We are not prepared to say exactly what percentage of the nation's total energy bill should be allocated to foreign sources. At the present time the energy trade deficit amounts to almost 8 per cent of our total bill for raw energy. We *are* convinced that Congress itself must make a firm decision about how much dependence on foreign energy our nation can permit and still survive.

If we continue a system which lets the Secretary of the Interior (Udall today; tomorrow, who?) believe that it is his "club" to use for whatever purposes he may deem desirable, then in effect we simply have no "national security" program. We must instill a feeling of confidence if we are to encourage the orderly growth of domestic energy industries and provide the incentive for the development of a synthetic fuels industry.

SUMMARY AND CONCLUSIONS

Control over imports of energy are exercised, as permitted by GATT, to protect the national security. The national security involves much more than military action; it involves also the maintenance of four independence in the "cold war" and maintenance of a strong domestic economy.

The total "energy bill" is so large—and growing so much larger—that it cannot be put into the "free trade" basket, particularly because much of our energy supply is now and for another two or three decades may continue to be vulnerable from a cost standpoint. On the other hand, the United States is blessed with an abundant supply of fuels in the form of coal and oil shale. Assuring our indigenous fuels a definite portion of the domestic energy market will in the long run benefit domestic consumers.

The present system of flexible controls does not provide the assurance required for the steady growth of domestic energy industries and the development of a synthetic fuels industry. The program presently is being used for purposes other than the national security—thereby destroying confidence in it.

Recommendations.—We urge the Congress to develop a long-term, binding policy which would set strict upper limits on the percentage of the nation's total energy needs which can be allowed to be filled by imported fuels. This policy should be based on maintaining an adequate national base of indigenous fuel supplies for reasons of national security, and on reducing the damage to the U.S. balance of payments by preventing a flood of dollars overseas to pay for increasing amounts of foreign fuels.

Because an adequate energy supply involves billions of dollars as well as national security, our energy policy should not be diluted by entirely different (and temporary) problems such as sulfur oxide emissions from fossil fuels. Moreover, our national energy policy should not be subject to free trade negotiations, as our security is at stake.

HAWLEY FUEL CORP.,
New York, N.Y., June 11, 1968.

Congressman WILBUR D. MILLS,
U.S. Congress,
Washington, D.C.

DEAR CONGRESSMAN: I am writing to you today concerning the movement which has been undertaken to impose quotas on various imports.

Our company has been engaged in the coal industry since 1879. We operate seven mines in the State of West Virginia which annually produce approximately two million tons of high grade metallurgical coal. Almost 80% of this coal is sold in the export market. Therefore, we are very much concerned about the protective measures now before Congress, particularly in regard to the imposition of import quotas on steel.

As you may know, coal export represents a valuable addition to our Balance of Payments. Inasmuch as there is almost no coal imported into the United States and no subsidies are received by the American coal industry, it is in the national interest to maintain coal exports at as high a level as possible. For many years, our government has been waging an unceasing battle against the imposition of non-tariff barriers to the importation of coal overseas. These efforts have met with varying success.

However, in addition to the obstacles posed by foreign governments to the importation of American coal, we are now faced with a situation where the American coal industry is the only large coal industry in the world which operates solely on an unsubsidized basis. All other large coal producing areas are