There are two commodities, Mr. Chairman, that my Department has particular interest in and responsibility for. Coal is one and oil is the other. I want to mention them specifically.

Coal is a good case in point. We have ample reserves of coal which can compete effectively in the world marketplace, provided artificial trade barriers are not erected. But if we place impediments in the path of international trade, are we not inviting—indeed insuring—similar action by other countries?

Exports of U.S. coal earn about one-half billion dollars annually as a credit toward U.S. balance of payments. During the past 5 years coal exports have stabilized at approximately 50 million tons annually—an unprecedented level in a nonemergency period. This remarkable record has been achieved despite the existence of coal trade barriers in several major importing countries. To most nations in which barriers do not exist or have been relaxed, U.S. coal has registered significant gains. There are positive indications of further relaxation, we believe, in the next few years.

Recent studies of foreign market potentials for U.S. coal indicate possibilities for increasing exports to 80 million tons or more annually, provided we are not prevented from competing because of retaliatory restrictions.

To be sure, however, restriction of imports of products to this country would tend to create more restrictive coal import policies in other countries. More importantly, such action would encourage the adoption of restrictive policies by countries which are now increasing their imports of U.S. coal.

As a conservationist, I am struck by the wastefulness of quotas and other types of import restrictions. As a consumer, I am appalled by the damage they cause me and millions of other consumers. These serious deficiencies of quotas were forcefully driven home to me in a recent release which passed over my desk, issued by the American Importers Association—"Here's What's Wrong With Import Quotas." The "wrongs" of quotas may be briefly summarized as follows:

Quotas increase inflationary pressures by restricting competition and thus increasing prices here at home.

Quotas weaken American balance of payments by decreasing the ability of foreign countries to earn dollars to buy U.S. goods and by decreasing U.S. firms' ability to compete because of higher prices of U.S. goods.

Quotas limit the consumer's choice.

Quotas restrict American manufacturers' sources of supply.

Quotas disrupt supply and demand.

Quotas favor special interest.

Quotas inject more politics and Government control into the economy.

Quotas require more Government administrators.

Quotas proliferate and endure.

Quotas are arbitrary and discriminatory.

Quotas will hurt American relations abroad and could start a worldwide trade war.

Quotas make the least economic sense among the various ways of helping industries adjust to import competition. They provide an absolute limitation upon trade. As such, they interfere far more dras-