tom fabricated stainless steel process equipment. This equipment is sold to the chemical, pharmaceutical, beverage, paper, distilling, brewing, and other process industries in the United States and throughout the free world. Annual sales for the company are approximately $2 million dollars.

Perry Products Company is a wholly owned subsidiary of the Perry Equipment Corporation. Perry Equipment deals in the buying and selling of surplus chemical and processing plants and auxiliary equipment. Perry sells used processing equipment throughout the free world. Another Perry operation, Perry Products Company of Puerto Rico fabricates and distributes stainless steel products in the Caribbean area.

OBJECTIONS TO PROPOSED LEGISLATION

Our objections to legislation restricting importation of steel and other items are as follows:

1. Restriction of Free Trade—It is our belief that it is imperative to our economy and to the free world's economy to maintain an atmosphere conducive to trade amongst various nations. Arbitrary restrictions such as the proposed quotas will limit the trade between nations, and specifically injure the competitive position of Perry Products Company.
2. Limitation of Sources—The proposed Import Steel Quotas would limit the available sources for raw materials necessary in the fabrication of our stainless steel products. These limitations would prevent our utilization of materials presently not generally available at competitive prices in the domestic market. Specifically 60″ and 72″ wide sheet material which is currently available in the international market at very competitive prices. These products are currently not available except as special orders with correspondingly higher prices.
3. Elimination of competition from foreign materials permits arbitrary price setting in the domestic market. We believe the removal of foreign competition eliminates of the most important factors in price competition and will permit higher prices to be established by domestic producers.
4. Higher Cost of Stainless Steels—It is believed that the fixing of quotas on steel products will result in higher prices in the domestic market place. Instead of making efforts to meet the imported competition, there will be a tendency to continue at present rates and in effect subsidize the inefficiencies through higher prices. As an independent fabricator higher cost of material would severely endanger our operation.
5. Loss of Business Because of Higher Costs—Steel import quotas would require our purchasing of stainless steel products at domestic prices which in many cases are 20% higher than comparable imported materials. This 20% material increase must be passed on to our customers in the form of higher prices and will make our products much less competitive in the market place. This is especially true where our stainless steel products must compete against other materials, such as, polyvinyl cloride, lined steel tanks, or other materials less costly than stainless steel. It is especially feared that an increase cost in stainless steel prices will drastically reduce our ability to compete in the process industry against other materials of construction.
6. Restriction of Export Sales—It is strongly believed that our sale of finished products and scrap to foreign countries may be deterred through these trade restrictions. We are of the belief that other nations will put restrictive trade regulations into effect as a result of United States legislation in this area.

SUMMARY

Perry Products Company is strongly opposed to passage of legislation which will permit establishment of quotas on the importation of steel and other products. We believe such quotas would be a restriction of free trade, would result in limitation of sources and suppliers of raw materials and would directly result in higher costs of stainless steel raw materials for our production. In addition, we feel that the higher cost of stainless steel would endanger our competitive position as a stainless steel fabricator in both the domestic and foreign markets. It is also felt that higher prices of stainless steel materials would result in a loss of a share of the market for stainless steel products to other materials of construction.