, this bill will extend the carpooling demonstration program for one year, until December 31, 1975. This program provides funds to states and localities to encourage the use of carpools. The Department of Transportation has estimated that it could save this country five billion gallons of gasoline a year. In addition, it will reduce air pollution and urban congestion.

Third, the bill will increase the allowable weights for trucks on interstate highways. Largely because of the lower speed limit, many truckers have found themselves in an economic bind, with decreased productivity. This modest increase in allowable truck weights should help them regain that productivity, without threatening public safety on the highways.

Unfortunately, the bill would also make many undesirable changes in the highway programs. For one, it would provide \$347 million in additional authorizations for existing highway programs and \$405 million for new categorical grants. Of these amounts, more than \$500 million in contract authority would be available to States without further action by the Congress.

Since funds for many of the existing programs are already being deferred, these extra authorizations are not needed. Approving these funds at this time would not only be unnecessary but highly inflationary as well. In addition, one of the objectives of this Administration is reduce or eliminate categorical grants. This bill provides authorizations for numerous new categorical grant programs. Accordingly, I will recommend to Congress that release of most of this highway obligational authority be deferred for 1975. I hope Congress will agree with this plan.

The 94th Congress and the Administration must work together to develop a highway program for this decade which is compatible with our national transportation and economic objectives. I will work with the Congress to develop such a program.

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Office of the White House Press Secretary

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NOTICE TO THE PRESS

The President has signed H.R. 14449 - Head Start, Economic Opportunity, and Community Partnership Act of 1974 which extends and modifies programs in the Economic Opportunity Act of 1964 and authorizes appropriations through fiscal year 1977 for those programs, including Head Start, Community Action, and Community Economic Development; creates a new agency, the Community Services Administration, as a successor to OEO.

Authorizations of appropriations

For most programs, the bill will authorize "such sums" through fiscal year 1977. The bill will provide for automatic extension of authorizations for one additional year, fiscal year 1978, if Congress fails to act on extension. The following table compares the authorizations in H.R. 14449 with current funding levels: (\$ in millions)

	<u>1975 current funding rate</u>	<u>Authorizations in H.R. 14449</u>		
		<u>FY 1975</u>	<u>FY 1976</u>	<u>FY 1977</u>
Community Action:				
CAP Grants	329	330	Such sums	Such sums
Other CAP activities	124 (453)	Such sums	Such sums	Such sums
Head Start	430	Such sums	Such sums	Such sums
Community Economic Development	39	39 + Such sums	Such sums	Such sums
Native Americans	31	Such sums	Such sums	Such sums

(\$ in millions)

	1975 current funding rate	<u>Authorizations in H. R. 14449</u>		
		<u>FY 1975</u>	<u>FY 1976</u>	<u>FY 1977</u>
Follow Through	47	60	60	60
Demonstration Community Partnership Agreements	--	50	Such sums	Such sums

Community Services Administration

The bill will establish on the date of enactment a new executive branch independent agency, the Community Services Administration. CSA will in all respects and for all purposes be the successor agency to OEO. It will be headed by a Presidentially-appointed and Senate-confirmed Director, Deputy Director, and Assistant Directors, although persons occupying comparable positions in OEO could continue to serve in CSA.

The Director of CSA will be responsible for carrying out specified titles of this Act, and responsibility cannot be delegated to any other officer not directly responsible to him. After June 15, 1975, policymaking, including final grant and contract approval, cannot be delegated to any regional office or official.

Community Action Programs

The bill will continue the Community Action Programs (CAP's) and will amend the EOA to modify some of the provisions concerning these programs.

This bill will add a new program, "Demonstration Community Partnership Agreements." Under this program the Director can provide financial assistance to a CAA or other agency for new programs or to supplement existing programs. The Federal assistance cannot exceed 50 percent of the cost of the new or supplemental program, and no State can receive more than 12-1/2 percent of the funds appropriated for this purpose.

The following new special programs will be authorized:

-- "Emergency Energy Conservation Services," which will enable low-income individuals and families to participate in energy conservation programs designed to lessen the impact of the high cost of energy on them and to reduce their energy consumption.

-- "Summer Youth Recreation," which will provide recreational opportunities for low-income children during the summer months. Funds will be allocated to prime sponsors and other agencies designated under Title I of the Comprehensive Employment and Training Act according to a specified formula.

The bill will create in CSA an Intergovernmental Advisory Council on Community Services composed of nine Presidentially appointed members to encourage formation of and review and evaluate community partnership agreements. The Council will submit annual reports to the President and to the Congress on or before March 1 of 1976 and 1977 on its activities and findings, together with such recommendations for legislation as it may deem appropriate.

The bill will provide for forward funding of Head Start. Funds will be distributed by a formula based on the relative number of (1) public assistance recipients, and (2) related children living with families with incomes below the poverty line, in each State as compared to all States, but each State will receive at least as much as was obligated for its use by Head Start programs in the State with respect to fiscal year 1975. Priority in designating Head Start agencies will go to any local public or private non-profit agency receiving funds under any Head Start program on the date of enactment.

The CED program was authorized under Title VII of the EOA, and most provisions in H.R. 14449 carry forward provisions from that act. The new features of Title VII in the bill include:

-- A requirement that the Director of CSA prepare a plan of action for establishment of a Model Community Economic Development Finance Corporation to provide

user-controlled independent long-term financing for community economic development corporations. The Director will have to submit the plan to the appropriate committees of Congress by June 1, 1975.

-- Authorizations for financing social service programs (child care, educational services, health services) under Title VII. There is no provision for these services in the old title.

-- Provision for financial assistance for the planning of community economic development programs.

-- A requirement that the Director utilize the services of the Farmers Home Administration in administering the existing Development Loan Fund. No such requirement previously existed.

The Development Loan Fund will include two revolving funds, one of which would be a Rural Development Loan Fund. The services of the Farmers Home Administration will be used in administering this fund. The bill will also provide an additional authority for financing cooperative farming operations.

#### Native American Program

The bill will expand this program to include Hawaiian natives, as well as American Indians and Alaskan natives, and will authorize it through fiscal year 1977. The Secretary can delegate to the heads of other departments and agencies of the Federal Government any of his functions, power, and duties under this title.

#### Comprehensive Health Services

The bill will create new separate authorities for Health, Education, and Welfare to operate these former OEO programs.

#### Migrant farmworkers

The bill will provide that the migrant program authorized under the EOA be placed under CSA. The Labor Department has been operating this program under delegation from OEO, as well as the broader program established under CETA for migrants. The bill will prohibit delegation of the CSA Director's responsibilities for migrants.

In addition, H.R. 14449 will require the Director of CSA to coordinate its migrant program with other Federal programs for migrants and seasonal farmworkers, and to review and monitor such programs.

Research, Demonstrations, and Evaluation

The Director of CSA will be authorized to plan in consultation with other Federal agencies and provide financial assistance for research, demonstration, and pilot projects designed to test or assist in the development of new approaches or methods to aid low-income individuals in overcoming problems and securing opportunities for them to become fully selfsufficient.

The Director will also be authorized to evaluate all programs authorized by this Act and poverty-related programs authorized by other Acts.

Within twelve months of the date of enactment and on April 1 of each year thereafter, the Director would prepare for the Congress a report including any recommendations for additional legislation he deems necessary.

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JANUARY 4, 1975

Office of the White House Press Secretary

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THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I signed into law H.R. 14449, the "Headstart, Economic Opportunity, and Community Partnership Act of 1974," a bill which continues the Community Action Program under a new agency, the Community Services Administration.

Although I have many reservations about features of this bill, I am signing it because the measure is probably the best compromise we can hope to obtain. The deadlock that has continued for several years between the executive branch and the Congress regarding the future of the Community Action Program and the existence of a separate Office of Economic Opportunity had to be broken.

This bill authorizes the transfer of a successor agency into the Department of Health, Education, and Welfare. While I would have preferred to end direct Federal financial assistance to Community Action Agencies, the Congress, in this bill, has taken a significant step in the right direction. It has gradually scaled down the Federal funding for these agencies and included the Community Action Program in the transfer to HEW.

I believe strongly that Federal social and economic assistance programs should be developed and operated with great sensitivity to the needs of the poor. But I also feel strongly that those needs will be better served when programs that benefit the disadvantaged are considered and managed together.

To this end, I have ordered the development of a reorganization plan as authorized by this bill for my review.

I am also considering sending to the Congress proposals that will eliminate unnecessary organizational impediments contained in this measure. These proposals would assure more orderly and efficient management of Federal programs to aid the poor.

Finally, to avoid waste of effort that might occur, I will not seek funding for duplicate program authorities provided in the enrolled bill.

I applaud the efforts of the Congress in helping bring to an end the stalemate over this legislation. I look forward to making these programs an effective part of our overall effort to serve the real needs of the disadvantaged.

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January 4, 1975

Office of the White House Press Secretary

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NOTICE TO THE PRESS

The President has signed H. R. 14689 - Lowell (Massachusetts) Historic Canal District Commission, which establishes a nine-member commission to study and make recommendations, regarding a plan for the preservation, interpretation, development, and use of the Historic Canal District in Lowell, Massachusetts.

The nine-member study commission which H. R. 14689 will establish will consist of the Secretaries of the Interior, Commerce, HUD, and Transportation along with five other members to be appointed by the Secretary of the Interior from public and private life including the Director of the National Park Service and two persons nominated by the governor of Massachusetts and two by the manager of the city of Lowell. The commission, which appears to be contemplated as a continuing body, will be required to submit its plan for the Canal District area within two years of the date of enactment. Appropriations of not to exceed \$150,000 will be authorized to support the commission's work under the generally standard housekeeping provisions of the bill.

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FOR IMMEDIATE RELEASE

JANUARY 4, 1975

Office of the White House Press Secretary

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THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I have approved H.R. 14689, a bill "to provide for a plan for the preservation, interpretation, development, and use of the historic, cultural, and architectural resources of the Lowell Historic Canal District in Lowell, Massachusetts, and for other purposes."

This legislation establishes a nine-member commission for the purposes outlined with an authorization of \$150,000 to support the work of the commission.

In signing this bill into law, I associate myself fully with the view of the House Interior Committee that "Congress would be required to take additional affirmative action before any federal commitment to the implementation of the plan would be made."

This view makes it clear that none of the provisions of this bill, or its authorization of Federal funds to support the work of the commission, constitutes any commitment to future Federal funding or participation in the Canal District project. Enactment of the bill does not alter the criteria determining whether Federal support will be provided areas such as the Lowell Historic Canal District.

In my judgment, the foregoing considerations should guide the commission in the preparation of its plan, and I have approved the measure on that basis.

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January 4, 1975

Office of the White House Press Secretary

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NOTICE TO THE PRESS

The President has signed H. R. 17045 - Social Services Amendments of 1974 - which rewrites the statutory authorities governing the program of Federal financial assistance to the States for social services in order to clarify the program's purposes, operation, structure, and accountability; provides various new mechanisms, including a far more active role by the Federal government, to strengthen State efforts in establishing paternity, locating absent parents, and obtaining child support.

H. R. 17045 will establish as Title XX of the Social Security Act a new consolidated program for Federal financial participation in provision by the States of social services to welfare recipients and low -income persons.

The bill strengthens state efforts to collect child support from absent parents, particularly in the case of children who are receiving payments under the program of Assistance for Families with Dependent Children (AFDC).

The key objectives of the new legislation are to:

- give the States greater flexibility and discretion in designing and operating their social services programs,
- provide for greater public knowledge and increased accountability with respect to the use of Federal and State funds for social services by requiring a State planning, reporting, and evaluation process,
- tighten up on eligibility of persons to receive services under the program by tying eligibility to actual welfare status or income levels, with fees authorized to be charged for services,
- directs the program to community-and home-based care and services, and prohibit Federal payments for construction and for certain services that fall under other Federal programs.

Authorization -- The bill retains the \$2.5 billion annual ceiling on expenditures, with available funds to be allotted to the States on the basis of population. H. R. 17045 will continue the present Federal matching rate of 75 percent for all social services except family planning.

(MORE)

for which a 90 percent matching rate will continue.

The bill will provide Federal matching only for services to AFDC, SSI, and Medicaid recipients and to those non-AFDC and SSI recipients whose family income is not more than 115 percent of the median income of a family of four in the State.

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Office of the White House Press Secretary

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THE WHITE HOUSE

## STATEMENT BY THE PRESIDENT

Although I have signed H.R. 17045, I am pleased with most of its provisions, but concerned about others.

The provisions concerning the Federal-State partnership program for social services successfully concludes many long months of negotiations among the Congress; the Department of Health, Education, and Welfare; governors; State administrators; and spokesmen for producers and consumers. Ending a long impasse, the efforts of all exemplify my call for communication, cooperation, conciliation and compromise when I assumed the office of President.

The second element of this bill involves the collection of child support payments from absent parents. I strongly agree with the objectives of this legislation.

In pursuit of this objective, however, certain provisions of this legislation go too far by injecting the Federal Government into domestic relations. Specifically, provisions for use of the Federal courts, the tax collection procedures of the Internal Revenue Service and excessive audit requirements are an undesirable and an unnecessary intrusion of the Federal Government into domestic relations. They are also an undesirable addition to the workload of the Federal courts, the IRS and the Department of Health, Education, and Welfare Audit Agency. Further, the establishment of a parent locator service in the Department of Health, Education, and Welfare with access to all Federal records raises serious privacy and administrative issues. I believe that these defects should be corrected in the next Congress and I will propose legislation to do so.

I am particularly pleased that this legislation follows a desirable trend in Federal-State relations. It will improve the results of programs previously hampered by unrealistic assumptions of Federal review and control. Those decisions related to local conditions and needs will be made at the State level, while Federal responsibilities are clearly delineated. Indeed, the interests of not only the Federal and State governments, but also producers and consumers are recognized and protected. I also believe that this new legislation significantly improves program accountability and focuses funds on those most in need of services.

In summary, I regard the social services provisions as a major piece of domestic legislation and a significant step forward in Federal-State relations.

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NOTICE TO THE PRESS

The President has signed S. 3548 - Harry S. Truman Memorial Scholarship Act, which authorizes a permanent educational scholarship program as a memorial to honor former President Harry S. Truman, and authorizes \$30 million to establish a trust fund to finance the program.

S. 3548 is designed to honor President Truman by authorizing scholarships each year to students from the 50 states, the District of Columbia, Puerto Rico, and the territories, who indicate a serious intent to enter public service. The bill specifies that this scholarship program shall be the sole Federal memorial to President Truman.

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The President has signed S. 1017 - "Indian Self-Determination and Education Assistance Act" - which directs the Secretaries of Interior and Health, Education and Welfare to contract with Indian tribes for tribal operation of programs and services now provided by the Bureau of Indian Affairs and the Indian Health Service; establishes guidelines and criteria for such contracts; provides more Indian control over Federal contracts with public schools educating Indian students; and authorizes Interior to fund construction of public schools on or near reservations.

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The President has signed S. 356 - Product warranties and Federal Trade Commission Act Amendments -- which provides disclosure standards for written consumer product warranties against defect or malfunction; defines Federal content standards for such warranties; establishes consumer remedies for breach of warranty or service contract obligations; and grants the Federal Trade Commission expanded authority in carrying out its consumer protection activities.

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JANUARY 4, 1975

Office of the White House Press Secretary

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THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I have signed two bills that honor former Presidents Herbert Hoover and Harry S Truman.

S. 1418, the Herbert Hoover Memorial Bill, authorizes the Secretary of the Treasury to make available \$7 million in matching grants to the Hoover Institution at Stanford University for the construction and equipping of a new memorial building. This memorial building will complete the Hoover Institution's library and research complex. The addition of this building will make the dream of Herbert Hoover in 1919, when the Institution was founded, a reality. With expanded facilities, the Institution will be strengthened as a national and international center for advanced research on the problems of the 20th Century. It will make available to scholars and students from each of our states and every country in the world the research facilities essential to academic scholarship.

S. 3548, the Harry S Truman Memorial Scholarship Act, establishes a \$30 million fund in the United States Treasury. These proceeds will be used by the Truman Foundation to provide four-year college scholarships on a competitive basis to outstanding students interested in public service careers. There is no fixed number of scholarships, but at least one must be awarded in each state where there is a qualified applicant.

The Herbert Hoover Memorial Bill and the Harry S Truman Memorial Scholarship Act create living memorials to two Presidents and honor their many years of extraordinary and selfless public service. I am privileged to sign the Hoover and Truman Memorial legislation.

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JANUARY 4, 1975

Office of the White House Press Secretary

THE WHITE HOUSE

## STATEMENT BY THE PRESIDENT

I have signed into law S. 1017, the Indian Self-Determination and Education Assistance Act. My Administration is committed to furthering the self-determination of Indian communities without terminating the special relationships between the Federal Government and the Indian people.

The Congress is to be congratulated for its passage of this legislation. It will enhance our efforts to implement this policy of Indian self-determination.

Title I of this act gives the permanence and stature of law to the objective of my Administration of allowing -- indeed encouraging -- Indian tribes to operate programs serving them under contract to the Federal Government. Furthermore, with the passage of this act, Indian communities and their leaders now share with the Federal Government the responsibility for the full realization of this objective. It will be through the initiatives of Indian communities that the authorities provided in this Act will be implemented. I urge these communities to make the fullest possible use of them and pledge the support of this Administration.

In addition to making this kind of contracting a right, the act does much to make it feasible and practical.

For example, it authorizes the Bureau of Indian Affairs to make grants to tribal organizations to help them develop the abilities of potential workers -- through training and other means -- to operate these programs. At the request of the tribe, it also allows Federal employees who work in programs transferred to tribal operation to continue working without losing Federal fringe benefits, thus making it possible for the tribe to begin operation with a nucleus of experienced employees.

The granting authority provided in this act can also be used to strengthen tribal governments and tribally funded programs.

Title II, the Indian Education Assistance Act, amends the Johnson O'Malley Act to give the Indian community a stronger role in approving or disapproving the use of funds for children in public schools. It also provides for better planning in the use of these funds to meet the educational needs of the Indian students.

The enactment of this legislation marks a milestone for Indian people. It will enable this Administration to work more closely and effectively with the tribes for the betterment of all the Indian people by assisting them in meeting goals they themselves have set.

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January 4, 1975

Office of the White House Press Secretary

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NOTICE TO THE PRESS

The President has signed S. 2994 - National Health Planning and Resources Development Act of 1974 - which authorizes the establishment of a new Federal program to assist State and local health planning; continues and amends the Hill-Burton medical facilities construction program.

The bill requires the creation of new health planning machinery in every State and local health service area to replace current health planning activities of existing State and areawide comprehensive health planning (CHP) agencies and planning activities undertaken in the past by some Regional Medical Program (RMP) entities.

S. 2994 contains three major provisions authorizing the establishment of new national health planning machinery. It will require the development of (1) national guidelines for health planning, (2) a nation-wide system of regional health systems agencies (HSAs) and (3) two types of State health planning bodies -- the State health planning agency and the State Health Coordinating Council (SHCC).

The bill requires the Secretary of HEW to issue guidelines within 18 months "guidelines concerning national health planning policy."

It will also establish a National Council on Health Planning and Development in HEW.

A major provision of S. 2994 requires establishment of health service areas throughout the United States and the creation of Health Systems Agencies (HSAs) for each area. The HEW Secretary is required to designate HSAs within 18 months from the date of enactment.

S. 2994 requires State health planning and development agencies to be established, will authorize operating grants to be made to the State agencies, and will specify in extensive detail the functions and procedures to be followed by the agencies -- all of which HEW will be required to approve. States will be required to establish State agencies within 4 years or face a cut-off of all HEW health service and resource development funds.

(MORE)

The other major section of S. 2994 revises the authorities for making grants and loans under the Hill-Burton hospital construction program. S. 2994 amends the Hill-Burton program to provide Federal grants and loans to public and non-profit private agencies, and loan guarantees and interest subsidies to non-profit private agencies, for the following:

- modernization of existing medical facilities
- construction of new outpatient facilities
- construction of new inpatient facilities in areas which have experienced recent rapid population growth, and
- conversion of existing medical facilities to provide new health services.

The bill also authorizes HEW to provide direct assistance through project grants for up to 75 percent of the costs (100 percent in poverty areas ) for construction and modernization projects designed to prevent or eliminate safety hazards in medical facilities or to avoid noncompliance with State or voluntary licensure or accreditation standards. S. 2994 continues the requirement that States prepare and maintain State medical facilities plans for approval by the Secretary of HEW. It authorizes HEW to make an annual allotment to each State of not less than \$1 million based on population, financial need and the need for medical facilities projects. S. 2994 removes the current statutory limit of \$1.5 billion on the amount of outstanding loan principal which may be guaranteed or made directly by HEW.

S. 2994 will authorize spending of over \$1 billion for fiscal years 1975 through 1977.

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January 4, 1975

## Office of the White House Press Secretary

THE WHITE HOUSE

## MEMORANDUM OF DISAPPROVAL

I am withholding my approval from H.R. 13296, a bill to authorize appropriations for the Maritime Administration.

This is the annual appropriations authorization bill for certain activities of the Maritime Administration in the Department of Commerce. I would be pleased to approve the measure if it were limited to those authorizations.

Unfortunately, the Congress added an unacceptable amendment which would require the Federal Government to reimburse U.S. flag fishing vessel owners for damage to their equipment by foreign flag ships.

The amendment would require the Secretary of Commerce to provide interest free loans to fishermen to cover the property and the value of produce lost as a result of damage caused by foreign vessels operating in the area of the U.S. Continental Shelf. If an ensuing investigation proved the loss was caused solely by a foreign ship, the loan repayment would be cancelled and the United States would attempt to recover claims from the government of the foreign national involved. The program would be retroactive to January 1, 1972, for claims already filed.

This idemnity program would pose serious problems of administration because it would be difficult to establish responsibility for any damage caused. Furthermore, since the bill provides no basis for advance review of the recipient's financial ability to repay a loan, the Commerce Department could find itself in the position of holding a group of "bad debts". At the same time, claims for damage would be difficult to validate and the result would essentially be a grant program with few effective restraints.

Moreover, this program sets a precedent for the Federal relief of private parties from the actions of foreign nationals. Currently, relief is extended only to fishermen whose vessels are the victims of actions by foreign governments beyond recognized territorial limits. International procedures now exist through which claims against foreign nationals can be asserted and adjudicated and these should be used in preference to a Federal indemnity program.

I urge the Congress to pass once again the appropriations authorizations provisions of the bill early in the next session. Meanwhile, the programs covered by these authorizations and funded by appropriations already enacted can be continued under the continuing resolution which runs through February 28, 1975.

GERALD R. FORD

THE WHITE HOUSE,  
January 4, 1975

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