International Trade

A large part of the President's message dealt with the subject of international finance. This concern is obvious because of the recent devaluation of the British pound and the precarious position of the dollar.

Much has been written and spoken on this subject and we can add but little to the overall picture.

This much, however, we do know. So long as American political and military commitments remain at their present levels, the dollar will continue under sharp attack. In order for it to survive intact, two things are required:

1. Public policy which will insure the continued viability of the U.S. economy and which will protect it from the unfair importation of cheap foreign goods.
2. An aggressive, export-minded American industry with the ability and the determination to compete successfully in foreign markets.

The recent trade agreements concluded under the Kennedy Round will intensify the competitive pressures under which American industry will have to operate.

American coal is in a unique position to help in the balance of payments in two ways.

First, U.S. coal is more than competitive abroad. Our coal, because of the efficiency of the American coal miner, adds $500 million to the U.S. balance of payments each year. America ships coal to Japan, Western Europe, Canada, and most of the coal-using nations of the free world.

It does this on the bases of quality and price.

The fact that we do not send more coal abroad rests in the political and not the economic sphere. Most of the nations of the world erect barriers to the entry of U.S. coal. Frequently, such barriers are non-tariff in nature, but extremely effective nonetheless.

Space does not permit me to catalog such barriers. Nevertheless, they do exist and as such tend to minimize the value of coal exports to the economy. They do so in two ways:

1. By reducing the market potential for U.S. coal.
2. By helping to create an atmosphere in which the export market is regarded as an undependable market outlet, an outlet to be exploited for the short run, but not to be developed for the long pull.

Second, the large reserves of U.S. coal and the modern technology to mine it should render us nearly self-sufficient insofar as fuels are concerned.

Unfortunately, just the opposite is true. Energy sources are imported into our markets in a flood, driving coal from its normal outlets. Often such flooding is done by unfair means, by dumping tactics.

Currently, coal faces a competitive battle from South American residual fuel oil, from Canadian naatural gas, and from Middle Eastern oil. Last year there was an attempt to dump German coal into the U.S. market.

In the face of such competitive pressures, the American coal industry has stood virtually alone. Government officials, ignoring our pro-