import almost all of our raw materials. We import material from both Europe and from Japan. We find that the importation of stainless steel gives us several advantages not offered by the domestic steel producers.

We find specifically that we are able to buy materials in 60- and 72-inch widths at commercial prices and very competitive prices.

This material to date is not available in any sort of volume from the domestic steel mills. We also find that we are able to get extended terms and have certain factors added to our orders such as material being rolled within commercial tolerances but on the light side of the tolerance which gives us an edge as a fabricator.

We are definitely against elimination of competition from the foreign market as we feel that this would permit arbitrary price setting here in the domestic market. We are afraid that higher costs of stainless steels would hurt us in several ways.

No. 1, it would make us noncompetitive as a small stainless steel fabricator where we do not have the volume to purchase in large quantities and take advantage of discounts that are available only in very, very large volume purchases from domestic mills.

Secondly, we are afraid that higher prices of stainless steel would make our products noncompetitive against the materials of other construction, specifically lined steel tanks, plastic tanks, rubber lined steel tanks, items which are not fabricated from stainless but may be substituted.

We are now able to get a large part of this market by offering stainless steel equipment at very competitive prices.

In summary, we believe a quota system would be a restriction of free trade and would result in limitations of sources and suppliers of raw materials for us.

We feel it would directly result in higher costs of stainless steel raw materials for our production. We feel the higher cost of stainless steel would endanger our competitive position as a stainless steel fabricator in both the domestic and foreign market.

I would like to add that we do import approximately $200,000 to $300,000 worth of finished goods to Latin American countries a year; also some to Asian countries under AID programs.

It is also felt that higher prices of stainless steel materials would result in a loss of the share of the market for stainless steel products to other materials of construction.

We strongly hope that domestic producers might choose to meet international competition. We would very much like to purchase our stainless steel materials from the domestic producers should they choose to compete in both product and prices.

Thank you, gentlemen.

(Mr. Epstein's prepared statement follows:)

STATEMENT OF LAWRENCE D. EPSTEIN, VICE PRESIDENT, PERRY PRODUCTS CO.

COMPANY DESCRIPTION

Perry Products Company is a moderate size, independent stainless steel fabricator, located in the north-central section of Philadelphia. Approximately 100 people are employed in the manufacturing of stainless steel storage, mixing and process tanks, pressure vessels, heat exchangers, chemical reactors and cus-