

THREE-YEAR SUSPENSION OF IMPORT DUTIES ON CERTAIN SPUN-SILK YARN

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

R E P O R T

[To accompany H.R. 2886]

The Committee on Finance, to whom was referred the bill (H.R. 2886) to suspend for 3 years the import duties on certain classifications of spun-silk yarn, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

The purpose of H.R. 2886 is to suspend for a period of 3 years the import duties on certain classifications of spun-silk yarn provided for in paragraph 1202 of title I of the Tariff Act of 1930.

GENERAL STATEMENT

Spun-silk yarns are of two principal types: Standard spun-silk (schappe) yarn and silk-noil (bourrette) yarn. Standard or schappe spun-silk yarns for general textile use are manufactured from long parallelized silk fiber stock recovered from waste cocoons and silk filature waste and is used for making sewing thread, decorative stripings for fine worsteds, lacing cord for cartridge bags and, in combination with other fibers, certain types of necktie fabrics, shirtings, dress and suiting fabrics, upholstery and drapery materials.

The silk-noil type of yarn is made from shorter length, and hence cheaper, silk fiber stock than schappe and must be spun on wool-spinning machinery. The material used consists of silk noils discarded as byproducts in preparing silk waste for spinning in standard spun-silk yarns. Such yarns have few civilian uses except in mixture fabrics containing other fibers. Their chief use is in the weaving of silk cartridge cloth for powder bags for large caliber ordnance.

Spun-silk yarns of the fineness provided for in H.R. 2886 are not produced domestically in any quantity. Imported yarns, which are usually finer in size than those of domestic manufacture, are used for various decorative purposes and in the production of certain types of silk broadcloth and other fabrics. Such yarns are dutiable at rates of 21 percent and 25½ percent ad valorem, at present.

Domestic producers of silk fabrics have, by virtue of the duties applicable to spun-silk yarns, been obliged to pay higher prices for their raw materials than do their competitors abroad. Partly because of this situation, domestic production of silk fabrics has encountered competition from imports of silk fabrics. The suspension of the duties on the raw materials (fine spun-silk yarns), as provided for in H.R. 2886, would improve the competitive position of the domestic silk-weaving industry and would tend to increase domestic production of silk cloth. Because fine silk yarns are frequently mixed with the coarser yarns of domestic manufacture in the fabrication of silk cloth, the availability of cheaper fine silk yarns would also tend to increase demand for the domestically produced silk yarns.

Favorable reports on H.R. 2886 were made by the Departments of State, Treasury, Agriculture, and Commerce and informative reports by the Department of Labor and the U.S. Tariff Commission.

