

WAREHOUSEMEN'S ASSOCIATION OF THE PORT OF NEW YORK, INC.,
New York, N.Y., June 18, 1968.

HON. WILBUR D. MILLS,
Chairman, Ways and Means Committee of the House of Representatives,
Washington, D.C.

HONORABLE SIR: I am counsel to the Warehousemen's Association of the Port of New York, Inc. This Association wishes to record its opposition to the quota bills for foreign manufactured products which are now under consideration by your honorable body.

It appears that the introduction of these bills was impelled, principally, by those members of Congress who believe that the United States trade balance will be improved thereby. It is submitted, however, that the adoption of quotas might well have an effect opposite to that which is desired or intended. As the implementation of the quotas (if enacted) takes its toll in terms of frustrating foreign manufacturers in their United States trade, retaliation by the foreign countries thus affected seems inevitable. In the face of the probability of such retaliation, it is difficult to see how the balance of payments deficit can be eased. In addition, it is fair to expect that the enactment of quotas would have the result of raising the prices of protected products thus providing an additional economic impediment to our export markets, and the flow of foreign-held dollars back into our economy.

Even if quotas result, at least initially, in strengthening our trade balance, the long range implication is an exacerbation rather than an easing of the problem.

In addition to the above-mentioned likelihood of foreign retaliation, and higher costs, vested interests having an enormous stake in the protectionism afforded by quotas, would undoubtedly seek to have the quotas made more or less permanent, even in the event of a disappearance of the balance of payment deficit. The liberal foreign trade program which has been the keystone of foreign trade policy during the last five national administrations, and which has been beneficial to our national economic interests, would thus be endangered. The international community has been served well by this liberality. Import quotas superimposed upon the import surcharges can well induce a regressive movement toward the evils of unbridled protectionism, i.e., economic isolationism and trade warfare. It is to be hoped that your distinguished Committee will thoroughly ponder the unfortunate consequences of such a reversion.

Moreover, the resultant curtailment of imports would adversely affect the imports industry, and other industries which are dependent upon the importers for their very existence. The creation of unemployment in these industries is too high a price for a questionable short range benefit to our trade balance problem.

I am transmitting simultaneously herewith a copy of this letter to each member of the Committee as well as to its Chief Counsel and Assistant Chief Counsel.

Respectfully yours,

ARNOLD H. SHAW, *Counsel.*

STATEMENT OF FRED S. HABER, PRESIDENT, OCEAN FREIGHT CONSULTANTS INC.

In accordance with specific requirements set forth by your Committee, Ocean Freight Consultants Inc. submits the following statement:

1. Ocean Freight Consultants Inc. (hereafter OFC), located at 112-15 Northern Boulevard, Flushing, New York 11368, a firm incorporated under the laws of the State of New York. Its principal function is the auditing of freight bills, and consultation in the field of International Transportation. These services are offered to the shipping public and among its clients, are such organizations as: The United Nations, Burroughs Corporation, A. S. Beck Shoe Co., Esso International, Gimbel Brothers, International General Electric, Johnson & Johnson, Mead Johnson International, R.C.A. International, and many others.

Worldwide contacts are kept with principal trading centers to extend our advisory services to our clients in as many areas as possible.

2. OFC has actively participated in proceedings before the Federal Maritime Commission (hereafter FMC) and is presently a petitioner and intervenor in Docket 65/5, which is now being considered in the pending rulemaking proceeding for issuance of an initial decision.

OFC was also an active participant in Fact Finding Investigation No. 6. A report was issued by the Federal Maritime Commission on August 16, 1967.