MEMORANDUM OF DISAPPROVAL

H.R. 14214

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

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

BILLS DISAPPROVED AFTER SINE DIE ADJOURNMENT

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

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 or 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 reason-resources are being needed to pay for 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 in 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.

December 20, 1974

CONGRESSIONAL RECORD—HOUSE

H.R. 17095. An act to amend the Social Security Act to establish a consolidated program of Federal and social assistance to encourage provisions of services by the States.

On January 8, 1976:

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. 12900. 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.

H.R. 4214

MEMORANDUM OF DISAPPROVAL

I am withholding my approval from H.R. 4214, the "Health Revenue Sharing and Health Services Act of 1974."

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 its effort to meet the concerns of the States 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 this can and will do it with 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 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 reclaimed lands, as well as financial 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.