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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON September 6, 1974

MEMORANDUM FOR THE PRESIDENT

FROM:

William E. Timmons

SUBJECT:

Strip Mining Bill

Senator Paul Fannin (R-Ariz) sent me the attached memorandum and called me on it also. He is fearful that the conference stalemate! he is trying to arrange could be broken if you list surface mining as one of your must bills in the upcoming Message to Congress.

I think the language in the draft Message will not upset Fannin's plans. However, I believe you will find Paul's arguments interesting.

Attachment

HENN...

** LAN PÉLE, NEV.

**CANK CHURCH, IDAHO

LEE METCALF, MONT.
J. BENNETT JOHNSTON, JR., LA.

** LAMES ABOUREZK, S. DAK.

** DAVELLEY, N.Y.

JAMES A. MC CLURE, IDAHO

DEWEY F. BARTLETT, OKLA.

JERRY T. VERKLER, STAFF DIRECTOR

Alnited States Senate

INTERIOR AND INSULAR AFFAIRS WASHINGTON, D.C. 20510

September 6, 1974

MEMORANDUM

TO:

William E. Timmons

FROM:

Senator Paul Fannin (62)

SUBJECT: Strip Mining Bill

The strip mining bill in conference does not strike a balance between protection of the environment and the nation's need for coal as an essential source of energy. becomes law the Bureau of Mines estimates that 187 million tons of coal from our total production of 600 million tons will be precluded from production in 1975 and 251 million tons in 1980.

Billions of tons of coal reserves would be locked up; the Mansfield amendment alone would withdraw 38%, or 14 billion tons, of producible coal in eight states where Federal coal is leased.

Increased production and utilization of coal is essential to U.S. energy self-sufficiency, and current production levels must be increased by two to three times just to keep pace.

Thirty states have enacted surface mining laws; this federal law would repeal all of these and force states to adopt standards which in some cases are totally unworkable and ignore the diversity of climate, terrain, mining conditions, and land use patterns in those coal producing states. The federal role totally overwhelms any state function and harsh punitive penalties will be meted out by the Feds to ensure compliance.

The 209 pages of this bill in conference are replete with detailed requirements which coal operators must comply with or cease production. Small operators cannot function under this yoke of red tape--thus more production will be lost and employees out of work.

One of the most disastrous provisions is an unemployment benefit section that provides for special additional benefits for those unemployed as a result of the administration of this act. Such a provision admits the damage I am forecasting should this become law--this unemployment provision would be impossible to administer because of the cause-effect relationship as the basis of eligibility. Such "one shot" additional benefit programs destroy the present unemployment structure and no one knows how much this will cost.

Finally, the estimated cost of this bill is \$304.5 million for administration alone in the first year--not counting the unemployment compensation--plus a billion dollars over ten years for various studies. Such irresponsibility will ensure inflation and put a greater pinch on the consumer.

In the aggregate, this bill will reduce our annual production of coal by 31% or 187 million tons. It will force small and marginal operators out of business--it will force workers on expensive unemployment compensation--and it will lock up vast reserves of coal just at the time we need to encourage domestic self-sufficiency.