

President Johnson continually urges export increases to help our employment and dollar situation.

We respectfully ask prompt passage of H.R. 2406. We have been trying to accomplish this for over five years and now the situation is serious and requires your deep consideration.

Respectfully submitted,

G. W. MILLER,
Chairman of the Board.

Witness this 24th day of May 1968.

HENRIETTA W. BUELL.

Notary public, State of New York, qualified in Niagara County.
Commission expires March 30, 1969.

STATEMENT OF STEPHEN F. DUNN, PRESIDENT, NATIONAL COAL ASSOCIATION

Mr. Chairman, my name is Stephen F. Dunn. I am president of the National Coal Association, with offices in the Coal Building, 1130 17th Street, N.W., Washington, D.C. The Association is the nationwide trade association of the bituminous coal industry and has in its membership all the major producers and distributors of commercial bituminous coal.

ENERGY AVAILABILITY AND NATIONAL SECURITY

Under the General Agreement on Tariffs and Trade, quotas are illegal except for certain specified circumstances. One of the exceptions is when the Nation imposing the quotas feels its national security is at stake. Present import quotas for oil and its products (except residual fuel oil, which for all practical purposes is now quota-free in the East Coast market where it is directly competitive with coal) are maintained under this "national security" exception.

In the absence of quota protection, the damage to the domestic energy industry of the U.S. could be extensive, because foreign oil and gas probably will be available for many years—perhaps to the end of this century—at prices below the cost of finding and producing domestic oil and gas.

Although per-capita consumption of energy is increasing in the rest of the world, it is still far behind that of the United States. At some unknown time in the future, perhaps around the end of the century, oil and gas probably will be high-cost everywhere. For the decades immediately ahead, however, cheap foreign oil will be able to undersell domestic oil in the absence of effective regulation. Transportation of natural gas in liquid form is becoming a reality, and it is possible that foreign gas will also take over a larger share of the domestic market in the absence of regulation.

The phrase "national security" involves much more than the possibility of "hot war." It also involves protection against undue influence over this country's decisions in "cold war." Even more important, it involves protection against economic impotence. If the American dollar goes down the energy drain, the ability of America to maintain a high standard of living, the ability to maintain a position of leadership in the world, and the ability to defend our country will go with it.

No nation which depends on foreign sources for a large part of its total energy requirements can support a dynamic economy and be a world leader.

Every nation in the world has recognized that "energy" is a special category in world trade; no nation can afford to be without substantial indigenous energy sources if it is to maintain a position of strength in the world economy. Of course there are some nations—Italy is a good example—which have such an extremely limited supply of indigenous energy at any cost that they *must* be "free traders" in energy. Such nations find it difficult to achieve a high standard of living because they are forced to import nearly all of their energy. Nations like West Germany, Great Britain, France and Japan have recognized over the years that energy is in a special category—it cannot be thrown into the "free trade" basket. In spite of our Government's efforts to remove the quota-tariff system in West Germany, that nation is still producing substantial amounts of high-cost coal, rather than permitting unlimited imports of low-cost American coal. Most countries, with the exception of Italy, have some type of import controls restricting the free flow of U.S. coal abroad. England is subsidizing the produc-