

Problems in foreign competition

To help substantiate the problems of competing with foreign products with the extreme price differential, we are attaching as Exhibit D a letter from a dealer in Holland and as Exhibit E a letter from a scientific apparatus dealer in England. The significant factors in the letter from Holland are: "We know from experience that your quality is the best of all to be obtained in the world since at the end of the war we have sold your porcelain—but later on we have been compelled to drop your porcelain as soon as the German factories were getting again at the market, supplying satisfactory qualities and much cheaper than yours." The significant part of the English letter is: "We feel sure you will appreciate that this makes the position of marketing your lines, particularly with regard to import duties, etc., extremely uncompetitive." In other words, it has proven completely impossible to sell in European markets even with what is considered by many to be a superior product, with the wide disparity of prices. This same situation would occur in the United States if the tariffs were to be dropped to the point that the same competitive disadvantage existed for our product.

Foreign imports

The large increase in imports under tariff item 535 2100 of 1965-66 indicates that more serious inroads into the domestic market can be expected. Rising costs in both labor and materials make competition even more difficult.

Vital to national defense

Although no mention has previously been made of this fact, chemical porcelain plays an extremely important part in our over-all defense effort. This information has been established so thoroughly over the past years that in the U.S. Tariff Commission's "Summaries of Tariff Information", Volume II, Part 1, Paragraph 212, Page 178, last published in 1948, the statement is made "Chemical porcelain is vital in national defense."

In this same respect, there is attached as Exhibit F, copies of a letter from the late Senator Eugene Milliken of Colorado addressed to the Chairman of the Interdepartmental Committee on Trade Agreements of the Department of State. This letter was written in 1950 and states "I am utterly astonished that chemical porcelain, which is widely recognized as absolutely essential to national defense and which is produced by only one company in the United States, would be placed on this list." He was referring at that time to the list of commodities on which the United States was considering negotiating tariff reductions.

Effect of tariff reduction

There is little question that if the protective tariff against the importation of chemical porcelain were to be removed, this segment of our business at Coors Porcelain Company would be destroyed. Of great concern if this were to happen is that the entire Western Hemisphere would be left without a single supplier of chemical porcelain. This was disastrous to our budding young chemical industry in World War I. It certainly would have been disastrous to our entire war effort if it had happened in World War II, and there is surely no one who can claim that it would not be disastrous to the research and development effort required if this country were to again face a world conflict.

It was pointed out above that chemical porcelain of somewhat inferior quality is already available in this country at more than 25% below Coors prices. We have been able to retain our present market only because our consistent quality, ready availability and progressive attitude have convinced the searching scientists that the use of this material would cost him more in unreliable results and costly delays than he would gain by the price advantage. This would certainly not be true if the quality differential did not exist or if the price advantage was such that it could be compensated for. It is quite certain that such a condition would exist if the existing tariffs on chemical porcelain were cut in half.

In view of all that has been presented above, it must certainly be concluded that it would be to the disadvantage of the United States to reduce the tariff on chemical porcelain in such a way that it would destroy an industry which is vital to all the chemical and physical laboratories of this country. Accordingly, we strongly urge that there be no further reduction in the tariffs on chemical porcelain, but on the contrary that import quotas be imposed or tariffs be increased on chemical porcelain.