

have had practical experience in attempting to conduct trade under a quota system will reject this alternative. All quota systems require an elaborate and expensive bureaucracy.

The Nation's resources can be spent on better things. Quotas are invariably inequitable because decisions about which exporters and which importers are to have a share can only be made on some arbitrary basis. And, as soon as the market has been rigidly allocated by being artificially divided among approved suppliers, the normal laws of supply and demand can no longer operate effectively and prices are bound to rise.

Moreover, there is no reason to suppose that a large-scale interference with the normal flow of trade, which the quota proposals now under consideration would represent, would not cause the trading partners of the United States to impose equivalent restrictions on our export trade.

We have a bilateral trade surplus with most of these countries and an overall surplus on trade. It is one thing to ask the rest of the world to acquiesce in temporary restrictions when a country's exports are clearly inadequate to pay for its imports, but it is quite a different thing to impose restrictions when many of our trading partners already have a deficit with us and are having difficulty financing their purchases.

It would be our hope that, as the United States maintains its present position of technical leadership, many of our products will continue to secure a dominant place in world markets. But other countries must also be allowed to have successes in their own areas of excellence.

The concept of imposing a ceiling on any import which takes more than a set percentage of the market runs directly counter to this principle and, if it were widely adopted, would hit the United States harder than anyone else.

For a nation which leads the world in innovation and the dynamic pursuit of new opportunities it appears inconceivable to adopt and foster a policy of putting trade in a straitjacket.

The United States and the world has gained much from the persistent efforts which our Nation has made, since the end of World War II, to expand and liberalize international trade. We earnestly urge the continuation of these policies.

On behalf of the British-American Chamber of Commerce, we thank this eminent committee for this opportunity to appear and for your consideration of our views, Mr. Chairman.

(Mr. Kintner's prepared statement follows:)

STATEMENT OF EARL W. KINTNER OF THE BRITISH-AMERICAN CHAMBER
OF COMMERCE

Mr. Chairman and Members of the Committee, my name is Earl W. Kintner, and I am a member of the Washington law firm of Arent, Fox, Kintner, Plotkin & Kahn. I am appearing before you today on behalf of the British-American Chamber of Commerce of New York to present the Chamber's views on a number of the tariff and trade matters which are the subject of these public hearings. The Chamber and its membership are vitally concerned with these matters and are deeply appreciative of this opportunity to appear.

The British-American Chamber of Commerce of New York has for its basic purpose the expansion of trade in both directions between the United States and the United Kingdom. More than 80 percent of the Chamber's members are