

# news from ... Congressman Nick Rahall

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Tokyo -- Congressman Nick Rahall (D-WV) today told Japanese businessmen and utility officials that Japan needs to do more in its commitment to buy more American coal if Japan wants to avoid Congressional action that Japan "would not like".

In a no-holds barred confrontation, Congressman Rahall, chairman of the House Subcommittee on Mining and Natural Resources, told Mr. Hiroshi Saito, Director of Nippon Steel, and Mr. Toshio Miyazaki, Director of Chugoku Electric Power Company, that long-term contracts with American coal producers were the key to lower U.S. coal prices and a very useful way to help lower the U.S. trade deficit with Japan.

"If we could get long-term contracts for high-grade metallurgical and steam coal, which West Virginia in particular produces in abundance, our coal producers could negotiate lower transportation costs with the railroads," Rep. Rahall said. "This, in turn, would enable American coal producers to offer lower prices to Japanese industries and power suppliers."

The congressman also said that the American coal industry has overcome much of its labor problems evident in previous years, "when we went through the longest mine strike in U.S. history and when we had one wildcat strike after another." He added that now labor and industry are working together to increase production and to insure foreign customers a steady and reliable supply.

"In addition," Rahall said, "the coal industry has been very successful in improving technology so that productivity has been increased substantially. All of these measures have vastly improved the competitiveness of American coal, and West Virginia coal, in particular."

Rep. Rahall sternly lectured the Japanese on the fact that while Japan has agreed with the White House on the need to increase its purchases of American raw materials in order to adjust its trade balance with the U.S., "It has been lots of talk, much rhetoric, and very little action."

"For instance," Rahall said, "Japan said it would charge ahead with conversion of its electric power plants from oil to coal, back in 1979, during the last energy crisis. It doesn't seem to me that this has been going ahead very rapidly. Japan also told American coal suppliers that it intended to increase its buy of metallurgical coal from America. Instead, all I see happening is Japan buying more and more coal from Canada, the U.S.S.R., South Africa, South Korea, and Australia, and less from American producers."

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"I feel that I should warn you," Rahall said to the Japanese, "that right now there is growing frustration in the U.S. business community with Japanese intransigence on its willingness to buy American products. This, coupled with the mood of American workers who are losing their livelihoods because of Japanese intrusions into the American marketplace, is resulting in pressure on the Congress to pass legislation of a restrictive nature. This would not be good for Japan, for America, or for the principle of free trade."

Rahall also pointed out to the Japanese that due to the mood in Congress now and its commitment to try to do whatever it could to help lessen the trade deficit, that what the Japanese consider to be "protectionist" trade legislation could very well be enacted by Congress.

In response to Rep. Rahall's charges, the Director of Nippon Steel, said that many of the coal contracts with countries such as Australia and Canada which Japan is honoring now were signed back in 1981 when, because of labor difficulties, American coal was in short supply. He also said that back then American producers were not willing to talk about long-term contracts for prices, but instead wanted to negotiate prices on a year-to-year basis.

The chief of Japan's largest power company said that while Japan has converted many many existing power plants from oil to coal, the demand for increased electricity has not materialized as expected. In addition, ecological and physical problems prevent new Japanese coal-fired power plants from being built.

Finally, both Japanese directors said that the lessening of world oil prices has affected the market for coal, and also that Japanese need for coal in the steelmaking process has gone down due to the worldwide slump in steel sales.

Rep. Rahall responded that if Japan would give American coal producers long-term contracts, he felt confident that, together, the American coal producers could work with rail transporters and compete with the price of coal supplied by any other country in the world. He also said that along with many of his colleagues in Congress, he is pressing the railroads to lower the exorbitantly high rail rates that they have been charging since deregulation in 1980.

The meeting concluded with the Japanese agreeing that they would be most interested in concrete, competitive contract proposals that the American coal industry could put together.

Rahall now leaves for Taiwan to meet with Taiwanese coal purchasers about increased purchases of West Virginia coal. He is scheduled to return to the U.S. December 1, 1985.