

## TARIFF TREATMENT OF ISTLE OR TAMPICO FIBER

August 12, 1957.—Ordered to be printed

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

### REPORT

[To accompany H. R. 7096]

The Committee on Finance to whom was referred the bill (H. R. 7096) to amend paragraph 1684 of the Tariff Act of 1930 with respect to istle or Tampico fiber, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

#### EXPLANATION OF COMMITTEE AMENDMENTS

The House bill would have made permanent the free importation of istle or Tampico fiber. The Finance Committee adopted an amendment limiting such free importation to a period of 3 years as a testing period and to provide for future congressional scrutiny. The 3-year limitation was adopted without prejudice in case future extensions are deemed advisable. The bill was also amended to provide for the free importation of a beta-ray spectrometer for the use of Stanford University in the field of research.

The committee felt that, inasmuch as the study and research of ultrashort rays is valuable to the health and scientific advancement of the country as a whole, and inasmuch as at least a part of this research is provided for by grants and contributions that free importation might be provided for in this case. At the same time it should be understood that the very few instances where import duties have been waived by special legislation should not be interpreted as a pattern that will necessarily be followed in the future. The committee will study the merits of each individual case and does not feel that any precedent is being established by this amendment.

#### GENERAL STATEMENT

The purpose of H. R. 7096, as reported, is to transfer dressed or manufactured istle or Tampico from the dutiable to the free list of the Tariff Act of 1930.

Istle or Tampico fiber is derived from several species of the agave plant which is indigenous to Mexico. It is one of the best known and most widely used of all vegetable brush fibers. Its principal use in the United States is in the manufacture of brushes. There is no domestic production of the raw fiber in the United States and recently there has been only insignificant production here of the dressed product from imported raw fiber.

Istle or Tampico fiber, not dressed or manufactured in any manner, is specifically enumerated in paragraph 1684 of the free list of the Tariff Act of 1930. Imports of dressed istle fiber are classified under a "catchall" provision for "Articles manufactured, in whole or in part, not specifically provided for" (par. 1558), and are dutiable at the rate of 20 percent ad valorem. Pursuant to a trade agreement with Mexico, the rate of duty was reduced to 10 percent ad valorem, effective January 30, 1943, but the rate reverted to 20 percent upon termination of the trade agreement on January 1, 1951.

The Tariff Commission has reported that imports of dressed istle averaged 6 million pounds annually during the 8 years (1943-50) the trade agreement was in effect. In the 6-year period, 1951-56, since the trade agreement was terminated, imports of the dressed fiber averaged 6.4 million pounds per year.

The Tariff Commission states further that good grades of the raw fiber are in short supply. The brush industry and importing interests have informed members of Congress that prices of the dressed fiber have risen with resulting increases in the cost of production and in the prices of the finished products.

Favorable reports on H. R. 7096 were made by the Departments of State, Treasury, Commerce, and Agriculture in addition to informative reports from the Labor Department and the Tariff Commission.

In view of the fact that the raw fiber is presently on the free list, that there is no significant domestic production of dressed fiber, that such fibers are in short supply with consequent increases in their prices, and that a removal of the present duty on dressed fibers of 20 percent ad valorem would reduce the burden of these higher prices on domestic users of such fibers, enactment of H. R. 7096 is recommended.

#### CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

#### PARAGRAPH 1684 OF SECTION 201 OF THE TARIFF ACT OF 1930

##### TITLE II—FREE LIST

Section 201. That on and after the day following the passage of this Act, except as otherwise specially provided for in this Act, the articles mentioned in the following paragraphs, when imported into the United States or into any of its possessions (except the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman

Reef, Johnston Island, and the island of Guam), shall be exempt from duty:

\* \* \* \* \*

Par. 1684. (a) Grasses and fibers: Henequen, sisal, manila, jute, jute butts, kapok, [istle or Tampico fiber,] New Zealand fiber, sunn, magley, ramie or China grass, raffia, pulu, and all other textile grasses or fibrous vegetable substances, not dressed or manufactured in any manner, and not specially provided for.

(b) *Istle or Tampico fiber, whether or not dressed or manufactured.*

