But that does not mean we should let ourselves become dependent on "sources which might be denied us," in Secretary Moore's words, for essential materials which form the very basis of our civilization and industrial might.

We are reaching a point where these policies cannot continue.

In 1949, the United States possessed $24.6 billion in gold reserves, or 70 percent of the world's total. Today, that has dropped to $10.7 billion—or 25.3 percent.

Not since 1956, when the Suez crisis opened up extraordinary foreign markets for United States fuel, have we shown a plus in our balance of payments. The liquidity balance in 1967, as recently estimated by the Federal Reserve Bank of St. Louis, was a minus $3.4 billion.

It seems quite clear to me, Mr. Chairmain, that these facts convincingly prove that, even though there may be an enticing desire to further promote the esthetic beauty of our countryside, America cannot afford actions which would add still further unnecessary costs to our own domestic production of essential minerals, metals, and fuels, and results in still greater demands for imports of these necessary materials from abroad. And passage of legislation which would add materially to the cost of surface mining of our natural resources could do just that.

Now, there is another compelling reason, besides the plaguing problems of gold reserves and balance of payments, for us to be very wary of increasing our dependence on foreign sources for our essential minerals, fuels, and metals. And that is, if we do not continue to encourage development and utilization of our own mineral resources, we may all to soon find that we are too late to do so. There are various statistics which warn that we already may have gone dangerously far in this direction. Let me cite my own industry as a partial example of what is happening as a result of a Government policy to encourage dependence on foreign, rather than domestic, resources. As we all know, our tremendously increased demand for energy fuels has resulted in a steady increase in fuel consumption in recent years, including coal, for electrical utility plants.

What is not generally realized, however, is that in one vital, highly industrialized, heavily populated section of the country—the northeastern part of the United States, consisting of New England, New York, and New Jersey—domestic coal is actually losing its utility market to imported residual oil.

While this hearing is not concerned with oil imports, per se, it is concerned with proposals and regulations which could further weaken coal's ability to compete both with domestic alternative fuels and with fuels imported from foreign sources. This, of course, affects the future strength of our industry just as does an increased dependence on foreign sources for essential metals and minerals.

Although probably most of the coal which has traditionally moved into the northeastern market has been from deep mines, rather than surface mines, any circumstances which can erode this major consumption area as a consumer of coal necessarily has an important impact on the production of coal in all sections, since coal pushed out of this market must compete in markets further from the coast.