

H.R. 17045. An act to amend the Social Security Act to establish a consolidated program of Federal financial assistance to encourage provisions of services by the States.

On January 8, 1975:

H.R. 510. An act to authorize and direct the Secretary of Agriculture to convey any interest held by the United States in certain property in Jasper County, Ga., to the Jasper County Board of Education; and

H.R. 12860. An act to amend title 10 of the United States Code in order to clarify when claims must be presented for reimbursement of memorial service expenses in the case of members of the armed forces whose remains are not recovered.

BILLS DISAPPROVED AFTER SINE DIE ADJOURNMENT

The President announced his disapproval of the following bills with memorandums of disapproval as follows:

H.R. 11929

MEMORANDUM OF DISAPPROVAL

I have withheld my approval from H.R. 11929, "To amend section 15d of the Tennessee Valley Authority Act of 1933 to provide that expenditures for pollution control facilities will be credited against required power investment return payments and repayments."

This bill would permit TVA to defer or offset its repayment obligations to the United States Treasury about \$85 million per year for 5 years because of expenditures required to install pollution control equipment—and thereby enable TVA to postpone some rate increases otherwise required.

The people who are provided with electric power by the Tennessee Valley Authority have been subjected to substantial increases in power rates in recent months. I must point out, however, that consumers of electricity throughout the Nation have experienced similar rate increases for essentially the same reasons—the rising prices of fuel and materials, the cost of installing air pollution control equipment, and the rising cost of labor.

Nevertheless, TVA customers still pay among the lowest power rates of any region in the Nation—about 30 percent of rates in New York, 64 percent of Chicago, and 78 percent of Louisville, Kentucky.

No one likes to pay higher electric bills. But we must not allow this simple fact to result in new legislation which violates the fundamental principle that electricity should be priced to reflect its cost of production, including the cost of pollution abatement and control. My environmental advisers as well as my economic advisers agree with me that this principle must be upheld.

I see no basis in equity or in logic for departing from this principle in the case of the TVA, and for asking the general taxpayer to make up the difference in TVA power rates. To do so would be unfair to power consumers elsewhere in the Nation who do not have the benefit of Tennessee Valley Authority power facilities and who are required to bear the costs attributed to pollution control on their power bills.

H.R. 14214

MEMORANDUM OF DISAPPROVAL

I have withheld my approval from H.R. 14214, the "Health Revenue Sharing and Health Services Act of 1974."

H.R. 14214 conflicts with my strong commitment to the American taxpayers to hold Federal spending to essential purposes. The bill authorizes appropriations of more than \$1 billion over my recommendations and I cannot, in good conscience, approve it. These appropriation authorizations are almost double the funding levels I have recommended for fiscal year 1975 and almost triple the levels I believe would be appropriate for 1976.

As part of my effort to see that the burden upon our taxpayers does not increase, I requested the Congress last month to exercise restraint in expanding existing Federal responsibilities, and to resist adding new Federal programs to our already overloaded and limited Federal resources. These recommendations reflect my concern with both the need to hold down the Federal budget and the need to limit the Federal role to those activities which can make the most necessary and significant contributions.

In H.R. 14214, the Congress not only excessively increased authorizations for existing programs but also created several new ones that would result in an unjustified expenditure of Federal taxpayers' funds. Although the purposes of many of the programs authorized in this bill are certainly worthy, I just cannot approve this legislation because of its effect upon the economy through increased unwarranted Federal spending.

Finally, it should be pointed out that the Federal Government will spend almost \$20 billion in 1975 through Medicare and Medicaid for the financing of health services for priority recipients—aged and low-income persons. These services are provided on the basis of national eligibility standards in Medicare and State eligibility standards in Medicaid and therefore are available to individuals in a more equitable and less restrictive manner than many of the programs authorized in H.R. 14214.

H.R. 8193

MEMORANDUM OF DISAPPROVAL

I am withholding my approval from H.R. 8193, the Energy Transportation Security Act of 1974.

The bill would initially require that 20 percent of the oil imported into the United States be carried on U.S. flag tankers. The percentage would increase to 30 percent after June 30, 1977.

This bill would have the most serious consequences. It would have an adverse impact on the United States economy and on our foreign relations. It would create serious inflationary pressures by increasing the cost of oil and raising the prices of all products and services which depend on oil. It would further stimulate inflation in the ship construction industry and cut into the industry's ability to meet ship construction for the U.S. Navy.

In addition, the bill would serve as a precedent for other countries to increase

protection of their industries, resulting in a serious deterioration in beneficial international competition and trade. This is directly contrary to the objectives of the trade bill which the Congress has just passed. In addition, it would violate a large number of our treaties of Friendship, Commerce, and Navigation.

Although this bill would undoubtedly benefit a limited group of our working population, such benefit would entail disproportionate costs and produce undesirable effects which could extend into other areas and industries. The waiver provisions which the Congress included in an effort to meet a few of my concerns fail to overcome the serious objections I have to the legislation.

Accordingly, I am not approving this bill because of the substantial adverse effect on the Nation's economy and international interest.

I wish to take this opportunity to reiterate my commitment to maintaining a strong U.S. Merchant Marine. I believe we can and will do this under our existing statutes and programs such as those administered by the Maritime Administration in the Department of Commerce.

S. 425

MEMORANDUM OF DISAPPROVAL

I am withholding my approval from S. 425, the Surface Mining Control and Reclamation Act of 1974.

S. 425 would establish Federal standards for the environmental protection and reclamation of surface coal mining operations, including the reclamation of orphaned lands. Under a complex procedural framework, the bill would encourage the States to implement and enforce a program for the regulation of surface coal mining with substitution of a federally administered program if the States do not act.

The Executive Branch submitted to both the 92d and 93d Congresses legislation that would have established reasonable and effective reclamation and environmental protection requirements for mining activities. Throughout this period, the Administration made every effort in working with the Congress to produce a bill that would strike the delicate balance between our desire for reclamation and environmental protection and our need to increase coal production in the United States.

Unfortunately, S. 425, as enrolled, would have an adverse impact on our domestic coal production which is unacceptable. By 1977, the first year after the Act would take full effect, the Federal Energy Administration has estimated that coal production losses would range from a minimum of 48 million tons to a maximum of 141 million tons. In addition, further losses which cannot be quantified could result from ambiguities in the bill, forcing protracted regulatory disputes and litigation. In my judgment, the most significant reasons why such coal losses cannot be accepted are as follows:

1. Coal is the one abundant energy source over which the United States has total control. We should not unduly impair our ability to use it properly.