It is indeed a great pleasure to have this opportunity to meet with the members of an industry which, over the past two decades, has achieved an unparalleled record of sustained growth and prosperity. This is a rare occasion for an administrator who devotes a majority of his time to the resource base of the Nation and whose principal industrial contacts have not all been able to share fully in the expanding national economy.

More than most industries, moreover, yours has a close affinity to governmental affairs. As I calculate it, for example, a little more than half of your total production (52.4%) of natural sand and gravel and almost half of your product value (49.5%) goes into paving, the vast majority of which is in public highways. Certainly also, government construction projects must utilize a significant portion of the production not allocated to paving requirements.

Through all of your recent history, moreover, you have also had to be concerned with governmental policies in quite a different way. Required by the nature of your product and the economics of its use to operate not more than a few miles from the using market, you have had to face the hostility of residential neighbors. The power of their local governments has been brought to bear through nuisance charges and zoning disputes that are classics in this field of law.

Some of you, though I judge it to be a small proportion, have come into contact with my Department over one of the finer points of Federal mining law. This involves the extent to which sand and gravel deposits may be claimed as a discovery of valuable minerals. To those who are involved in Western operations this can be a highly important and controversial issue; certainly it is a time-consuming one for those who administer the public lands. Intriguing as it is, however, I doubt that it would warrant very extensive treatment here.

On this point, however, I am convinced that the public lands of our Western States will become an increasingly important factor to your industry in the years ahead. As the cities of that region grow, as our population center gravitates westward and as the need for highways and other public works expands to meet that challenge, the extensive sand and gravel reserves on the public lands will play a critical part in the regional economy. At the present time, however, they do not represent a major factor in national production or value. Of the 14 million cubic yards removed in 1964, for example, only 2-1/2 percent was actually sold; the balance was used, principally for highway purposes, under free use permits to Federal and local government agencies.

In this connection, the Federal Government last year initiated a comprehensive review of all the statutes and policies governing the management and disposal of our public land resources. A major subject to be considered by the
Public Land Law Review Commission must be that of how and under what conditions such products as sand and gravel shall be made available to the economy.

There are undoubtedly some among you who may dissent from the optimistic generalization I have made about your business situation. But, for your industry as a whole, the record is there to see. Since the end of World War II, your growth from 200 million short tons of annual production with a value of about $120 million to 870 million tons and nearly $900 million, respectively, has been truly phenomenal. When matched against the trend line of our gross national product, it is clear that your industry has been a major contributor to the Nation's developing prosperity, for you have outperformed the general economy by something like a third.

In a recent publication of our Department, our mineral specialists have hazarded an outlook prediction which is highly optimistic about the prospects for continued performance at about the same pace. Even the most prosperous of industries must adjust to the changing conditions of our fast-moving society. Certainly you face such problems as a cost-price squeeze, the location of reserves close to your markets, and competition from other lighter materials in the construction area. But even discounting for these factors the experts' forecast is for a continued level of prosperity at least equal to that of the past several years.

It is not difficult to find a basis for this kind of optimism. More and more people striving for a higher and higher standard of living create their own demand for more and better housing, new and better public facilities, longer and wider highways—all of which use concrete, glass and the related products of your effort.

More than that, as we enter the second century of modern urban living, we have been forced to take a new look at the face America presents to the world. Much of our urban landscape does little credit to our image. It is outmoded, squalid, ugly, uninspired and, in too many instances, a breeding ground for diseases of the body and of society.

So as a major element in the goal of a Great Society we have made an earnest, if modest, beginning toward the reconstruction of our aging cities and their down-at-the-heel environs. As the rubble of our slums is cleared away, the products of your industry are making possible a new architecture which does credit to our national taste and makes possible new standards of health, safety and public convenience. You are playing a significant role in making our cities livable again, replacing the jungles that have threatened our national character. One can view this prospect only with increased optimism for your industrial future.

There are many incentives for this effort to erase blight from the urban landscape. The prospect of a 200 million population by the end of this decade and 300 million by the end of this century is clearly reflected in the economics of urban land use. With values rising sharply, city land owners can no longer tolerate less than maximum economic return from their properties. In addition, municipal authorities and civic improvement organizations are using all of the devices available to them to see that their communities are not left
in the backwash of America's rapid progress.

This aspect of our changing life is not merely a cosmetic one restricted to the cities, however. A major tenet of our national policy in this decade is the protection and the rehabilitation of our entire environment--our lands and forests, our streams and lakes, our atmosphere and sunlight.

We are the most completely industrialized nation in the world and, hopefully, among the most efficient. Yet much of our progress during the Industrial Revolution of the last century has been accomplished under a misleading system of accounting. Our national balance sheet does not reflect the depreciation we should have been charging for damage to the setting which Nature provided for us. In short, as a nation, we have distributed part of our capital under the guise of profit.

Except in a relatively few cases, it is not possible to charge back the costs of rehabilitation against the original parties. Therefore, the costs have become social costs. You and I, through the tax process, must assume the burden of cleaning up the results of a century's pollution. But assume it we must and shall, because the crisis point has been reached in our generation. We are confronted with the last chance to salvage the bounteous environment that is America's natural heritage.

But we must look to the future as much as to the past. Much of the danger that we face is the creation of our own industrial and social complex. In addition to correcting the errors of the past we must take preventive measures to see that our generation does not add to them. Our duty in this respect is far greater than that of our predecessors in stewardship because, quite obviously, the potential for destruction in 200 million people is infinitely greater than that done by the 100 million who lived here a half century ago.

A few weeks ago, in its annual report to the President, the Council of Economic Advisers turned its disciplined attention to this very issue. Although the Council was considering water and air pollution specifically, its observations have relevance to the whole spectrum of environmental conservation.

The Council said:

"For most resources users are charged amounts which represent the value of these resources to others; indeed, this is a basic reason for the efficiency of a market economy. In the case of pollution, however, those who contaminate the environment are not charged in accordance with the damage they do. Thus, the cost of a municipality's discharge of raw sewage into a stream is borne not by the local residents but by potential downstream users. And the cost of discharge of sulfurous fumes into the air by a thermal electric plant is not borne by the users of electricity but by the citizens who breathe the polluted air. Public policies must be designed to reduce the discharge of wastes in ways and amounts that more nearly reflect the full cost of environmental contamination."
This may be a bitter prescription to swallow. But I venture that few informed people would deny that it is the indicated remedy for a mature, affluent society. If this means that the cost of goods and services must be increased, or taxes raised where individuals cannot be charged, that is a cost we will have to pay. It is time to establish a pay-as-you-go policy in repairing environmental damage.

Just one year ago today President Johnson sent to the Congress a conservation message that had as its principal theme the preservation of America's natural beauty. That message concluded with the admonition:

"The beauty of our land is a natural resource. Its preservation is linked to the inner prosperity of the human spirit."

"... We must rescue our cities and countryside from blight with the same purpose and vigor with which, in other areas, we moved to save the forests and the soil."

This message included a call for and was followed up by a "White House Conference on Natural Beauty." Held in May of last year, the Conference focussed a broad spectrum of public attention on the multitudinous facets of the problem. The proceedings of that conference have recently been published in full. They contain an encyclopedic agenda for our time, including the significant contribution of your Public Relations Committee Chairman, Mr. Davison.

It was clear from his very knowledgeable presentation of the issues and alternatives confronting the Nation's sand and gravel operations that your industry was already in the vanguard of a belated national effort. I am personally very grateful for the opportunity that my appearance here today has afforded in becoming more intimately acquainted with the work you have done, both as individuals and as an association in sponsoring a research and education program.

Let me say, here and now, that the work you have done in encouraging your members to follow the excellent example of those who have been most successful in site rehabilitation is entitled to the highest commendation. I take great pleasure in extending that recognition--unstintingly.

My pleasure in this regard is not entirely unselfish, however, for I hope that in calling attention to the fine work done by the association more of you may be stimulated to practice its excellent gospel--and to spread it abroad.

Over the past several months, I have been called upon to meet with and address numerous groups, public and private, on the President's natural beauty program. One of the difficulties of this assignment is to identify and present incentives which will motivate people to be concerned and more significantly, to do something about the problem. I must say that both industry and the public have responded nobly to the President's call out of a sense of social responsibility
and in the public interest. But we must be alert to finding other, more tangible and direct sources of inspiration in prosecuting the national objective.

We are indebted to you for a highly constructive contribution to this cause. I would certainly hope that you would continue along the same line. But beyond that, you owe it to your own image and the welfare of American industry to carry this message beyond your own membership to the rest of our industrial structure.

I can assure you that I labor under no misapprehensions concerning the factors which motivated your efforts to improve our landscape. There are few extractive industries that are inherently aesthetic in their appeal. And, as Mr. Davison pointed out to the White House Conference last May, yours has particular problems because of the large areas that must be disturbed and their close proximity to population centers and residential developments. The dust and noise, the siltation arising from washing operations, and the scarification of the landscape typical of traditional methods have brought demands for restrictive controls through zoning and other techniques.

For a decade or more, you have reacted as a public relations necessity—a mechanism of self-defense. But let me say that your reaction has been more constructive in a substantive way than almost any other public relations effort I have observed.

More recently, the incentive to end up with a valuable piece of developed real estate has been a major factor in adopting sound land use planning. This may be equally self-serving, but I am wholly persuaded that we can make progress faster on any problem when self-interest can be made to serve the public interest. Clearly, that is the case here and the community will be the better off for it.

Probably the clearest and most valuable lesson to be derived from your research and experience is reflected in the most recent study produced by the University of Illinois project. Total operational planning in advance, so that landscape reclamation may follow closely behind the extractive process, is a major contribution to the entire concept. It most certainly serves the public relations objective admirably because potential critics can see the promised results at an early stage. Of greater long-range significance is the fact that the land will not remain out of use for an extended period. This will inevitably become a major economic consideration as your industry faces the competition of suburban expansion while attempting to maintain operations close to the market. And by telescoping the time frame of rehabilitation, we can prove that American industry does care about the environment which has been entrusted to its custody under a free enterprise system.

I recognize the manifest injustice of using your platform to repeat your own material back to you. But, like so much of the Bible, when the text is so good why search for other prophecies? That which is good bears repeating. Then there is always the possibility that some of you didn't get the message the first time.

But let me urge upon you one possible refinement which has been discussed only briefly in your earlier literature. A concomitant of metropolitan growth is the
sing demand for park and recreation space. The fulfillment of this need is equally a part of the national conservation effort and many localities are hard pressed to locate, preserve and develop adequate facilities. You have already recognized that some of your worked-out sites would meet recreation standards admirably. But some doubt is cast on the economic practicality of such use due to land value differentials as between park use and intensive residential or commercial development.

This is undoubtedly true, but it becomes sharply apparent only if the choice is to be made after extractive operations have ceased and land reclamation completed. I suggest that, as a part of start-up or early stage development, joint discussions be held with local planning and park officials, looking toward the long-range commitment of the area to recreational use. Elements of such discussions might well include tax benefits during the life of active operations and cost-sharing on the rehabilitation task in return for a reduction in the cost impact upon the community at the time it takes possession of an already improved recreation area.

It is conceivable, even, that community-owned sand and gravel deposits might be made available for exploitation under a previously approved plan of operation and development, provided the end product was a substantially improved recreation facility.

Whatever the form such arrangements might take; I would consider the investment in joint planning a very valuable tool of community relations. If the community has assurance at the beginning that a valuable public asset is to result, the possibilities of friction and criticism would be greatly reduced.

You have attacked this issue of environmental preservation with imagination and vigor. It has been demonstrated that it is good public relations and good economics. I would only urge that the ingredient of direct public service and public interest be added to make a wholly balanced program.

I, for one, will watch your future efforts with great interest. I express ultimate confidence that you will explore and discover even better ways to stay in the forefront of a noble national crusade to rescue our landscape from the damage that unthinking men can do.