

Mr Stephen Dunn -

Bob Boyd
Sen Rankin

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Mr Duflou
Ch. Coal Committee
of U.N. Econ Comm
for Europe

VICE PRESIDENT HUBERT HUMPHREY

NATIONAL COAL ASSOCIATION LUNCHEON

Ambassadors
Distinguished
guests

WASHINGTON, D.C.

JUNE 21, 1966

United Mine
workers

Debate coal Albert
Jerry Ford
Monday

Ralph Waldo Emerson once said that "coal is a portable climate" and this is fully evident in the warmth of your hospitality today.

I am particularly pleased to see here distinguished guests from abroad -- the delegates representing the Coal Committee of the Economic Commission for Europe.

Welcome

I understand that you gentlemen have just returned from a study tour of our bituminous coal industry. and I am told that it was a great success.

This occasion brings together producers with customers and with potential customers.

<u>Production</u>	1961-	403 million tons
	1965	510 " "
up to	1966	535 " "

Electricity - 1946 - 69 million tons

1965 242 " "

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Let's get right down to business, and talk about the business all of us are engaged in -- coal, and particularly international trade in coal.

↳ As exporters, we Americans are still minor leaguers -- which, for the benefit of our European guests, means that we've got a long way to go before we're really good at it.

↳ We export only 4 per cent of our Gross National Product -- a fraction of what European countries do.

↳ But we do have industries which know about export -- and the coal industry is one of them.

↳ Our coal export tonnage has increased steadily for the past 15 years. Last year we exported about half a billion dollars worth -- something like 10 per cent of our total output.

↳ And we are able and willing to export even more.
It means profits for our producers, jobs for our workers,
and export earnings for our country. Also, as you well
know, the more coal we can sell, the more efficiently and
economically we can produce it. It is good for us.

↳ But, to our foreign visitors, may I say this: — } *Salomon*
American coal is also good for you.

↳ American coal can help reduce energy costs. It
can help restrain inflationary forces in your economies.
For, as you well know, the price of energy is a part of
the cost of every product.

↳ Already, American coal can compete with oil, gas,
and atomic energy in coastal areas of Europe.

↳ More efficient production, handling, and transport
will make it still more competitive. — *here and
abroad.*

↳ The productivity per man-shift in the American coal industry today is two-and-a-half times what it was 15 years ago -- more than double the increase in productivity for our economy as a whole.

↳ On your tour, you ~~gentlemen of the ECE~~ saw some of the new machines which made this performance possible -- and I want to pay tribute to the responsible statesmanship of the United Mineworkers in helping to make this technological revolution.

↳ We have also improved the transport of coal, all the way from the mine mouth to the automated pier at Norfolk.

Now, what about future supply?

↳ Our coal reserves constitute one-third of all the coal deposits in the world.

Reserves

They represent such a large part of our natural
wealth that they must, as a matter of national policy,
be developed to the full.

In summary, the three sturdy pillars on which the
future competitiveness of American coal rests are:

- A broad resource base
- Extremely high and rising productivity
- Leadership in the production and delivery of coal

and \hookleftarrow Our government is undertaking research programs
to develop wider markets for American coal.

\hookleftarrow We are also trying to secure the relaxation or removal
of non-tariff barriers which limit trade in coal.

\hookleftarrow The United States took the initiative in bringing
discussion of these restrictions into the Kennedy Round
international trade negotiation in Geneva.

↳ What must be done if we are to provide more coal to nations that need it?

I have already mentioned our commitment to liberalized trade.

↳ But we will need, too, the attention of the American coal industry to the expansion of exports -- including the attention of inland producers not now selling overseas.

↳ We will need constant innovation in methods ^{of mining} and apparatus. We will need stable prices and good labor-management relations.

↳ We will need cheaper and quicker ways to move coal from the mines to deep-water ports. I hope you will work with the railroads to do this.

↳ This can mean greater returns to the carriers. But it also must mean -- and this is essential --

the passing on of a substantial part of these returns in lower freight rates, to improve the competitive position of American coal in foreign energy markets.

↳ Finally, a word to our European guests.

We know that trade liberalization is a two-way street.

We have declared our national intention to take part in the honest give-and-take of international negotiation. We are ready to give as well as get.

↳ We believe that liberalization of trade in coal is especially important -- not just to those who sell it, but also to those who need it.

↳ And that is why we hope that you will be committed, as we are, to its availability on the international market without artificial barriers.

We have an old New England saying: "A rising tide lifts all boats."

The rising tide of international trade can benefit all of us -- and particularly the people of our countries who depend on coal for warmth, for industrial strength, for the means toward a better and more prosperous life.

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Transcript of Remarks

by

VICE PRESIDENT HUBERT H. HUMPHREY

at

NCA-CEA Luncheon
June 21, 1966

Thank you, Senator Byrd.

My good friend Senator Randolph, Mr. Colnon, Mr. Dunn, distinguished representatives of the many nations that are gathered here, particularly your excellencies of the embassies that have joined us today, the members of the Economic Commission, and ladies and gentlemen:

I was so pleased to see my old friend Dr. Seaborg here from the Atomic Energy Commission to protect the interests of nuclear energy in this coal association, and I want Dr. Seaborg to know that when the National Coal Association decided to select its new chairman, it selected a man that stands with equal height with you, sir.

And I am very pleased to note also today that a goodly number of the members of the Congress are here. I always hesitate to mention a name or two because I'm generally leaving out one, but I did see Dr. Morgan, Congressman Edmondson and Congressman Saylor and I'm sure there are others. I'd only say that when I came down to Congressman Edmondson I said, "What are you here for, protecting the interests of oil?" And he said, "Well, you just don't know what you're talking about, Mr. Vice President. We are moving into coal rapidly." So I've had the feeling that there's a merger here of the energy interests of the United States--atomic energy, gas and oil and coal. And with that amount of energy and heat--at least the potentiality for heat--I suppose what a Vice President's supposed to do is cast some light upon the situation.

Yesterday I understand, Mr. Colnon, that you had a debate here between two members of the House of Representatives. I know that that was an interesting and engaging event. That's another source of energy that we have around Washington. Every debate takes a great deal of energy and does generate some heat. Today I am going to, however, concentrate my remarks on a rather cool and important subject, the utilization of our great energy resources in coal.

I can't properly express the thanks of our country to the National Coal Association on its sponsorship of and hospitality towards the many representatives here of the countries from many parts of Europe. I have had the opportunity in the few moments that I have been with you to at least shake the hand of some of the representatives of the nations represented here. But I noticed when you asked them to stand that I haven't completely fulfilled my happy assignment, because there were several here that I didn't meet. So I want to extend to you a cordial welcome and a word of thanks for your presence.

I am always one that believes that the more we get together and the more that we see of each other, the more we talk to one another, the longer we will live together in peace and in the enjoyment of the good life. Well, I come to you today to talk about how we can live together a little better and enjoy the wonderful blessings of this earth. My friend Senator Byrd came to me weeks ago and urged upon me my attendance at this gathering. I wanted to come because he invited me. But I also wanted to come when I found out the nature of your program. It has indeed been a rich program, and one that I believe serves our nation's interests and serves the interests of people all over the world.

A great American writer, philosopher, poet--Ralph Waldo Emerson--once said that "coal is a portable climate." And I think this is fully evident in the warmth of your hospitality here today. I understand that the delegates representing the Coal Committee of the Economic Commission for Europe have just returned from a study tour of our bituminous coal industry. And I've been told by the officers of the National Coal Association that this tour was very successful. I only regret that we do not have coal deposits in my state of Minnesota, so that we could have invited you there. Because I do believe that when we have distinguished visitors from other lands we ought to take

them to all the good parts of our country and not exclude any. But sometime may I say to those that are engaged in mining in the basic metals and in what we call the extraction industries--may I invite you to come to the upper Midwest and see our tremendous development in taconite production, which is as you know a product of the iron mines of a rock that we call taconite that's processed into pellets of about 60 per cent pure iron ore. And you'd be surprised how well coal and those pellets mix and work together. In fact without your coal our pellets aren't worth much. And without our pellets your coal wouldn't be worth as much. So I want to just invite you to take advantage of that invitation.

This occasion brings together producers with consumers and with what we hope are potential customers. I could recite the facts of the coal industry of America with a spirit of joy and exultation. The production record, the achievements of this industry are second to none. And I am so pleased that representatives of our great electrical utilities are here today. Because the electrical utilities in the United States of America have greatly expanded their use of coal. The fact sheet that I studied indicated that back about 1946 our electrical utilities were using about 69 million tons of coal; last year 242 million tons of coal. Now lest anybody that's in other fuels or sources of energy feel that coal is taking up all of the electrical utility field, I want to advise them and admonish them that this is a growing country and a growing world. This is a world in which there will be unbelievable needs in the field of energy sources. Fuels and food will have an ever-pressing demand placed upon them. So as our coal industry progresses, and as our great utilities utilize our coal, may I assure Dr. Seaborg and may I assure those in gas and oil and even those in the great water power industries that there is a tremendous need for every known source of energy, including human energy, to build a better world.

So let's get right down to business now and talk about the business all of us in this room at least are engaged in--coal, and particularly the international aspects of coal, international trade in coal.

Now as exporters we Americans are still in the minor leagues--which, for the benefit of our European guests, means that we've got a long way to go before we are really good at it. The truth is that our European friends are professionals when it comes to export business. And I almost have to break out in tears and sympathy for my fellow Americans when we sit across the negotiating table when it comes to exports. However, now we export only 4 per cent of our gross national product--and I repeat for my fellow Americans, only 4 per cent of our gross national product, a fraction of what European countries do. We do have some industries which know about export and export business. And one of them is the coal industry. So I forewarn my friends from Europe, when you deal with Mr. Colnon or Mr. Dunn and the National Coal Association, you are talking to people who understand the export business. Now you've received fair warning from a high official of the government of the United States.

Now our coal export tonnage has increased steadily over the past fifteen years. For this we are very grateful. Last year we exported about half a billion dollars worth of coal, something like ten per cent of our total output of coal. May I on behalf of the government of the United States express a note of thanks to the exporters of coal for your helpfulness in this balance of payments situation. I am convinced that the strength of the dollar is in many ways underwritten by the volume of coal exports.

So you're helping all of us, even as you help yourself. We are able and willing, however, to export even more. And here is where we talk to our friends that have come to see us. We want you to know that your visit to the United States

which we hope has been joyful and pleasant could also have some good, sound economic and social benefits for all of us. Now when I say that we want to export even more, this of course will mean better business for our producers, more jobs for our workers, and export earnings for our country. Also as you well know, the more coal that we can sell, the more efficiently and economically we can produce it. So this is a situation that's good for all of us. But to our foreign visitors may I say this: American coal is also good for you. And now that we have you in this room, I am going to show you why it's good for you.

American coal can help you reduce your energy costs. It can help restrain inflationary forces in your economies. For as you well know, the cost of energy, the price of energy for your industry is a part and sometimes a substantial part of the cost of every product. Your products become more competitive as you are able to reduce the cost of their production. Already American coal can compete with oil, gas and atomic energy in the coastal areas of Europe. More efficient production, handling and transport will make it even more competitive and more advantageous for those who purchase it, here and abroad. The productivity per man-shift in the American coal industry today is two and one half times what it was fifteen years ago, more than double the increase in productivity for our economy as a whole.

I know of only one other segment of the American economy that has done as well as our coal industry, and that's American agriculture. The farmers and the coal miners, the farm operators and the coal operators, they have set all-time records and I hope that my friends abroad will let us boast for just a moment. We don't always do this well in everything, but when it comes to producing the food and mining the coal, we think we claim some championship laurels here.

Now on your tour, our visitors from abroad saw some of the new machine which made this performance of productivity possible. And I want to pay tribute here not only to management but to the responsible statesmanship of the United Mine Workers in helping to make this technological revolution. And when workers understand that machines are not their enemy, but rather their partners, then workers and management and country all alike are the better.

This is something that needs to be impressed upon all of us in every part of the world. There is no gain for anyone in attempting to retard progress. The task of management and of government is to try to make the benefits of machines available to the worker and the consumer, and to the investor, all people sharing in the benefits.

We've also improved the transport of coal, all the way from the mine mouth to the automated pier at Norfolk, that great port. I believe that I noted the other day where we are contemplating ships of 80,000 tons capacity to take coal from the automated pier to any part of the world.

Now what about the future, because that's what is really important. We can't do much about the records of 1965 and half of 1966 is already gone. What about the future and the future of the coal supply? Well our coal reserves constitute one-third of all the known coal deposits in the world. We are rich in coal, if we can convert that great resource into a usable commodity. These reserves represent such a large part of our natural wealth that they must as a matter of national policy, my fellow Americans, be developed to the full. And I am delighted to see the Congressmen and the Senators here, as well as members of the agencies of government, that have understood that this great resource of coal--wealthy resource--demanded national attention, that it is a potential source

of wealth that requires the development of this nation through its technology and its science.

In summary, there are three steady pillars on which the future competitiveness of American coal rests. First, this broad resource base that's there for the development. Second, extremely high and rising productivity that can yet be improved. And thirdly, leadership--management leadership--in production and delivery of coal. These are the three pillars of the success of this industry. Our government is undertaking research programs to develop wider markets for American coal. And when I served in the Senate with Senators Byrd and Randolph and others, I voted for our coal research program and worked for it, not because it meant anything directly to the state that I was privileged to represent in part, but because I saw in this great abundance of coal tremendous good for America and indeed for the whole world. We are also trying to secure relaxation or removal of non-tariff barriers which limit trade in coal. The United States took the initiative in bringing discussions of these restrictions into the so-called Kennedy Round International Trade Negotiation in Geneva.

Now what must be done then to provide more coal to the nations that need it? I have already mentioned our commitment to liberalize international trade. And I might add that we have a good deal to do yet in our own country on this. Before we start pointing the finger at others, I think we ought to take a look in the mirror and see ourselves. But we will need, too, the attention of the American coal industry through the expansion of exports, including the attention of the inland producers not now selling overseas. We will need constant innovation in methods of mining and apparatus. And we will need stable prices and good labor-management relations. And we will need cheaper and quicker ways to move the coal from the mines to the deep-water ports.

And I hope, my friends of the coal industry, that you will be sitting down regularly with our railroad industry to work out these problems of transportation. This can mean greater returns to the carriers. But it can also and must mean, and this is essential, the passing on of substantial savings in lower freight rates to improve the competitive position of American coal in foreign energy markets and to help the American consumer.

Now, finally a word to our European guests. We know that trade liberalization is a two-way street as I said a moment ago. We have declared our national intention to take part in honest give-and-take of international negotiation. We are ready to give as well as to ask and to take. Negotiation means negotiation in good faith--the willingness to sit down and talk it out rather than fight it out. We believe that liberalization of trade in coal as well as in other areas is especially important, not just to those who sell the product, but also to those who need it. And that's why we hope that all countries will be committed to the availability of coal on the international market without artificial barriers.

Now we have a saying here in America which I would like to pass along to our friends from overseas. It's an old New England saying and it goes like this: "A rising tide lifts all the boats." "A rising tide lifts all the boats." This is just a simple way of saying that what helps someone else helps you. The rising tide of international trade can benefit all of us and every industrialized nation or every nation that hopes to have industrialization knows the importance of energy fuels, and knows indeed the importance of coal.

So I submit that this rising tide of international trade can benefit particularly the people of our countries who depend on coal for warmth, for the human needs, for industrial progress and strength, and for the means towards a better and a more prosperous life.

I salute the National Coal Association for its progressive outlook in the field of trade and production and distribution. I thank our friends from overseas for their kindness to us, for their willingness to join us in seeing America at work. And we hope that out of this meeting and this tour will come not only new knowledge for those that have come to see us, but might I say to our fellow Americans we can learn a great deal from them. I would hope that our coal industry would be willing to enter into its own programs of exchange of information so that all of us might benefit out of the knowledge of the human family.

Thank you very much.



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