

FOR IMMEDIATE RELEASE

May 20, 1975

Office of the White House Press Secretary

THE WHITE HOUSE

TO THE HOUSE OF REPRESENTATIVES:

I am today returning without my approval, H.R. 25, the proposed Surface Mining Control and Reclamation Act of 1975. I am unable to sign this bill because:

1. As many as 36,000 people would lose jobs when unemployment already is too high.
2. Consumers would pay higher costs -- particularly for electric bills -- when consumer costs are already too high.
3. The Nation would be more dependent on foreign oil -- when we are already overly dependent and dangerously vulnerable.
4. Coal production would be unnecessarily reduced -- when this vital domestic energy resource is needed more than ever.

America is approaching a more serious domestic energy shortage, and we are not facing up to it.

We can develop our energy sources while protecting our environment. But this bill does not do that. I have supported responsible action to control surface mining and to reclaim damaged land. I continue to support actions which strike a proper balance between our energy and economic goals and important environmental objectives.

Unfortunately, H.R. 25 does not strike such a balance.

Since I submitted my comprehensive national energy program earlier this year -- a program which included a tough but balanced surface mining bill -- our energy situation has continued to deteriorate. With domestic energy production continuing to drop, we are today more vulnerable to the disruption of oil supplies than we were during the Mid-East oil embargo. We will be even more vulnerable as our economy recovers and energy consumption increases. This vulnerability places us in an untenable situation and could result in new and serious economic problems.

Coupled with this steadily deteriorating situation is the fact that the Congress has yet to act on a comprehensive energy program capable of achieving goals on which we all agree. Several Congressional committees have worked hard to develop solutions. Unfortunately, their proposals are inadequate to achieve the energy objectives I have set.

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As the one abundant energy source over which the United States has total control, coal is critical to the achievement of American energy independence. In the face of our deteriorating energy situation, we must not arbitrarily place restrictions on the development of this energy resource.

It is with a deep sense of regret that I find it necessary to reject this legislation. My Administration has worked hard with the Congress to try to develop an acceptable surface mining bill and other energy programs which could, when taken together, enable us to reduce energy imports and meet environmental objectives. While the Congress accepted in H.R. 25 some of my proposals, it rejected others necessary to reduce the adverse impact on coal production and to clarify various provisions of the legislation to make it precise and more workable.

The Department of the Interior and the Federal Energy Administration now advise me that, if this bill were to become law, a production loss of 40 to 162 million tons would result in 1977. This would mean that six to twenty-four percent of expected 1977 coal production would be lost. Actually, production losses resulting from H.R. 25 could run considerably higher because of ambiguities in the bill and uncertainties over many of its provisions.

The bill I sent to the Congress in February would have also entailed production losses estimated between 33 and 80 million tons. Even though these losses would have been substantial, we could have accepted them if Congress had enacted the comprehensive energy program I proposed. But, now the potential losses of H.R. 25 are intolerable.

The reduction in coal production would mean that the United States will be forced to import more foreign oil. To demonstrate the seriousness of this problem, it is estimated that we would be forced to import an additional 215 million barrels of oil a year at a cost of \$2.3 billion for every 50 million tons of coal not mined. At a time when our dependence on Mid-East oil is expected to double in just 2-1/2 years, I believe it would be unwise to further increase this dependency by signing into law H.R. 25. This kind of setback in coal production would cause our dependence on Mid-East oil to triple by 1977.

Additional reasons for withholding approval of H.R. 25 are its legislative shortcomings. These include:

- Ambiguous, vague and complex provisions -- as the record of Congressional debate indicates. The bill would lead to years of regulatory delays, litigation and uncertainty against the best interests of achieving either our environmental or energy objectives.
- Cumbersome and unwieldy Federal-State regulatory and enforcement provisions. H.R. 25 would inject the Federal Government immediately into a field which is already regulated by most states. Since 1971, 21 states which produce over 90 percent of the nation's surface mined coal have either enacted new environmental legislation governing surface mining or have strengthened laws already on the books.

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- H.R. 25's tax provisions which would be excessive and unnecessarily increase the price of coal.
- Its provisions which enable State governments to ban surface mining of coal on Federal lands -- thus preventing a national resource from being used in the national interest.
- Its provisions permitting the Federal government to pay private landowners 80 percent or more of the cost of reclaiming previously-mined land, leaving title to the land in private hands, could provide windfall profits at the expense of coal consumers.

In short, I favor action to protect the environment, to prevent abuses that have accompanied surface mining of coal, and to reclaim land disturbed by surface mining. I believe that we can achieve those goals without imposing unreasonable restraints on our ability to achieve energy independence, without adding unnecessary costs, without creating more unemployment and without precluding the use of vital domestic energy resources.

GERALD R. FORD

THE WHITE HOUSE,

May 20, 1975.

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