

From: NATIONAL COAL POLICY CONFERENCE, INC.  
1000 Sixteenth Street, N. W.  
Washington, D. C.  
STERling 3-4751

FOR RELEASE ON DELIVERY  
10:30 A.M. FRIDAY  
FEBRUARY 12, 1960

THE NEW IMAGE OF COAL

Presented to the Annual Meeting  
MID WEST COAL PRODUCERS INSTITUTE, INC.  
February 12, 1960  
Ponte Vedra Beach, Florida  
by  
JOSEPH E. MOODY, PRESIDENT  
National Coal Policy Conference, Inc.

Your invitation to appear before the Mid West Coal Institute, again at your Annual Meeting here at Ponte Vedra, is a great compliment, and one that I appreciate. But more important than that it offers me a forum to say a few things about our coal industry and our country today that I feel need to be said.

The title of my remarks, "The New Image of Coal," clearly describes just what coal and its allied industries are trying to create today. We have joined in a cooperative effort with three great objectives:

- to see that the people of this nation get a new look at coal as the source of energy for our entire civilization;
- to emphasize the truth that coal has been the energy fuel which has made our great industrial development possible while other nations, lacking ample coal supplies, have plodded along in a beast-power economy; and
- to make it very clear that continued availability of cheap coal powered energy is essential to American safety and her continued growth for many years to come.

In the United States we have coal in almost unlimited quantities.

During the last 200 years in which it has been a commercially marketed product,

we have moved from a log cabin civilization to the most powerful nation the world has ever known.

Other nations, as I indicated above, many hundreds of years older, are still living in the log cabin and adobe huts of their ancestors. Often there has been just one major difference -- accessible reserves of coal developed for use. Without coal there was no steel. Without steel there are no skyscrapers, no industry, no gas, no oil, no nuclear energy. Yet still -- and often because of our own errors and neglect -- coal has reached a low degree of prestige and presence in the public eye, in the minds of the administrators of our government and in prestige and power before our Congress and our State legislatures.

In this great era of big government and economic tinkering by the government, no industry can long prosper if it does not have a good entree in these areas. In other words, we must be socially acceptable. As a fuel in this country, we are an old industry. Two hundred years of commercial production of coal in the United States is being celebrated this year. The National Coal Association and the National Coal Policy Conference are joining hands to bring this milestone to the attention of the people of the world.

During the last year, we have changed the attitude of some of our competitive fuels from the casual yawn, complete indifference to our efforts, to that of recognition of our determination and to an almost panicky realization that this great giant of coal, slowly, carefully, but with the utmost determination has pulled together the coal industry, and related industries to help, in the severe, in fact, almost vicious competitive situation that exists today.

For the first time we know of, a great powerful industry has gathered together its full strength with those of its related forces for one purpose -- to recognize the common ground of the welfare of the bituminous coal industry, regardless of the competitive relationship -- hard and tough as it is.

It reminds me in many ways of Paul's letter to the Philippians, in which he reviewed the past and the changes that had happened and then said that he would leave the past behind and would go straight for his goal the Christian church. You will recall that he said that he was not critical that the Philippians had done anything wrong, but only that they hadn't done enough; that they had lacked faith in their own great force; and that in working together for the advancement of the Christian church they were entering upon the greatest unfinished business in the world; that none had arrived -- they were only then being made in this process of going toward their goal.

That seems to me somehow what we in the coal industry have done. We have decided to leave many things of the past behind and to forge ahead with evangelical faith in our industry and in ourselves toward the goal of establishing the coal industry as the great servant of this great Nation, as the basis of a self-sufficient, domestic energy source, so that we in the United States can look forward to the tremendous economic growth which will surely come if it is not restrained by any lack of energy, cost of energy, or its ready availability.

Gentlemen, it is a tremendous job that we see before us, and I am glad to be able to say that we are now organized to face it. In the National Coal Policy Conference there are combined the strength and prestige of

(1) railroads of this Nation; (2) the ingenious manufacturers of our mining equipment, who seem to be only on the threshold of things far greater than anything we have contemplated; (3) the United Mine Workers of America, the labor organization representing the employees of our industry; (4) major utility companies -- those customers of ours who probably have the greatest stake of all in the efficient and low-cost mining of coal and who have joined with us so that a strong, healthy, vigorous coal industry will make it possible for them to produce the tremendous amounts of electrical energy that will be necessary to carry our economic growth to heights never before dreamed of, and (5) our own group of far-sighted, clear-thinking coal producers. What a combination!

Aligned with us in this fight is, of course, the National Coal Association now representing a broad group of the elements of the coal industry under the able new direction of my good friend Steve Dunn. For the first time in the history of this Nation, we have true, united national leadership for the coal industry, and those industries with tremendous investments of money and manpower which are dependent on a vigorous coal industry.

Many years ago Adam Smith cynically remarked that whenever a group of businessmen sat down together it could be assumed that they were talking about prices. That may have been true in his day. But I assure you when the group of businessmen making up the National Coal Policy Conference get together they are talking betterment for the whole coal industry -- and talking it hard and fast.

We're doing the same kind of talking to the public these days, and I might add it is certainly time we did so. In the past I have had the unenviable experience of being something of a lone voice lashing out against the farcical waste of taxpayers' money involved in our government's efforts to develop

civilian atomic energy, even though it wasn't needed and was certain to be non-competitive with coal and other natural fuels for many years.

I was gratified to read in the WASHINGTON POST of January 30 that Mr. David E. Lilienthal, one of the great promoters of the atomic age, had now declared that the United States has been misled by promises that were absolutely impossible of fulfillment and that the whole program of nuclear power, to use his own words, has fallen flat on its face despite appropriations of close to one-half billion dollars in the last few years.

It makes my heart ache to realize that a few million dollars of that half billion, invested in research for coal, might well have given us tremendous advances in the production of power under our private utility system.

One of the great problems that is facing this Nation is its ability to grow faster, to make certain that our economy grows as fast as the families of the generation now coming up. In my generation, as in the case of most of you in this audience, the cry was that the families in the United States were shrinking, and it was officially declared that we would reach a plateau of population and gradually decline. But like the bumblebee that can't fly, the youngsters that came along didn't seem to know that, and in my own instance I find that I'm about to be the grandfather of three new grandchildren -- all within a matter of a few months.

I believe it was Toynbee who said that every great civilization is faced with a challenge to which it either responds or it disappears. One of the greatest challenges that we, as a people face now and in the years ahead, is a test of our ability to maintain a competitive rate of growth. Can we do this in our society and still enhance the life and liberty and the pursuit of

happiness of the individual, while elsewhere in the world those ideals are subordinated to nationalism and military might?

This is the basic factor that we are discussing. It is the basic reason for the existence of the National Coal Policy Conference. The major activities of the Conference -- oh, yes, we have done a good job of drawing attention to coal; making the public talk about coal either pro or con -- but back of that we must build a solid structure that will enable coal to contribute its full share to the foundation of this economic growth. One essential to building such a firm structure of national energy is the establishment of a sound National Fuels Policy. It is vitally important that Congress take a good look at the crazy quilt of controls of every kind that have to do with oil, with gas, with electricity, with the importation and distribution of fuels -- today a complete crazy quilt of ad hoc regulations -- and evolve a program which will weld them into a sound and logical pattern. Senate Con. Res. 73 asks for a study of this problem and recommendations to the Congress for solution.

We must put the best brains available on a thorough review of the present situation and must determine how our fuels can best be used for this great Nation of ours, and indirectly, for the world as a whole.

One of the questions that has to be answered is whether the defense of the United States is in good order, when a major part of our fuel could be denied us by the whim of a strong and sharply competing nation of the world, Russia.

I recently asked a very good friend of mine, who is a key man in international finance and an authority on the oil-producing Middle East areas, what he figured would be the time factor for Russia to take over one or more of these oil-producing areas if for any reason it was politically advisable for Russia to embarrass us -- not necessarily as a matter of outright war or aggression,

but by one of their notorious internal coups. His answer was, with rather a wry smile, "Joe, I believe they could take care of it by lunch time," and added, "There is no one, nor anything in the world that could stop them." And so a part of the breath of life of this great economy of ours hangs on that very fine silken thread -- the discretion and good nature of maybe just a single Russian commissar.

In a study such as we are backing, and the Resolution asking for a study of the advisability of a National Fuels Policy, which has been introduced in both Houses of Congress, there naturally arises the question "Is it necessary that the continental area of the United States and its neighbors be self-sufficient in energy and fuel to maintain not only their present energy needs, but also the fuel necessary for growth?"

Our efforts to maintain a stable relationship with other fuels on the Eastern Seaboard, mainly with residual oil, has been attacked by the great foreign oil-producing companies. Perhaps this is only natural since they profit by millions of dollars from the dumping of imported residual oil in the United States.

It is interesting to note that in the NEW YORK TIMES of January 3, just one of these companies alone, indicated a gross revenue in 1959 of five and one-half billion dollars. This, of course, is twice as much as the gross sales of all U. S. coal producers. The fact that we know that we are absolutely right that this Nation is dependent on a proper and stable relationship of its various fuels in all areas of the Nation, gives us the strength and the force far beyond our financial resources to make our voice heard.

A study of fuels must certainly consider the question of the some 10 billions of dollars of railroad equipment, maintained and kept available in

order to transport coal to the Eastern part and Midwestern part of the United States -- the heart and soul of our industrial activity. Yet, this essential equipment is endangered by the low level of coal production in the last few years.

One of the things that has been of tremendous interest to me in the National Coal Policy Conference has been the spirit of cooperation which has made it possible for us to apply ourselves quickly, effectively, and almost within a matter of minutes when matters needing quick action arise. The ability to move and attack or confer effectively with elements of government, of the Congress, and of industry, gives to the coal industry a tremendous advantage and an impact that can only enure to our benefit over the years.

Your Conference acts as a leader in policy. It acts as a complement and a supplement to the efforts of other organizations -- such as National Coal Association or the American Mining Congress. And we find, regardless of the effort in which we are involved, that there is always a tremendous job to do and never time enough to do it.

As a result of the effort to give a new image to coal, I am sure that everyone here has felt a lift in the last year; has heisted up his breeches a bit; stuck out his chin a little more; felt a little quiet stirring of confidence -- that is the beginning.

Our job is to carry it far beyond that over the years to come, to a point of quiet recognition in all quarters that coal must be given its proper place in the economy of this Nation -- that the two million people dependent upon the coal industry have not only rights, but demand those rights as proper recognition of the industry's importance to the welfare of the United States, of the various State governments, and, yes, of the industry of this Nation.



The other day, Walter Lippman wrote that the critical weakness of our society is that our people do not have great purposes which they are united to achieve. The public mood, he observed, is defensive, to hold on and to conserve, not push forward and to create.. The danger that is implied here certainly was once true of our industry. We have all too often been on the defensive, many times in a position of negation, but very seldom in a positive position of a forward-looking, creative "let's go" program.

Today we can positively say that the coal industry is not looking backward but is on the march forward. We have faith that our industry is a sound and necessary part of the Nation and the world as far as its energy is concerned.

There can be no question but that, if we are to continue to be a first-rate Nation, we must increase our annual gross national product more than three per cent annually. It is going to take five per cent or more just to maintain our present lead, and we must remember that when Mr. Khrushchev, not too long ago, said "I will bury you," he meant that from the standpoint of production. I doubt that there is a man in this room who would not be willing to admit that if Russia does win the economic race, probably the greatest competition between nations in the history of the world, it will not be necessary for Khrushchev to wage a hot war -- the decision will have been made in the Cold War.

In "Current Coal Trends" issued by NCA, dated January 1960, there is on page 5 an article indicating coal trends in the USSR. I assume that this article contains conservative estimates based on the best information available. It concludes that -- I quote -- "both countries' reserves (that is referring to the United States and the Soviet Union), are adequate for hundreds of years," and I quote again "by using modern methods in coal mining, Russia has caught up to and passed the United States in coal production." Some of the technological progress

in Russia coal-mining cited by this article include:

- "1. A new way of bringing coal to the surface through a pipeline system. . . .
- "2. Hydraulic mining. . . .
- "3. A new air-cooling plant; and
- "4. Remote-control mining where one operator controls all coal-cutting machinery while watching the entire process on a television screen."

So today we have the new image of coal with a broad solid base made up of the coal industry and its allied industries -- the railroads, the public utilities, United Mine Workers of America, and the equipment manufacturers -- an image crowned with a tremendous force known as coal power. If you will allow me to be fanciful for a minute, I visualize this crown as studded with a newborn faith in our value to this Nation; with a firm conviction that we are absolutely right in having done the great technological job of modernizing our production capacity; with a real united national leadership; and with determination to meet our opposition head-on with full reliance on the merits of our position.

This star-studded crown is not going to be easy for the industry to wear. It is going to take the full application of the energy and good sense of everyone in our industry and the related industries to make it effective, and it is going to take some additional faith to carry on for the length of time necessary, lest we anticipate that a program of this scope can be accomplished in the "near future." It will take time and it will take effort. But it is incumbent upon all of us to make sure that it succeeds.

I thank you, gentlemen.