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## DUTY ON LABORATORY GLASSWARE AND SURGICAL AND SCIENTIFIC INSTRUMENTS.

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MARCH 2, 1920.—Ordered to be printed.

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Mr. CURTIS, from the Committee on Finance, submitted the following

### REPORT.

[To accompany H. R. 7785.]

The Committee on Finance, to whom was referred the bill (H. R. 7785) to provide revenue for the Government, to establish and maintain in the United States the manufacture of laboratory glassware, laboratory porcelain ware, optical glass, scientific and surgical instruments, having considered the same, report favorably thereon with the recommendation that the bill do pass without amendment.

The subcommittee is firmly of the belief that unless proper protection is given to these industries, and the duty-free privileges are eliminated that they can not live. We believe that if these industries are properly protected until they get firmly established they will be able to take care of themselves. The argument that is used for chemical glassware may be used for the other articles covered by the bill.

The American ware was put on the market at the same price which the consumers had been paying for the German ware; i. e., the consumers outside of the schools and colleges. It will be remembered that schools and colleges obtain their ware duty free. The development of these industries was made as a war necessity; and it was a great undertaking, and the producers encountered many difficulties, and they are to be congratulated upon their wonderful success.

Recently a new competitor has entered the field. Japanese wares are now being disposed of in this country. It is properly established that Japan can produce these wares at a cost far below what it will cost to make them in the United States, but we believe that a duty of 60 per cent will protect these industries. It was shown at the hearing that Japanese beakers were selling in New York City at \$1. The same beaker would cost in this country about \$1.85, and the Japanese beaker would cost about 56 cents in Yokohama.

The following, taken from the testimony of J. M. Roberts, of the Central Scientific Co., of Chicago, Ill., and Secretary of the Scientific Apparatus Makers' Association, clearly shows that a duty of 60 per cent is necessary to protect these industries:

Mr. ROBERTS. No. A tall-shaped round bottle, with a pour out, imported from Japan, duty free, will cost \$2.60; that is, f. o. b. Yokohama. If you add 60 per cent duty to that it will bring it up to \$4.10. Our cost of that here in this country is \$4.84. That leaves 74 cents for transportation, which is approximately what it would be.

I do not happen to have any drying tubes here, but it is a small U-shaped tube for drying gas. On one 10 inches high the f. o. b. Yokohama price is 8 cents, and 60 per cent duty would bring it up to 12.8 cents. Our factory cost at the present time is 12½ cents. Here is another form of drying tubes, 4-inch, present cost of Japanese, f. o. b. Yokohama is 6 cents, plus 60 per cent duty, would be 9.6 cents. Our cost is 9 cents.

Volumetric flasks: We have one type of it on the table with the stopper ground in. The following cost is on the same form without the stopper, but it will illustrate: Size, 250 cc., f. o. b. Yokohama price, 24 cents; plus 60 per cent duty is 38 cents. Our average cost is 35 cents. The same with the stopper ground in is 40 cents, plus 60 per cent equals 64 cents. Our price is 60 cents. These are typical of the cost. If the chairman desires any further data, I will go through these lists.

The CHAIRMAN. Those you do not read can go into the record.

	Japanese cost, f. o. b. New York, + 60 per cent duty.	American costs.
Weighing bottles, 50 by 30 millimeters.....	\$0.2875	\$0.30
Weighing bottles, 50 by 40 millimeters.....	.4025	.40
Dropping bottles, 30 cubic centimeters.....	.2875	.30
Potash bulbs.....	1.035	1.05
Retorts, 60 cubic centimeters.....	.276	.30
Filtering flasks, 500 cubic centimeters.....	.322	.33

Mr. ROBERTS. Showing that 60 per cent asked for is exactly what we must have.

The people who have developed these industries were encouraged to do so by the chemists of the United States and by the Government. They have made a success, and can continue to produce a better quality of these wares than can be produced in any other country in the world. But, because of the cheap labor in Japan and other countries, they need a duty in order to make up the difference between the cost of production in this country and abroad.

Since the outbreak of the war there has been developed in the United States 12 separate branches of the glass industry for the manufacture of various articles. The imports of chemical glassware for 1913 amounted to about \$1,500,000. Of this, about 50 per cent has come in free of duty. The heads of the chemical departments of 20 universities and scientific institutions were written to in regard to their position on the repeal of the duty-free legislation hereinbefore mentioned and the continuance of the present rate of duty on chemical glassware and apparatus in order to develop and protect the industry in the United States. Of these 20, 17 stated that the withdrawal of the duty-free privilege would increase the development and manufacture of chemical articles in the United States, and that they favored such action.

Testimony before the committee shows that there are 283 working days in the year in Japan, and the average number of working hours

in a day are 11½. The evidence shows also that their wages in 1918 increased about 40 per cent.

In 1917 the daily average wage for males over 15 years of age in Japan was 37½ cents per day, and for females 16½ cents. Under 15 years of age the wage is 14 cents for males and 11 cents for females. The average scale in this country is \$6.60 per day, so if the wages in Japan have increased 40 per cent it would bring their highest wage to about 53 cents per day as against a daily wage of \$6.60 in this country.

The record shows that in 1918 chemical glassware produced in this country amounted to \$1,910,000. This production came from seven factories. The same year the total exports for six months, for the period ending December, 1918, were \$92,081.

The chemical glassware industry in the United States is in its infancy, and the war caused an increase of production in this country of at least 95 per cent, and your committee is satisfied from the showing made that we have the skill, the men, and the manufacturers who are willing and able to produce a better quality of articles than can be produced in any other country, and in quantities sufficient to supply all the demands of the United States, if they are properly protected.

It is shown in the evidence that in England, for work that brings from \$10 to \$12 per week, the wages range in this country from \$30 to \$33 per week, for the same kind of work. In Holland the workers are paid \$8 per week, and for the same work in this country the wages amount to about \$18 per week.

There is another fact to be considered in connection with these bills. Wages in European countries are 20 per cent less on this kind of ware, if it is to be exported. This was clearly shown in the report of Mr. Rowe, under the caption of "Foreign competition on manufacture of chemical glassware," at page 36.

The total value of the ware produced in Japan in 1907 was \$1,587,000. The total value of the wares produced in 1916 amounted to \$8,381,362. The total exports of wares manufactured in Japan in 1918 amounted to about \$8,000,000. The total number of employees in the glass factories in Japan in 1907 were 5,663, while in 1916 there were 15,500. An abstract from the census shows that the total number of employees in the glass industry in the United States were 74,500, of which 68,085 were males and 4,425 were females, and only about 1,000 were under the age of 15 years.

The American Chemical Association, which is composed of 13,500 chemists, and is the largest society of its kind in the world, held a meeting in New York City in December, 1918, and passed the following resolutions:

The council expresses its opinion that the development of American-made glassware, chemicals, and chemical apparatus should be encouraged in every way, and that for a reasonable period of years at least the present laws allowing chemicals and chemical apparatus be revoked.

The council also expresses its opinion that duty-free importation of apparatus and chemicals has been a very effective form of foreign propaganda in creating in the minds of the youth of this country an impression of the superiority of such foreign-made material.

It is unnecessary for the committee to specifically refer to the three measures, because the bills are so closely related that the three should really be in one measure, covering the subject of scientific instru-

ments. All the arguments that have been advanced for any one of the bills can be made in favor of the other two. The scientific-instrument industry has heretofore been confined very largely to foreign countries, but it has been clearly demonstrated that the factories in our own country have produced, during the war, and can produce just as good or better instruments as can be produced in any other country in the world.

It is only fair to state that in the year 1918 American producers manufactured chemical glassware to the amount of \$2,853,000, of which they exported only \$179,862 worth. It is clearly shown in the hearings before the Committee on Ways and Means of the House that articles which are admitted under the ad valorem rates of duty do not come at their correct value. The chairman of the committee of the House printed in the hearings a copy of an address before the Berlin Chamber of Commerce from which the following is a short paragraph:

Market value, as defined under American law, is the wholesale price at the time of export, and our trouble lies in having two sets of prices, one for export and the other for home trade. We have to resort to a division of shipments under the so-called "\$100 clause" to keep our matters secret, save fees, and avoid control on that side.

We take the following from the report of the United States Tariff Commission concerning optical glass and chemical glass:

Replying to the questionnaire another manufacturer said: "We are manufacturing lines of scientific glassware and porcelain of high quality which are vitally necessary to the control of our chemical and metallurgical industries. Of course, it is no longer necessary to point out to you the intimate relation of these industries to the safety of the Nation and the absolute need of a self-contained policy on the part of our Government in fostering and encouraging all of these industries and their correlates."

Before the great World War 80 per cent of all the scientific apparatus supplied to the laboratories was made in Germany, where this industry had been developed to a high degree. When the war came upon us our people were not prepared to meet the shortage in the supply of scientific instruments. Those interested in the industry in this country began to develop it, and the instrument makers in the United States went ahead and did what they saw was necessary in order to make these instruments in the United States, and they have been successful in their efforts. The industry is now threatened by the products of Japan, and it is expected that Germany will again come into the field, but the American producer, if protected in the difference in the cost of production in this country and abroad, will be able to fully supply the demands of the United States.

Your committee therefore recommends the passage of the bill H. R. 7785.

