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Office of the White House Press Secretary

THE WHITE HOUSE

TEXT OF REMARKS BY THE PRESIDENT
TO BE DELIVERED AT THE WHITE HOUSE CONFERENCE
ON THE COAL INDUSTRY

This has been a good day for all Americans. Anytime we can get leaders of a vital industry such as coal in the same room with government officials concerned about your industry and your problems, the American people benefit.

To have these discussions here at the White House--the symbolic home of all our people--is living proof of democracy at work. It also underlines the importance of this conference. I am delighted you are here.

Coal is one vital key to our Nation's success in meeting its energy needs for the rest of the century. The United States has enormous reserves of coal--with estimates ranging into the hundreds of years. Coal is as old as the world and as new as tomorrow. Americans took it for granted in the past. We can no longer afford to do so. Coal represents one immediate and dependable answer to the question of how we solve our energy needs in this Nation.

It represents an American answer--not one based on uncertain resources in faraway lands with different ideas and diverse interests. It represents our hope for the future. Coal is America's ace in the hole. We now know the impact of relying on foreign energy sources. The cost of foreign oil to the United States quadrupled in the past several years--soaring to more than \$24 billion last year. Is there any wonder, therefore, that you and I are here this evening?

The United States of America has gone to the moon. And now it's time to use the same skill and ingenuity here on earth. We must rediscover America. We must put our people to work to uncover the resources and discover the unknowns in our own backyard.

That is why I proposed the Energy Independence Act last January 30th. Several parts of that proposal are of great significance to the coal industry. Let me recall some of them briefly: Amendments to the Clean Air Act to permit greater use of coal when there is no threat to public health, and where alternative pollution control methods can be effectively used. An extension of authority and enforcement of the Energy Supply and Environmental Coordination Act to use more coal in power plants instead of oil and natural gas. Proposals to strengthen the financial health of electric utilities, which consume two-thirds of the country's coal production. Proposals to expedite the development and siting of energy facilities in cooperation with the states. Measures to provide needed authority to prevent other nations from undercutting our efforts to develop domestic resources and achieve energy independence.

I also proposed legislation to regulate surface mining and reclamation of coal lands. This would provide appropriate balance between the urgent need to increase coal production and the need to protect the environment. I stand today as squarely behind these proposals as the day I sent them to Congress. It was good legislation then. It is good legislation now.

(MCRE)

The strip mining bills that have been passed by the House and Senate during the past two weeks contain some positive environmental provisions I support and some unnecessary parts that I cannot. These unnecessary provisions will hinder coal production.

The bill I proposed also sought to avoid unnecessary loss of coal production and added costs to the consumer. A few numbers will illustrate this point.

If we have strip mining controls that cause an unnecessary loss of coal production--let's say up to 50 million tons per year, which I understand from the Department of the Interior and the Federal Energy Administration is a conservative estimate--we must replace that lost coal with the equivalent of 200 million barrels of imported oil per year.

If we import another 200 million barrels of oil, we export another \$2 billion and lose at least 10,000 jobs as well.

I have called for doubling in coal production by 1985--which means about 1.2 billion tons per year. The Congressional Democrats called for 1.37 billion tons per year by 1985 in their energy programs. The objectives they set and their action on strip mining legislation is inconsistent.

While I am disappointed that the House and Senate did not accept the bill that I proposed, I must note that we did make progress on some provisions. But we must wait and see what comes out of the House and Senate conference still ahead. We must examine closely the production, job and consumer cost impact of this legislation--as well as its effect on our balance of payments.

Our job now is to pull together in the national interest. There is no choice anymore. We must still use our vast supplies of coal in both solid and converted forms. To do that, we must upgrade our transportation systems. That means our railroads. It also applies to waterway carriers, coal-carrying pipelines and trucks. Enormous capital and commitment are needed.

I will do all I can. But much responsibility rests with the Congress. All the coal-related industries share this responsibility as well. Utilities need to make long-term contracts with the producers. New equipment must be ordered while new mines are being planned.

A joint commitment of labor and management is necessary if our coal production goals are to be accomplished. I have said the United States must double its annual coal production to 1.2 billion tons annually by 1985. In view of this week's action by the Congress, that goal will be more difficult.

Yet labor has a great opportunity. Up to 125,000 more miners will be needed in the next 10 years. Productivity must also increase. Labor and management must work out better grievance procedures and ways of ending wildcat strikes and absenteeism.

In the push for greater production, there must be new dedication to work cooperatively for improved health and safety in our mines. I remember a meeting I had here in the White House last November 29th with Arnold Miller. We discussed mine health and safety. I said to Mr. Miller then and repeat those words now: "We cannot afford to lose a single life in the mines."

(MORE)

I want all of you here this evening to know I am committed to the maximum protection of the miner. Labor, management and government must work together in this effort.

The Government has another vital, long-range commitment. The coal and transportation industries must have confidence that we here in Washington are really committed to the increased, long-term use of coal. As you know, a healthy railroad system is essential to support the Nation's efforts to double coal production. I will submit to the Congress in the near future a comprehensive legislative program to revitalize the country's railroads. I want to reemphasize what I said in my State of the Union message

I envision the development of more than 250 major new coal mines in the next decade and the construction of 150 major coal-fired power plants and 20 major synthetic fuel plants.

I am pursuing three major objectives: First, to increase our capability to convert coal into clean gaseous and liquid fuels. To meet this goal, the Government--working with private industry--is completing work on four coal liquefaction pilot plants. Government and industry are starting the design of a commercial size facility to produce liquid and gaseous boiler fuel, and finishing construction of six pilot plant facilities to produce synthetic pipeline gas.

Second: to develop technologies that will burn coal directly without producing environmental damage.

Third: to improve the Nation's mining technology to insure that we can produce the needed coal safely and in an environmentally-sound way. To emphasize: In all these efforts, the Government is working closely with industry. The Government has actively encouraged--and I fully support--the participation and joint sponsorship of such projects by mine owners, energy companies, utilities, manufacturers and research organizations.

To meet the challenge of the goals I have set--the doubling of coal production in the next 10 years--we must increase production by at least seven percent each year. In 1985, nearly 70 percent of our coal will be produced by mines that do not now exist.

This will require immense effort on the part of many people. The industry must plan these mines, obtain new, technologically superior equipment, solve extraordinary problems in coal handling and transportation and still raise multi-billion dollars in capital to do all this. That capital must be raised in competition with other investment market demands.

In the meantime, it is your job and my responsibility not to leave the future of the Nation to chance. If we are to build the America of tomorrow, we must begin work today. It is said that great people have wills and feeble ones wishes. We Americans have always prided ourselves on our will-to-win and on our ingenuity. As a people of action, we have made our dreams come true.

I believe we have the will, the resources and the leadership to achieve energy independence. And I call upon all of you to join in this great effort. To pledge less than a united effort would be unworthy of us. I know you will do your best. I will do mine.

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