# TARIFF ACT OF 1929

## **HEARINGS**

BEFORE A

# SUBCOMMITTEE OF THE COMMITTEE ON FINANCE UNITED STATES SENATE

SEVENTY-FIRST CONGRESS

FIRST SESSION

ON

## H. R. 2667

AN ACT TO PROVIDE REVENUE, TO REGULATE COMMERCE WITH FOREIGN COUNTRIES, TO ENCOURAGE THE INDUSTRIES OF THE UNITED STATES, TO PROTECT AMERICAN LABOR, AND FOR OTHER PURPOSES

## **VOLUME XII**

SCHEDULE 12 SILK MANUFACTURES

> JULY 1, 1929 (With Supplement)

> > INDEXED

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#### COMMITTEE ON FINANCE

#### United States Senate

#### SEVENTY-FIRST CONGRESS, FIRST SESSION

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SCHEDULE 12-SILK MANUFACTURES

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#### **FOREWORD**

Under authority of Senate Resolution 335, Seventieth Congress, second session, the United States Senate Finance Committee, for the purpose of investigating the effects of the operation of the tariff act of 1922 and the proposed readjustments as set out in House bill 2667, commenced general tariff hearings on June 13, 1929, pursuant to the following public notice authorized by the committee on June 7, 1929:

Dates of hearings and tariff subcommittees

Schedules	Date to commence	Subcommittees  Subcommittee No. 1, room 212 Senate Office Building		
1. Chemicals, oils, and paints	June 14	Smoot, chairman, Reed, Edge, King, and Barkley.		
2. Earths, earthenware, and glassware.	June 19	Edge, chairman, Smoot, Reed, King, and Barkley.		
3. Metals and manufactured of.	June 26	Reed, chairman, Smoot, Edge, King, and Barkley.		
		Subcommittee No. 2, room 312 Senate Office Building		
6. Tobacco and manufac- tures of.	June 13	and Connally.		
8. Spirits, wines, and other beverages.	June 14	Shortridge, chairman, Smoot, Watson, Harrison, and Connally.		
7. Agricultural products and provisions.	June 17	Watson, chairman, Smoot, Shortridge, Harrison, and Connally.		
5. Sugar, molasses, and manufactures of.	June 26	Smoot, chairman, Watson, Shortridge, Harrison, and Connally.		
		Subcommittee No. 3, room 301 Senate Office Building		
9. Cotton manufactures	June 14	Bingham, chairman, Greene, Sackett, Simmons, and George.		
10. Flax, hemp, jute, and manufactures of.	June 19	Greene, chairman, Bingham, Sackett, Simmons, and George.		
11. Wool and manufactures of.	June 24	Bingham, chairman, Greene, Sackett, Simmons, and George.		
12. Silk and silk goods	July 1 (2 p. m.)	Sackett, chairman, Greene, Bingham, Simmons, and George.		
13. Rayon manufactures	July 8	Sackett, chairman, Greene, Bingham, Simmons, and George.		
		Subcommittee No. 4, room 412 Senate Office Building		
14. Papers and books	June 13	Deneen, chairman, Courens, Keyes, Walsh (Mass.), and Thomas (Okla.).		
4. Wood and manufactures of.	June 17	Couzens, chairman, Deneen, Keyes, Walsh (Mass.), and Thomas (Okla.).		
15. Sundries	June 25	Keyes, chairman, Couzens, Deneen, Walsh (Mass.), and Thomas (Okla.).		

Note.—Hearings on "Valuation" will be conducted before the full committee June 12. All meetings will commence at 9.30 a.m. unless otherwise noted. Hearings on free list, administrative and miscellaneous provisions will be conducted before full committees at the conclusion of the subcommittee hearings.

Stenographic reports were taken of all testimony presented to the committee. By direction of the committee all witnesses who appeared after the conclusion of the hearings on valuation were to be sworn.

The testimony presented, together with the briefs and other exhibits submitted, is grouped together as far as practical in the numerical order of the House bill, which has made necessary the abandoning of the sequence of the statements and the order of appearance.

In this consolidated volume, which includes briefs and data filed since the publication of the original print, the arrangement of the testimony has largely been preserved, while the new matter has been arranged by paragraphs in the supplement at the end.

has necessarily been revised to include this new matter.

ISAAC M. STEWART, Clerk.

### TARIFF ACT OF 1929

## SCHEDULE 12-SILK MANUFACTURES

#### MONDAY, JULY 1, 1929

United States Senate,
Subcommittee of the Committee on Finance,
Washington, D. C.

The subcommittee met, pursuant to adjournment, at 2 o'clock p. m., in room 301, Senate Office Building, Senator Frederic M. Sackett

presiding.

Senator Sackerr. Gentlemen, the meeting will come to order. We are going to hear those that wish to speak on silk manufactures. We will run to-night until between half past 4 and 5. We will have some time available to-morrow. There are only 12 who are listed and I would like to get through to-morrow evening if we can. You understand that the testimony that you give is given under oath and you will also please understand that while we want to hear the subject discussed fully, there are a number to be heard and we have to divide the time. So I will ask everybody to be as concise as possible and not to stretch the time beyond what is reasonable. The special call of the President for the hearing to consider the tariff bill has been read, and you know it primarily was for agriculture and for such other industries as may be suffering from excessive importations.

#### GENERAL STATEMENTS

# STATEMENT OF HORACE B. CHENEY, SOUTH MANCHESTER, CONN., REPRESENTING THE SILK ASSOCIATION OF AMERICA

(The witness was duly sworn by the chairman of the subcom-

mittee.)

Mr. Cheney. I am chairman of the legislative committee of the Silk Association of America and Cheney Bros., silk manufacturers, South Manchester, Conn.

Senator Sackett. How much time do you expect you will need? Mr. Chenex. I will not need a great deal of time unless there are a good many questions asked. It all depends on how much the committee desires to question me.

Senator Sackett. Go ahead with your statement.

Mr. Chener. In the House the committee presented their views and the House made certain alterations in the bill. They did not make all of those changes which were recommended by the com-

mittee and in particular they did not take up the difference between specific rates which were recommended by us in the House and those which were converted into ad valorems. The silk business for a great many years depended for its protection upon specific rates. There was a catch-all clause to catch those articles which did not happen to be particularly served by specific rates—particularly novelties.

In the 1922 revision they abolished some of the specific rates, and

in the House they have abolished the remainder of them.

Senator Sackerr. In the House this year?

Mr. CHENEY. In the House this year, particularly in the spun-silk schedule, because they said those rates were inoperative. They did not make any increase in the singles or spun silk. They made a 5 per cent increase in the 2-ply yarns, two or more ply yarns. The specific rates had a value in the lower grades of materials, and it is very often in those lower grades where the ad valorem rates are the least effective. We think there should be an increase, an addition in both singles and 2-ply.

Senator Sackett. Which paragraph is that?

Mr. CHENEY. That is 1201.

Senator Sackett. There was no change in 1201.

Mr. CHENEY. No. There is in 1202. Senator Sackett. Then it comes in in 1202?

Mr. CHENEY. Yes, sir. Since we have prepared the brief which we are presenting to you there has been presented to the legislative committee a protest against the 5 per cent increase in spun silk on the part of some of the people who are using spun silk. Among those are some velvet manufacturers, whose rates have been increased on the ground of the necessity of a differential to cover their duties paid upon imported materials. The broad-silk manufacturers have not received any in their rates. We believe that the broad-silk manufacturers, who were not given the specific rates and were not given any increase, are entitled to a differential to measure up with the differential which is granted to velvets, because of the fact they have to buy spun silk, rayons, cottons, and, in the broad silks, additional woolens.

Senator Sackerr. Which does the broad silk come under?

Mr. CHENEY. Paragraph 1205.

Senator Sackerr. I would like you to refer to the section, because. we do not know much about it. In 1205 you want, in addition to the 55 per cent ad valorem, what?

Mr. Cheney. Some compensation for duties paid upon imported

materials.

Senator Sackerr. Well, that is paid on imported materials, that

55 per cent?

Mr. CHENEY. No; that is paid upon the goods. The domestic manufacturers have to pay duties upon imported yarns, spun silk, cotton, rayons, and woolens; and as those rates have been increased, I think it is proper and reasonable that the broad-silk manufacturers should have a corresponding increase in their rates.

Senator Sackerr. That is, a compensatory duty?

Mr. CHENEY. That is, a compensatory duty for the increase in those.

Senator Sackerr. How much do you ask for?

Mr. Chener. I think it should be not less than 5 per cent. The velvets have been given a rate of 70 per cent, which is a greater compensatory duty than would be the 5 per cent duty granted for spun silks, although the velvets did have to pay more duties on a greater range of materials imported by them than do the broad-silk manu-

Senator Sackerr. What is the meaning of the words "broad-silk

manufacturers"?

Mr. CHENEY. Why, it is a generic term used to cover all materials that are not ribbons and velvets. They are woven goods. Senator BINGHAM. Dresses, shawls, and so forth?

Mr. Cheney. Yes; necktie silks, upholstery goods, decorative silks. They all come under 1205.

Senator Bingham. As distinguished from silk stockings and knit

goods?

Mr. Cheney. Yes; distinguished from knit goods. They come

under a different paragraph.

Senator Sackett. Within 1205 there is a 55 per cent ad valorem on woven fabrics in the piece.

Mr. CHENEY. Yes, sir.

Senator SACRETT. Now, you want in addition to that 5 per cent?

Mr. Cheney. A compensatory duty on account of materials which enter into the manufacture. While we had specific rates that was not nearly as important.

Senator Sackerr. We have fabrics here manufactured, but you

mean by manufactured those made into an article?

Mr. CHENEY. It means on the materials which the manufacturers

of woven materials have to buy by importations.

Senator Sackert. All right. Is there anything else you want in the schedule besides that?

Mr. Cheney. Yes. There was an error made—I will come to that later.

Senator Sackett. We want the things that you want to have changed and then have you speak for the different things.

Mr. CHENEY. Those are the things in which we were not entirely

satisfied with the action of the House.

The House granted a 65 per cent duty on Jacquard goods, which is quite a reasonable duty and one which is more than easily defended, particularly since it has so many rayon mixtures, in which silk is the item of chief value. The value of the materials manufactured have decreased to a point where the duty collected as a protection is very much less than it was when they were made of all silk, and as it is the labor that we wish to protect, a higher rate is necessary to give the same degree of protection. That covered the Jacquard goods, but it did not adequately cover the manufactures made from Jacquard goods, nor are the other manufactures—the dresses, the cravats, the mufflers, and things of that character-adequately covered.

In that I wish to call attention to an error I made in presenting this brief, in which I omitted any mention of an increased duty on mufflers, not believing that that was a matter of any great importance, but as it has been pointed out to me, something which I knew before and should have remembered, that the manufacturers of cravats very

frequently import muffler lengths and then manufacture them into cravats. Having a lower rate of duty on mufflers than you have on the goods from which the mufflers are made makes it a very great advantage to have them import all the materials in that shape. That was not true in the previous tariff. It was my own error that it was not covered in this brief or in the testimony presented to the House committee.

Senator Sackett. What change would you like?

Mr. Cheney. The rate should be—on all manufactures it has been 60 per cent. We believe all manufactures should be at least 70 per

Senator Sackerr. What section does that come under?

Mr. Cheney. That is 1209, 1210, and 1211.

Senator BINGHAM. The "all-manufactures" paragraph is 1211 and

mufflers is 1209. What do you want done to 1209?

Mr. Cheney. I think 1209 should be dropped out of the tariff altogether and 1209 and 1210 should be included under a common clause. simply adding to 1210 the mufflers and handkerchiefs and having

them all on a rate of 70 per cent.

One of the chief reasons why it is necessary to have a real increase in the duties on manufactured articles is twofold. First, because of the appearance of a whole range of materials which did not exist in 1922, those rayon mixtures from which cravats are almost exclusively made, and which come in on a very low comparative valuation and where the manufacturing cost is just as high as it was before, the labor cost and, even more than that, because of a recent development in the oriental competition, the introduction of garments manufactured in China and Japan—coolie coats, underwear, and so forth, which are being sold in this country at perfectly ruinous rates to the manufacturing industry. There is one over here and there are three of them in the back of the room.

Senator BINGHAM. Are those coolie coats?

Mr. CHENEY. Those are coolie coats. You will find those on sale in the department stores in Washington and in the specialty shopsyou will find them in the Mayflower Hotel-being sold at very low prices. They sell them for from \$5 to \$6 or \$7. The price at which the goods are imported ranges from 37 cents for small cotton garments up to a maximum of about \$4. The cost of manufacturing garments in this country is very much higher than that and I doubt whether any duty which you give would be really sufficient to adequately protect the industry in this country against that competition.

Senator Sackett. Yet you are only asking for 5 per cent additional

duty?

Mr. CHENEY. Ten per cent. Senator Sackerr. Well, yes.

Senator BINGHAM. Five per cent over the House.

Mr. CHENEY. The House is 65 on jacquard goods. I think it ought to be 70.

Senator SACKETT. Clothing and articles of wearing apparel, 65 per cent ad valorem. Mr. Cheney. Yes, sir.

Senator Sackerr. I understand you ask that that be made 70?

Mr. CHENEY. Yes, sir.

Senator Sackett. That is only a 5 per cent increase.

Senator BINGHAM. Over the House bill.

Senator Sackert. Over the House bill; 10 per cent over the present

Mr. CHENEY. Yes. That was changed at the last minute. They saw they had a lower rate on the garments than on the goods from which they were made, so they changed it. I will change my testimony in that respect.

Senator SACRETT. All right. Is there anything else you want to

change in the silk schedule?

Mr. CHENEY. Not in the silk schedule. There is an item in the rayon schedule, which is just a single item. Senator SACKETT. That comes up next week.

Mr. Chener. If I may say in a sentence what I want, I think it will clarify it.

Senator SACKETT. All right.

Mr. CHENEY. The thrown crêpe rayon they omitted by error in the House. They just forgot to put it in.

Senator SACKETT. What paragraph is that?

Mr. CHENEY. That is in 1801. We wish in there to insert:

In addition to any of the foregoing rates of duty, 50 cents per pound on any threads or yarns twisted more than 20 turns per inch.

That is a matter which is of special interest to the silk throwsters. The throwing is done by the silk throwsters, and as the rayon schedule was not represented materially by the silk men, they overlooked testimony given in relation to the subject of silk—to mention it—and it was an error in omitting it. There is a product there which never existed before and a change ought to be made. I said 20 turns per inch. A length of 20 turns per inch can be considered as crêpe, although the materials which are really important, are twisted considerably higher than that.

Senator SACKETT. Is that dealt with in 1203?

Mr. CHENEY. This is rayon, which is manufactured by the silk throwsters and therefore comes under the rayon schedule.

Senator Sackett. It is not a real silk thread?

Mr. CHENEY. No.

Senator Sackett. It competes with thrown silk?

Mr. Cheney. In this country the work is done by the silk manufacturers.

Senator Binoham. I notice in this silk schedule apparently all the duties are ad valorem duties. Is it not true that 20 years or so ago the silk schedule was composed chiefly of specific duty?

Mr. CHENEY. The silk schedule really, almost exclusively, had been specific duties and they are infinitely better than the ad valorem duties in the ease of administration and in the desirability of action. They are high when you want them high and they are low when it is immaterial, instead of being the reverse.

Senator BINOHAM. Well, now, why is it that we can not have more specific duties in this schedule here? What is the difficulty?

Mr. CHENEY. We would like nothing better, but we have given up any hope of getting specific duties because of the political situation involved.

Senator Binoham. Where do the politics come in ?

Mr. CHENEY. Because a specific duty would have to be double what it was in 1914 to be of the same value that it was at that time.

Senator Bingham. Well, would it have to be double to be of the same value as the ad valorem is?

Mr. CHENEY. Yes; it would have to be double.

Senator George. You mean it would have to be so high you have

not any hope of getting it?

Mr. CHENEY. The duties that have been collected under the past tariff of 1922 under the ad valorems would make specifics which would be practically double those which existed in the previous specific schedules.

Senator George. Therefore you would not have any hope, politi-

cally, of realizing an adequate specific?

Mr. CHENEY. We believe it would be used as a handle on the floor to give the appearance of outrageous demands and make it appear to be double the rate, although it is in fact no higher than the rate

before, but politically people won't understand that.
Senator BINGHAM. Actually it could be written so that there is no real increase, and that could be explained on the floor. Why would it not be better all around, for the Government, the collection of taxes, the appraisers, the examiners, and for the silk industry to have these rewritten in specific terms?

Mr. CHENEY. We have all those specific rates and we presented them in the House. They told us there was not a ghost of a chance to get them enacted; that they would not listen to them.

Senator George. They probably thought over in the House that the people would understand it better if you put in specific rates.

Mr. CHENEY. I do not think so, because the specific rates which we recommended in the House were approximately the rates which have been collected.

Senator George. I know, but it would be in a more understandable

form if you stated it in specifics?

Mr. Cheney. I think we have no fear of that, sir.

Senator George. Well, that is probably the view the House took, is it?

Mr. Chener. I think possibly that is the view the House may have

taken of it, but I would not indorse any such view.

Senator George. I know, but I simply remarked that was probably

the reason the House would not put it in.

Mr. Chenex. The reason they assigned was it would make a political handle, which would be considered as an undesirable and an outrageous advance in duties, that people would not reason it out clear enough to see that wages in the United States have increased 190 per cent, or an index figure of 290, in that time and the cost of raw silk has increased about 35 to 40 per cent; at the same time the cost of goods manufactured has increased over 100 per cent.

Senator BINGHAM. I would like to hear what the specific duties are. If it is true—and the witness is testifying under oath, and he is a well-known authority on the subject—there would not be any real increase in duty, why should they not have the duty put in in such form that when the price falls and they need help they will get some help instead of less help, and then the price raises and they do not need help they will not get more help at a time when they do not

need it.

Senator George. I would like to have it put in the record. presume they are in the House hearings.

Mr. CHENEY. The specific rates were not put into the hearings.

Senator Sackett. Have you got the specific rates?

Mr. CHENEY. I have these specific rates. I will file them with the committee.

Senator Sackerr. Put them into your testimony at this point.

Mr. Cheney. Would you like to have me read them?
Senator Bingham. I would like to see what they are.
Senator George. I suggest they be put in the record anyway, even if he does not explain some of them.

Senator BINGHAM. I have no objection to that. Give us some

samples to show what it means.

Mr. CHENEY. It will be a little difficult for you to figure from this exactly what it means, although in the testimony before the House committee you will find the comparative rates which were collected and the rates which are on spun silks (singles, p. 6603; two or more ply, p. 6606) and on broad silks (pp. 6597-8), which are the two schedules where we propose a specific rate.
Senator Вімонам. I thought you said you did not put them in

the record, Mr. Cheney?

Mr. Cheney. We put in the testimony the figures on which they should be based. They were put in as to—

Senator BINGHAM. You put in the information but you did not mention the specifics?

Mr. CHENEY. I did not mention the specific rates. We left that to them to figure. We did have prepared a statement which they could use in their consultation if they wished, but we thought it was more in order for them to fix their own specific rates.

Senator Bingham. Suppose you help us out and we will see what

you suggest.

Mr. Cheney. Spun silks: On No. 100, 95 cents per pound; on numbers finer than 100, 95 cents per pound and in addition fourtenths of 1 cent per number per pound.
Senator George. What paragraph is this?

Mr. CHENEY. 1202.

Senator George. Will you give that over again? Mr. CHENEY. On No. 100, 95 cents per pound.

Senator BINGHAM. What is the present rate? On all numbers up to and including 205, 45 cents per pound and ten one-hundredths of a cent per number per pound?

Mr. Cheney. I am advised the specific rate on 100 since was 55

cents per pound.

Mr. Cheney. When you have covered 100 singles and 200 2-folds in spun silk, which is here used as the basis, you have practically covered the imports, because those are where all of the imports come. practically.

Senator Sackett. Does this 55 cents specific rate appear in the

present act of 1922?

Mr. Cheney. Yes, sir.

Senator BINGHAM. Page 205, lines 4 and 5.

Mr. Cheney. There it is given as a cumulative rate. Senator Binguam. Which would bring it up to 55 cents.

Mr. Cheney. A duty of 55 cents on 100 singles.

Senator George. Is that the equivalent of the rate given in the House bill?

Mr. Cheney. If the House bill was collected it would be. But I question very much whether on foreign valuation you would begin

to get it.

Senator BINGHAM. The House charging 50 per cent ad valorem on bleached, dyed, colored, or plied. If you had United States valuation to base that upon you think you would get more than 95 cents a pound?

Mr. Cheney. Yes, sir.

Senator Binoham. So what you are really asking for is really less than what the House gave on United States valuation?

Mr. Cheney. Yes, sir.

Senator Simmons. Is that the valuation that is used now or is that

the proposed valuation of which you are speaking?

Mr. CHENEY. At the present time ad valorem duties are on, first, foreign value, the invoice value, the export value, or the value in the domestic market; second, they go to United States value, if that is not ascertainable.

Senator Sackett. What is your experience in the silk business?

Are they able to ascertain import value?

Mr. CHENEY. In the spun silks; yes, sir. Senator Sackerr. How about in the others?

Mr. CHENEY. No, sir.

Senator Sackerr. What do they use in the others?

Mr. Cheney. I mean in broad silks and velvets and that kind of thing; no.

Senator Sackett. What valuation do they use?

Mr. Cheney. Foreign value.

Senator SACKETT. I thought you said they could not arrive at the foreign value.

Mr. CHENEY. I mean to say they could not get a Government check

on value.

Senator Sackett. But I am asking you what the appraisers use.

Mr. Chener. They use foreign values practically on all silk goods, except since France denied our examiners the right of appearing in France and asked their withdrawal, I understand—although I haven't absolute knowledge of it—that they have principall, one to the United States value on French importations.

Senator SACKETT. What is the effect upon the duty so far as the manufacture is concerned of their going to the United States value?

Have you any information as to that?

Mr. CHENEY. It is the certainty of collection first.

Senator Sackett. I mean on the rate.

Mr. CHENEY. The rate would not be very materially different on

an honest collection of duty.

Senator Sackett. Do you think the fact that appraisers go to United States valuation because France has shut our agents out has increased your rate of duty, or hasn't it?

Mr. Chener. I would say that it has, where that has taken place. Senator Sackerr. Now, do you wish to continue with some other

instances?

Mr. Cheney. For one phase of it. There is one difficulty in the present administration of United States value. The definition calls for an 8 per cent profit and an 8 per cent expenses.

Senator SACKETT. We will take that up before the full committee. Mr. CHENEY. But I was just showing where it fell down. They have called that 16 per cent regardless of whether that was paid or not.

Senator SACKETT. Now, do you want to take up any further specific duties for which you ask?

Mr. Cheney. The duties suggested on 2-ply. Senator Sackett. What section is that?

Mr. CHENEY. The same section.

Senator Simmons. Before you leave that I want to ask you about one word. They have added the word "rayon." That is a new product, is it not?

Mr. CHENEY. It used to be called artificial silk in the tariff.

Senator SIMMONS. It is called rayon now?

Mr. Cheney. It is now called rayon.

Senator Simmons. You are proposing to put the same duty upon that that you do upon silk?

Mr. CHENEY. In the silk paragraph that is an admixture of silk

or rayon in the process where the silk is of greatest value.

Senator Simmons. There is no admixture of silk in the ordinary rayon that is produced in this country?

Mr. Cheney. No, but in certain spun silks.

Senator Simmons. You say there is a mixture or an admixture of silk in the rayon that you have here; but we are making that rayon here without any mixture. Wouldn't that be included under this broad language?

Senator Sackerr. This says of yarns or silk and rayon. Senator Simmons. I had not noticed that word "and".

Mr. Chenex. The numbers 200 2-fold, \$1.75 per pound. I am not giving you the differentials, which will be filed and which you can figure upon, but I will give corresponding rates on different sizes.

Senator SIMMONS. What paragraph is that you refer to?

Mr. CHENEY. This is still 1202.

Senator SACKETT. Does that also have an addition for further numbers or 200?

Mr. Cheney. Yes, sir; in addition thereto, 0.7 cents per pound.

Senator Sackett. Above what?

Mr. Cheney. For each number in excess of 200. Senator SACKETT. How much do you say it is?

Mr. Cheney. Seven-tenths cent per number per pound.

Senator Sackett. What was the old duty on that, the old specific?

Mr. CHENEY. Can you tell me, Mr. Frost?

Mr. Fnosr. What was the question?

Mr. CHENEY. What was the duty on 200's 2-ply?

Mr. Frost. Seventy cents.
Mr. Cheney. Yes; 70 cents. On the coarser numbers it is threetenths cent per pound less than No. 200's. That is because of the fact that the differential in coarse sizes is very much less than the differential in the fine sizes. There is a dividing line, which we have fixed at 200, which is the place where the bulk of the product comes in.

Senator Simmons. Your contention is that the ad valorem rates which you propose and contained in the House bill—you want those

increased?

Mr. CHENEY. Yes.

Senator Simmons. You want the ad valorem rates in the House bill inc\_Jased ?

Mr. CHENEY. Yes, sir.

Senator Simmons. How do you want them increased?

Mr. CHENEY. Five per cent.

Senator Simmons. A 5 per cent increase?

Mr. CHENEY. Yes, sir.

Senator Simmons. The House committee gave as a reason for the change from specific to flat ad valorem rates the simplification of the system.

Mr. Cheney. It is a simplification of the language.

Senator Simmons. I infer they meant—but they did not say it that the rates in the House bill would about equal the rates in the old law, and that it was not intended as a raise.

Mr. CHENEY. I believe that is their idea. Senator Simmons. That is their idea?

Mr. Cheney. Yes, sir.

Senator Simmons. You do not agree with the House committee?

You think they ought to be raised?

Mr. CHENEY. I think there has been a material change in conditions since the 1922 bill was enacted, and there should be higher rates now.

Senator Simmons. I am talking about the House action at this time on this bill. They clearly indicate in their report that they did not mean to increase the rates of the present law, but they had gone to a flat ad valorem for the purpose of simplification.

Mr. CHENEY. I think it is simplification of language but not of

administration. The specifics are much simpler to administer.

Senator Simmons. Let me read you this. I have a quotation which says:

Simplification of this paragraph is believed advisable as the elaborate system of specific rates was not operative under the act of 1922 on the bulk of the imports. In 1927, for instance, only 3.3 per cent of the total quantity of imports of spun slik yarn were entered under the specific rates.

It would indicate to my mind that they were simply trying to

adopt some simple method and not to raise rates.

Mr. Cheney. I think so. I don't think they meant to raise rates, but I think their statement that the specific duties were inoperative is inaccurate. It is quite true they were little operative. They were very little operative because they were so low to met our modern standard of wages that they did not mean anything. Senator Sackerr. They were not protection?

Mr. Cheney. They were not a protection.

Senator Sackert. Whereas the ad valorem was, to a certain extent? Mr. Cheney. The ad valorem was much higher on new conditions than the specifics were on the new conditions.

Senator Simmons. Therefore, in effect, they have given you a raise, and if you substitute for the export valuation the United States value

or the American value that raise will be even greater?

Mr. CHENEY. I should say that they have not given us an increase on this particular paragraph at all. It was not their intention to make an increase.

Senator Simmons. Except by way of valuation?

Mr. Cheney. Except by way of eliminating the specifics and creating ad valorems.

Senator Sackerr. You had the privilege of choosing whichever

was highest at the time, specifics or ad valorem?

Mr. CHENEY. Only they did not give us any privilege. They said to protect us.

Senator Sackert. I mean under the old rates of duties where

specifics and ad valorems were both imposed.

Mr. Cheney. There was always, then, a catch-all clause.

Senator Sackett. Then, whichever duty was higher covered?

Mr. CHENEY. Yes.

Senator Sackett. And the specifics were so low that they did not enter into competition with the ad valorems at all?

Mr. CHENEY. Under the new conditions.

Senator Sackett. Under the new conditions?

Mr. CHENEY. Yes.

Senator Sackett. For that reason the ad valorems were used?

Mr. Cheney. Yes.

Senator SACKETT. Therefore when they just cut out the specifics they did not raise your duties?

Mr. CHENEY. Yes.

Senator SIMMONS. The point I make is that they did raise the duty if you get the valuation that you are asking for. It will raise it very materially, I should think.

Mr. CHENEY. I think there would be an increased duty collected,

because it will all be collected.

Senator Simmons. You mean it is 100 per cent effective?

Mr. Cheney. A hundred per cent effective.

Senator Simmons. What would you estimate as the increase on a 50 per cent ad valorem rate from an export valuation or American valuation?

Mr. CHENEY. It would depend entirely upon what basis of export

value was fixed.

Senator Simmons. It would be fixed upon one or two methods either the costs over there or the selling price over there, wouldn't it? Mr. CHENEY. Or the price put upon it by the exporter.

Senator Simmons. Which is low, as a rule.

Mr. Cheney. It would be low.

Senator Simmons. You want to substitute for that low price which the exporter would fix upon his product, substitute for the 50 per cent ad valorem, the high American rate?

Mr. CHENEY. We have not advocated, Senator Simmons, the use of

American valuation.

Senator Simmons. Didn't you advocate it before the committee the

Mr. CHENEY. We advocated United States valuation.

Senator Simmons. United States valuation?

Mr. CHENEY. Yes.

Senator SIMMONS. That would be a vast difference, too?

Mr. CHENEY. That will be a difference chiefly because it brings

these matters within the jurisdiction of United States courts.

Senator Simmons. Well, Mr. Cheney, isn't it absolutely certain that the low rate which you say the exporter would place upon his products and to which under the present law the 50 per cent would

apply—isn't there a very material difference in the basis of valuation which would add very much to the protection that you would get upon a flat ad valorem rate?

Mr. CHENEY. We would get an added protection on a complete

collection of duty; yes, sir.

Senator SIMMONS. How is that?

Mr. CHENEY. We would get an added protection out of the complete collection of duty.

Senator Simmons. But you would not indicate how much that

would be?

Mr. Cheney. That would depend entirely upon just how honest the

man was who made the declaration.

Senator Simmons. Well, you have to depend very largely upon the declaration. Sometimes they are thought to be too low and therefore they investigate and they will ascertain by the application of certain methods whether it is too low or adequate. And I should think you should know pretty well the difference between the average export price or value and the United States price of silk. Now, can you give us those two?

Mr. Cheney. No, sir.

Senator Simmons. You can not do that?

Mr. Cheney. No, sir. I don't think anybody could give you that, because it is a question of the individual case. Striking averages might get you somewhere if you knew what an average was or what you were averaging. I know that several years ago on this identical paragraph that the Government assessed undervaluation against imports into this country which they estimate to be \$360,000, and they compromised, because they could not prove their case, upon the col-

lection of \$60,000 for penalties on this paragraph.

Senator Simmons. You are in favor of going to the United States value because you think, first, that it is difficult to ascertain what it is; secondly, because you think you could raise the protection you get

on a flat ad valorem basis?

Mr. Cheney. Certainly, sir.
Senator Simmons. You can not tell the committee how much you think you would gain by that?

Mr. Cheney. No, sir.

Senator Simmons. Would it be 5 per cent more than the ad valorem?

Mr. CHENEY. In the honest cases it will not be much of anything; in the dishonest cases it might be anything. It is hard to tell what

Senator SIMMONS. Then your reason for preferring the United

States valuation is simply because it is easier to ascertain?

Mr. Cheney. Yes, sir. Senator Sіммомs. You have no other reason for desiring it?

Mr. CHENEY. Certainly, sir. I believe the United States value is going to result in the collection of more duty.

Senator Simmons. But you can not give any idea as to how much

Mr. CHENEY. No, sir; nor can anybody say with accuracy. Senator Simmons. But you want the House rate increased?

Mr. CHENEY. Yes, sir.

Senator Simmons. Five per cent?

Mr. CHENEY. Yes, sir.

Senator Bingham. But you would rather have the specific rate?

Mr. Cheney. Yes, sir.

Senator Sackerr. Can you give me again the specific on less than 200's you asked for?

Mr. Cheney. The differential?

Senator SACKETT. The specific duty.

Mr. CHENEY. On 100's?

Senator Sackett. You gave us 100's, then 200's.

Mr. Cheney. Three-tenths cents per pound per number. I will give you those. You will get all of those in the record, all of the details of it. I am just trying to save time. If I gave you all of the specific rates and all of the differentials, it would be a pretty long story.

Senator Bingham. Yes; let the rest go into the record and let the

Tariff Commission get at it right away.

Senator George. Would you mind giving me the specific duties suggested on broad silks? It might be helpful to have it. I know you are going to put it into the record and I would get it, but I would like to have that now if you can give it.

Mr. CHENEY (reading):

If not exceeding 25 per cent in weight of silk, if in the gum, \$1.25 per pound; if ungummed, \$1.75 per pound; if dyed, or printed in the piece, moired or otherwise further advanced by any process of manufacture, \$2 per pound; if otherwise further advanced by any process of manufacture, \$2 per pound; if yarn dyed, \$2 per pound; if exceeding 25 per cent in weight of silk, but not more than 50 per cent in weight of silk, if in the gum, \$1.75 per pound; if ungummed, \$2.50 per pound; if dyed or printed in the piece, moired, or otherwise further advanced by any process of manufacture \$3 per pound; if yarn dyed, \$3.25 per pound; if exceeding 50 per cent in weight of silk, or if wholly of sill, if in the gum, \$2.50 per pound; if ungummed, \$3.50 per pound; if dyed or printed in the piece, moired, or otherwise further advance, by any process of manufacture, \$4.25 per pound; if yarn dyed, \$4.50 per pound; if yarn dyed, \$4.50 per pound. manufacture, \$4.25 per pound; if yarn dyed, \$4.50 per po-

Senator George. What does that last sell for 1. 2 pound in this

country?

Senator Sackett. That is the \$4.50 per pound, the last one you

quoted.

Mr. Cheney. That is if 50 per cent in weight of silk, or wholly of silk. Oh, I would have to guess at it. I should say that it would range from \$7.50 a pound to \$20 a pound.

Senator Simmons. American price?

Mr. CHENEY. Yes.

Senator George. The specifics that you suggest on broad silk are comparable to the ad valorem rates that you think should be fixed?

Mr. CHENEY. Yes, sir.

Senator George. I believe you suggested that the rate on broad silk should be increased 5 per cent, to 70 per cent; is that correct?

Mr. Cheney. On the manufactures of silk; that is, garments, neckties, cravats, mufflers, and so forth, should be advanced from 60 per

cent to 70 per cent.
Senator Simmons. How much does the yard of broadcloth weigh?

Mr. CHENEY. Broadcloth? Senator George. Broad silk.

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Mr. Cheney. It will weigh anywhere from a third of an ounce per yard to 8 ounces per yard, or more.
Senator George. That is, by broad silk you mean a woven fabric

of 12 inches in width?

Mr. Cheney. More than 12 inches.

Senator George. That is what you mean by broad silk? Mr. Cheney. Yes, sir. That is upon a square-yard basis.

Senator SIMMONS. That may sell in the market for as high as \$20?

Mr. Cheney. It may. In some cases it would sell for that.

Senator Simmons. Have you any idea what the United States price would be?

Mr. Cheney. The United States price?

Senator Simmons. The United States value, I mean.

Mr. CHENEY. I do not think, Senator Simmons, that this is getting anywhere, because those things cover such a tremendous range of material.

Senator Simmons. I do not agree with you that it is not getting

anywhere? I think you may give us some information.

Mr. Cheney. I am afraid I am giving you misinformation, because

you are trying to make an average.

Senator Simmons. I am just asking the question, Mr. Cheney. I was supposing out of the abundance of your knowledge upon this subject you might be able to answer it. I thought you could tell us what would be the United States value of a pound of this material that Senator George has just been asking you about.

Mr. Cheney. But you are asking about not a material but a thou-

sand and one different materials.

Senator Simmons. You specifically described the material Senator

George was asking about, I thought.

Mr. Chener. That applied to all materials having over 50 per cent in weight of silk in them.

Senator Simmons. I was going to ask you this question. Are

you asking 50 per cent on that article?

Mr. CHENEY. We have just now been discussing specific rates.

Senator Simmons. I know you have, but I am talking about the article to which you wish to apply the specific rates. Under the bill as it is now drawn what ad valorem rate would apply to it?

Mr. CHENEY. Fifty-five per cent.

Senator Simmons. Fifty-five per cent would apply?

Mr. Cheney. Yes, sir.

Senator Simmons. I am trying to find out what a pound of that was valued at according to the United States basis of value so that I might apply your 55 per cent rate to it.

Mr. CHENEY. If I gave you a couple of samples I think I might be

able to show you.

It would apply to that [indicating a rich upholstery fabric] and

it would apply to that [indicating a very light, thin habitui].

Senator Simmons. As to that cloth, Mr. Cheney, what would be the United States value, in your opinion? I mean per pound.

Mr. Cheney. \$10 a pound, I guess.

Senator Simmons. You say \$10 a pound for that [indicating upholstery]?

Mr. CHENEY. Yes.

Senator Simmons. What would be the value of this other one [indicating habitui]?

Mr. Cheney. That is invoiced at \$6.35 per pound.

Senator Simmons. Fifty-five per cent ad valorem applied to that \$10 would be \$5 a pound duty.

That is all I want to ask you.

Senator Binoham. Referring to this coolie coat, is there any silk

in this one [indicating]?

Mr. CHENEY. There are some of them that are all cotton and some silk and rayon, and some all rayon, and some all silk also. This one [indicating] is an all-cotton one.

Senator Bincham. What was the object of showing us that one

at this time?

Mr. Cheney. Just to show you the range of this importation and what it covers. I am not particularly interested in this particular

garment. It is a competition which comes in.
Senator Sackert. You have told us what you are asking for and have gone over the specific rates, which would be the equivalent of what you are asking for. Now, tell us why you need more protection in this business.

Mr. Cheney. Of course, I am talking about a dozen businesses.

Senator Sackett. Well, you can separate them.

Mr. CHENEY. In the spun-silk business, which is the one first and the one which has been dwelt upon most, perhaps, the importation is chiefly yarn used for the manufacture of velvets, which is a 2-ply yarn, and it is all made by a cartel abroad that fixes its own territory and its own division of markets; and the use of spun silk, because of rayon, has been very much decreased. The relative amount manufactured in the United States to importa has changed disadvantageously to the United States because of the fact that the materials, all the singles and the materials in which rayon has played the most important competition, have been very seriously injured. Rayon has made a very bad competition for them. The remaining business in spun silk has continued to hold a larger proportion of the importation or imported yarns. The domestic industry for the last two or three years has been running at about 50 to 60 per cent capacity and has not been making money.

Senator George. About 50 per cent to 60 per cent capacity?

Mr. CHENEY. Yes, sir.

Senator George. What is the production?

Mr. CHENEY. The production in the United States I should estimate to be at this time about 3,000,000 pounds.

Senator George. And what are the imports? Mr. Cheney. Approximately 750,000 pounds.

Senator Sackert. How does that compare with 1923 and 1924? Mr. Cheney. At that time there was over one million of importation, and there was, I should say, about four or more million of domestic manufacture.

Senator George. Mr. Cheney, if you succeeded in shutting out the 650,000 pounds or 750,000 pounds-

Mr. Cheney. I do not expect to shut it out.

Senator George. But if you did you would not be able to put the American mills back at full capacity, would you?

Mr. CHENEY. No, sir.

Senator George. If they are only running 50 per cent to 60 per cent?

Mr. Cheney. No, sir. Senator George. Then your trouble is partly somewhere else, is it not?

Mr. Cheney. Yes, sir. It is very largely a question of increased competition that has developed in rayon, and particularly the rayon substituted in cotton mixtured to a very great extent.

Senator George. That is one of the big factors?

Mr. Cheney. Yes, sir.

Senator Bingham. Did you say the imports are decreasing. I could not hear you very distinctly.

Mr. Cheney. Yes, sir; the imports have decreased. They have not

decreased as much as the domestic manufacture.

Senator George. Both have decreased, as I understand it.

Mr. Cheney. Yes, sir.

Senator George. Both the domestic manufacture and the imported have decreased?

Mr. Cheney. Yes, sir. I am giving the figures here from memory. Senator Bingham. I assume the witness has an opportunity to correct his testimony?

Senator SACKETT. Yes.

Senator Simmons. The imports for 1927 were 1,033.000 pounds; in 1928 they were 628,359 pounds, a little more than half. That was a very decided falling off.

Mr. CHENEY. Mr. Clark, I believe, has the figures here. Perhaps

he could read them into the testimony right now.

Senator BINGHAM. I have just had pointed out to me those figures. They are in the summary of tariff information filed by the Tariff Commission, on page 1749.

Senator SACKETT. Do you want to read them in? Senator BINGHAM. I do not think it is necessary. The point is that they have been decreasing rather than increasing.

Senator Sackerr. How do you expect an increase of duty to mate-

rially relieve the silk business and spun silk?

Mr. CHENEY. It would give an opportunity for domestic manufacturers to make velvet yarns which they can not now do profitably.

Senator BINGHAM. Is there much demand for silk velvet? Mr. CHENEY. The demands for silk velvet made from spun yarns is very much less than it used to be, as evidenced by the decreased importation. There still is a considerable market for such goods.

Senator Sackerr. Your whole importation is only about 750,000?

Mr. Cheney. Yes, sir.
Senator Sackett. If you put this duty on you say that velvet yarns could be made in this country, which can not now be made. How much velvet yarns were there in that importation of 750,000 pounds?

Mr. Cheney. A large part of it. Senator Sackerr. Then you do not manufacture it here at all? Mr. CHENEY. We manufacture a very little. We manufacture some velvet yarns for our own use but we import some.

Senator SACRETT. What is the total production of velvet yarns?

Mr. CHENEY. In the United States?

Senator Sackett. Yes.

Mr. CHENEY. It is very small to-day. I can not tell you what

Senator Sackerr. And that is the only advantage you would get by that raise in duty—it would be the manufacture of velvet yarns? Mr. CHENEY. It would be an important advantage.

Senator Sackerr. What else would you get?

Mr. Cheney. We would get some other yarns which are now used for the manufacture of broad silks.

Senator Sackerr. If you get all of those things what effect would

it have upon the prosperity of the spun silk business?

Mr. Cheney. It would help. It would not cure it.

Senator Sackerr. The internal competition would still eat it up? Mr. Cheney. Yes, sir; it is very fierce and very close.

Senator George. Mr. Cheney, do you mean to give the membership of the association here in your brief?

Mr. Cheney. No, sir; that is only the legislative committee.

Senator George. Do all of the members of your committee, all of the industries represented by your committee, hold the view that you need some increases above the 1922 tariff?

Mr. CHENEY. I think there are certain individuals who would like to have less because of their own personal items, such as I instanced to you where manufacturers asked for duties upon spun silks which they use in their production.

Senator George. But taken as a whole?

Mr. CHENEY. And there are a good many other people who are interested in one way or another in importations who are asking for lower duties. There will be men here this afternoon who will state that they are in favor of lower duties.

Senator George. Are they members of your association?

Mr. Cheney. Yes, sir; because the silk association covers the whole silk trade, whether it is manufacturing, importation, or anything

Senator George. It is not confined to manufacturers?

Mr. CHENEY. No, sir; it is not. The tariff representations of the committee of the silk association were made on behalf of the American manufacturers.

Senator George. And all of the manufacturers do join you in asking

for some increase over the 1922 rates, over the present law?

Mr. CHENEY. As I said, there are individual manufacturers who have opposed specific rates which they think affect them. I think there are possibly a very small number of manufacturers who are not convinced of the necessity of additional rates. That is, in every group where there are a large number of men they are not all of exactly the same opinion.

Senator BINGHAM. The manufacturers of broad silks all feel that: there should be an increase? Is that correct?

Mr. CHENEY. I should say 99 per cent of them.

Senator Bingham. And the importation of broad silks has held its own. I see from the Summary of Tariff Information, page 1758, the number of pounds in 1919 was 8,028,000 and the number of pounds in 1928, 3,423,000—up and down a little bit from year to year. So the importation of broad silks appears to have held its own.

Mr. CHENEY. It has in the last few years. There was a time when they were very much greater, when there was a tremendous demand for everything, and those importations were several times the present

volume. That was the market condition.

Senator SIMMONS. Is there a decided overproduction of silk in

this country?

Mr. CHENEY. I regret to say that there is, and the Government

will not let us fix it.

Senator Simmons. You have very sharp competition among the producers of silk goods?

Mr. Chenex. It is very fierce competition. I think it is as fierce as

in any industry.

Senator Simmons. At the same time your uses of silk are diminishing, are they not?

Mr. CHENEY. The uses of silk diminishing?

Senator Simmons. Yes.

Mr. CHENEY. No.

Senator Simmons. They are increasing?

Mr. CHENRY Increasing.

Senator fimmons. Hasn't rayon largely displaced silk?

Mr. Cheney. No. sir.

Senator SIMMONS. Not at all?

Mr. CHENEY. The manufacture of broad silk has increased and the-

importation of raw silk into the United States has increased.

Senator Simmons. You do not mean to say that the production of these cheaper rayons have not taken the place in many instances of silk?

Mr. Cheney. They have in some instances; yes, sir; but they have

not decreased the total quantity of silk consumed.

Senator Simmons. You feel a part of your troubles grow out of this overproduction of silk goods?

Mr. Cheney. Yes, sir. Senator Sackett. Now, you have told us why you need a tariff on

spun silk. Now, Mr. Cheney, go on with the other items.

Mr. CHENEY. I think I have explained about this competition in manufactured garments, which is really a very serious matter. Those are coming in at prices which are destroying that industry.

Senator Sackerr. What is the domestic production?

Mr. CHENEY. It is very hard to say, because there are no separate statistics kept of that branch of the industry.

Senator SACKETT. How are we going to know whether it is suffer-

ing from foreign competition if we can not get the facts?

Mr. Cheney. I can not tell you what the manufacture of negligee silks is in the United States because there has never been any census made of them. If you will talk with the manufacturers of negligee silks, they will tell you that they are having a very hard time of it and that the competition is a serious one because of those importa-

Senator Sackett. Can you tell anything about what the imports

are?

Mr. CHENEY. I know this, sir, which is germane to the subject, that we do a business in materials which went into negligee silk which has shrunk from year to year in the last three or four years to one-half of the dimension which we had previous to that time.

Senator Sackerr. Would that be the experience of other manufac-

turers as well as yourself?
Mr. Cheney. I think we were the largest manufacturers of that particular class of goods.

Senator SACKETT. Can you tell us anything about whether the im-

ports of those silks have been larger?

Mr. CHENEY. Again, there are no separate figures kept of them. I know that they are larger, because I see them everywhere, and I did not before, and we encounter their competition, which we did not do before.

Senator Sackerr. For that reason you have asked for a higher rate

of duty?

Mr. Cheney. Yes, sir.

Senator Sackett. Does that cover the whole subject pretty well?

Mr. CHENEY. In the largest field of all we have found that the necktie silks, which, as I said previously, are largely made of rayon and silk combinations, can be made much more cheaply than we can make them ourselves. And we are manufacturers of cravats as well as materials, and the Jacquard and rayon silk mixtures we are importing ourselves because we can not make them in competition.

Senator Sackerr. What is the difference in cost between what you

import and what you make?

Mr. CHENEY. Between what we manufacture and what we import? Senator Sackerr. I am trying to get some basis of relativity between the imports and manufactures.

Mr. CHENEY. The goods we are importing to-day cost about 25 per cent less than what we can make them for ourselves—that is, duty

paid.

Senator Sackerr. That is, duty paid?

That is a broad statement, because they Mr. CHENEY. Yes, sir.

are up and down the scale.

Senator SACKETT. I am just trying to get some relative statement. Do you think the increase in the ad valorem duty which you ask for will protect that business?

Mr. Chener. I think it will help it. I do not think it will by any

means change that situation and reverse it.

Senator Sackerr. Then what do you expect to gain by it? Mr. CHENEY. We expect to gain some on the border line.

Senator Sackett. Additional production?

Mr. CHENEY. Yes, sir.

Senator Sackerr. Have you any other matters you wish to discuss before this committee?

Mr. CHENEY. I think not, sir.

Senator Sackerr. All right, sir.

Mr. CHENEY. At this time do you wish to look at the exhibits? Senator Sackett. Would you like to see his exhibits now, or do you wish to wait and hear the other witnesses? I myself think we would better wait and hear the others.

(Mr. Cheney submitted the following memorandum and brief:)

#### PROPOSED BATES

Paragraph 1202. Spun silk or schappe silk yarn, or yarn of silk and Cartificial slik,] rayon or other chemically produced fiber by whatever name known and by whatever process made, and roving in skeins, cops, or warps, if not bleached, dyed, colored, or advanced beyond the condition of singles by grouping or twisting two or more yarns together, on number one hundred, 95 cents per pound, on numbors finer than one hundred; 95 cents per pound and in addition thereto four-tenths of 1 cent per number per pound for each number in cacess of one hundred; on numbers coarser than one hundred, 95 cents per pound less two-tenths of 1 cent per number per pound for each number less than one hundred; if advanced beyond the condition of singles by grouping or twisting two or more yarns together, on number two hundred, \$1.75 per pound; on numbers finer than two hundred, \$1.75 per pound, and in addition thereto seven-tenths of 1 cent per number per pound for each number in excess of two hundred; on numbers coarser than two hundred, \$1.75 per pound less three-tenths of 1 cent per pound per number for each number less than two hundred; if bleached, dyed or colored, the specific rate on unbleached yarn, and in addition thereto 10 cents per pound cumulative: Provided, That any of the foregoing on bobbins, specific rates, according to the character of the yarn or norther and in addition thereto 10 cents to provided further. That or roving and in addition thereto 10 cents per pound: Provided further, That none of the foregoing single yarn or roving shall pay a less rate of duty than 40 per centum ad valorem; And provided further, That none of the foregoing two or more ply yarn shall pay a less rate of duty than 45 per centum ad valorem. In assessing duty on all spun silk or schappe silk yarn, or yarn of silk and [artificial silk.] rayon or other chemically produced fiber, by whatever name known and by whatever process made, and roving, the number indicating the size of the yarn or roving shall be determined by the number of kilometers that weigh one kilogram, and shall, in all cases, refer to the size of the singles: And provided further, That in no case shall the duty be assessed on ? less number of yards than is marked on the skeins, bobbins, cops, spools, or beams. Woven fabrics in the piece, composed wholly or in chief value of silk, Inot specially provided for, I finot exceeding 25 per centum in weight of silk; if in the gum, \$1.25 per pound; if ungummed, \$1.75 per pound; if dyed or printed the piece, moired, or otherwise further advanced by any process of manufacture. favture, \$2 per pound; if para dyed, \$2 per pound; if exceeding 25 per centum in weight of silk, but not more than 50 per centum in weight of silk; if in the gum, \$1.75 per pound; if ungummed, \$2.50 per pound; if dyed or printed in the pleas, motred, or otherwise further advanced by any process of manufacture, \$8 per pound; if yarn dyod, \$3.25 per pound; if exceeding 50 per centum in weight of silk, or if wholly of silk; if in the aum, \$2.50 per pound; if ungummed, \$3.50 per pound; if dyed or printed in the piece, moired, or otherwise further advanced by any process of manufacture, \$4.25 per pound; if para dyed, \$4.50 per pound. None of the foregoing shall, however, pay a less rate of duly than 55 per centum ad valorem: Provided further, That any of the foregoing made upon Jacquard looms or any goods containing two or more colors in the filling, including ribbons and other fabrics less than 12 inches in width, shall not pay less than 60 per contum ad valorem: Provided further, That goods containing rayon or other chemically produced fiber shall pay 5 per centum in addition to the duties otherwise provided.

BRIEF OF THE COMMITTEE ON LEGISLATION OF THE SILK ASSOCIATION OF AMERICA (INC.)

To the FINANCE COMMITTEE,

United States Senate:

The Slik Association of America, represented by Horace B. Cheney, presented in the House a brief, and series of exhibits in support of that brief.

The most important matters presented were, first the abandonment of foreign valuation, and the establishment of a basis for ad valorem duties which should bring the administration of these rates fully within the reach of the courts of the United States. Our statement in relation to this subject was presented at the hearing on June 12, 1020. It will be found in the testimony in relation to valuation before the Ways and Means Committee.

The Silk Association has presented a separate brief making recommendations in relation to the administrative features of the law. We understand that the Finance Committee will not hold, at this time, hearings in relation to other parts of the administration of the law. We will, therefore, append a statement of certain things which we believe essential to be incorporated in the administrative features of the law, other than that relating to valuation.

The recommendations made before the Ways and Means Committee of the House were in general directed toward an attempt to secure the enactment of specific rates on spun silk and broad-silk schedules, paragraphs 1202 and 1205.

In general, specific rates are very much better for all concerned wherever possible of enactment than are ad valorem rates. Our position in relation to this subject has not in the least changed except in relation to politics. We have been convinced by our experience before the Ways and Means Committee and elsewhere that the enactment to-day of specific rates, adequate to meet the changed conditions since the war, is not politically possible. have increased in this industry 228 per cent; the price of raw slik has increased about 35 per cent; the price of merchandise over 100 per cent. In order to make differentials adequate to meet these new conditions it would be necessary to increase specific rates at least 100 per cent over those which ruled in previous schedules. However, the collection of customs on the ad valorem rates has indicated that even in this relation the actual duties collected have approximately doubled. Yet the doubling of specific rates is so alarming that we are now convinced that no effort of ours could successfully persuade the average individual of the justice and reasonableness of the claim. We have fulled to such an extent in our efforts to convince the Ways and Means Committee in this respect that they not only did not enact any increased specific rates in the silk schedule, but they abolished all those which did exist because they had largely ceased to be operative. Not only is this true, but they did not make any radical changes in the catch-all clauses of the schedule where specific rates had ruled, and where ad valorem rates originally had been intended to operate only as a safeguard, not as protective rates.

In the spun-silk schedule they made no change in the ad valorem rates on singles and made only an advance of 5 per cent in the rate on two or more

ply yarns.

In the broad-goods schedule they enacted no specific rates and did not make any increases in the ad valorem rates on broad silks, except an increase in the case of Jacquard goods. They did, however, make an advance in the rate on garments manufactured from Jacquard goods, making the rate the same as upon the goods themselves.

These two schedules, 1205 and 1210, are the ones which cover the importa-

tion of all the goods from China and Japan.

We are filing with the committee samples of garments manufactured in Japan, with information as to their importation costs. The importation of garments of this class, which you will see in the windows of any Washington shop, and of women's underwear is becoming the most important phase of foreign competition in the silk trade. The prices at which these manufactured garments are imported bid fair to be most dangerous competition for the manufactured-garment trade of this country, which is an enormous business, using approximately 80 per cent of all the silk goods manufactured here. Since securing the garments, which were filed with the House, we have learned that this competition assumed a new phase. Retail houses are importing these garments direct and are offering them to their trade at such low prices that the

jobbers who previously imported them have found it necessary to abandon the

field to the large retail and chain stores.

The present rate of 60 per cent on manufactured articles does not begin to cope with the situation, and the rate of 65 per cent on Jacquard goods is very We do not know how high a rate the Senate Finance Commuch too low. mittee may think it expedient and possible to enact.

These rates also apply to the manufactured neckwear trade, members of which are also complaining bitterly of foreign competition, chiefly because of Jacquard importations of rayon mixtures in which slik is the article of chief value and on which a rate of 100 per cent would not seem to be prohibitive.

We trust that the Finance Committee will give special attention to these matters and will give whatever relief they believe possible, even though it may not seem to be sufficient to cover the necessities of the industries affected.

We recommend that the silk schedule be amended to make the following

changes in the House bill:

Paragraph 1201. No change.

Paragraph 1202. An advance of at least 5 per cent each on single and 2-ply yarns as provided in the House.

Paragraphs 1203 und 1204. No change.

Paragraph 1205. An advance of at least 5 per cent ad valorem upon goods other than Jacquard.

Paragraphs 1206 and 1207. No change. Paragraph 1208. Same advance as in paragraph 1205.

Paragraph 1200. No change.

Paragraphs 1210 and 1211. At least 70 per cent upon all articles included in

these paragraphs.

In addition to these changes in the silk schedule, we recommended at the hearing held on the cotton schedule on June 14, 1929, that cotton velvet made with pile in whole or in part of rayon, cotton of chief value, be advanced to 70 per cent. This is a new article not heretofore met in the tariff.

In the rayon schedule, in paragraph 1301, preceding the word "provided," insert "in addition to any of the foregoing rates of duty, 50 cents per pound on

any threads or yarns twisted more than 20 turns per inch."

This provision is suggested in order to cover a new product competing with silk crepe threads; the bulk of these goods varies in twist from 50 turns to the inch to 80 turns per inch and is making very serious competition for manufacturers of thrown silk. The provision was recommended by us to the Ways and Means Committee of the House, but was overlooked by them in fixing the rates. It was, we are informed, an error that no provision was made to cover this

product.

In addition to these changes we wish particularly to call your attention to paragraph 372, providing rate of duty for parts of machinery, and to the amendment made in the House bill striking out "parts of machinery." It is particularly important that this amendment should be retained, as the provision made in the old bill was very much abused by applying the provision for parts of machinery to articles specifically provided for otherwise in the tariff. For instance, woolen blankets, the rate on which should be "valued at not more than 60 cents per pound, 24 cents per pound, and 40 per cent ad valorem," were classified as parts of machinery at 30 per cent ad valorem; silk squares for use in making radio machines also were assessed as parts of machinery. (See testimony presented on the administrative features of the law before the House Ways and Means Committee.)

We recommend the amendment of paragraph 1457 in the act of 1929 by adding

this provision:

"That in no case shall any of the foregoing articles assessed for duty under this paragraph pay a less rate of duty than they would pay if assessed for duty as waste, or as a product manufactured from waste, under the respective schedules under which the same or similar articles of manufacture would be as-

sessed for duty.'

This provision is necessary because of the fact that there are certain rayon and slik products which have been assessed under this paragraph upon the ground that they were neither waste nor manufactured from waste. This assessment was based on the assumption that waste was a by-product of industry and could not be deliberately produced. This has resulted in the admission, at approximately less than half the rate of duty, of certain waste and produc-

tion of waste, particularly of rayon, produced by a new process of electroexplosive character, from cellulose, a product similar to waste which can only be used in the same manner as waste heretofore has been used, namely, spun, rather than reeled into yerns by cutting up and manipulating in the same way as cotton or wool.

Inasmuch as these matters apply to schedules of the tariff other than the silk schedule being heard here, and so that it may not be necessary for us to take up further time of these individual committees in order to present this considerable number of additional points, we request that they be referred by this committee to the individual committees having these specific schedules in

charge.

In addition to these particular things which affect other schedules, we wish to recommend that the provisions in relation to the customs courts be amended in such a way that any testimony which is germane and reasonable to be received in a court of arbitration may be received in customs cases. This will help to do away with the red tape surrounding the taking of testimony in such cases which has seriously militated against the interests of the Government, Furthermore, the manufacturers of goods in the United States should have any and all rights accorded to the importers by the customs examiners and courts in the giving of testimony, the receipt of information, and the availability of

records.

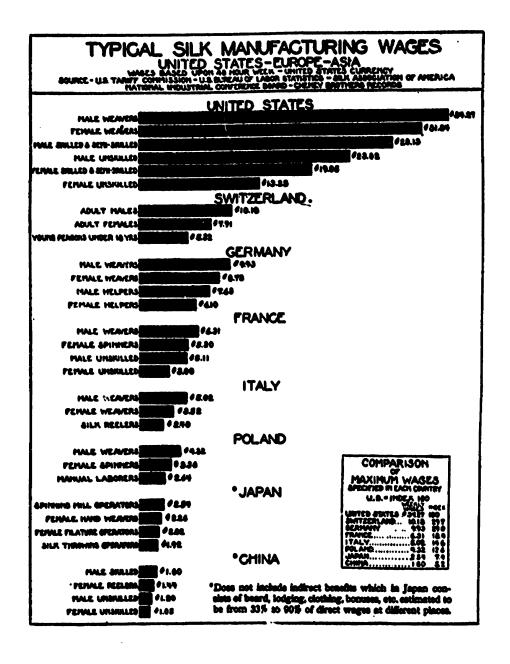
At the hearing on valuation, Senator Stone asked for detailed information in relation to the Silk Association. All of the available information will be found under Exhibit F, accompanying this brief. The Census of Manufactures does not report the amount of capital invested, nor dividends paid, which was part of the information requested by Senator Stone. The silk business has shown a tendency to subdivide rather than to concentrate; the large firms have not shown any special advantage over the small firms. The silk industry never has been exploited, and to the best of our knowledge and belief, there is no water in its stock; there have been no high dividends paid, and profits in the business have never been exorbitant. For several years the tuxes paid toward the support of the Federal, State, and local governments have exceeded the profits distributable to the owners. For the last three years it is questionable whether there has been any profit in the silk industry as a whole. is no statistical data published to give definite information upon this point, but it is the current opinion of the trade.

We wish to call your attention further to the information published in the hearings of the House embodying the materials submitted by the velvet manufacturers in January, 1920, in support of their claim made at that time, and the necessity of an advance in duties.

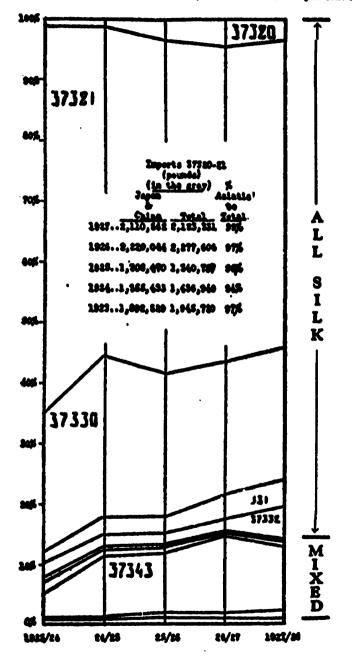
Respectfully submitted.

Committee on Legislation, The Silk Association of America (Inc.), chairman, Horace B. Cheney, Cheney Bros., South Manchester, Conn.; Charles L. Auger, National Silk Dyeing Co., Paterson and Dundee, N. J., Allentown and Williamsport, Pa.; Sidney Blumenthal, Sidney Blumenthal & Co. (Inc.), Shelton and Uncasville, Conn., and South River, N. J.; G. H. Conze, Susquehanna Si'k Mills, Marion, Ohio, Huntington, Jersey Shore, Lewistown, Lock Mills, Marion, Onio, Huntington, Jersey Snore. Lewistown. Lock Haven, Milton, and Sunbury, Pa.; B. Edmund David, B. Edmund David (Inc.), Paterson, N. J., Beavertown, Reading, Scranton, Selinsgrove, Wilkes-Barre, Wrightsville, and York, Pa.; John J. Goldsmith, Hess Goldsmith & Co. (Inc.), Kingston, Plymouth, and Wilkes-Barre, Pa.; Ernest J. Ruegg, Schwarzenbach, Huber & Co., Decatur, Ala., Norwich, Conn.; Bayonne, Hackensack, Union City, N. J., Altoona, Blairsville, Columbia, Hollidaysburg, Juniata, Lebanon, and Wilkes-Barre, Pa., Covington and Front Royal Va. Royal, Va.

JULY 1, 1929.



BROAD SILK FABRICS (EXCEPT PILE FABRICS) IMPORTS INTO THE UNITED STATES
[Per cent of different fabrics. Total for each year is taken as 100 per cent in pounds]



#### SUPPLEMENTAL MEMORANDUM SUBMITTED BY MR. CHENEY

Since the writing of the brief submitted by the legislative committee of the ailk association there has been received a protest from some of the weaving interests that the request for duties on spun silk does not give a proper differential on woven goods, and they therefore object to the advance of 5 per cent on 2-ply spun yarn.

This protest, we understand, has been filed with the committee, although addressed to the legislative committee of the silk association. We note that there are names of certain velvet manufacturers attached to this document. The velvet interests have been granted in the House a rate of 70 per cent upon the ground that they have to pay duties upon cotton, rayon, and spun silk entering into their product, and are therefore entitled to a compensating duty, which is quite right and as it should be.

It does not seem proper for them to protest against the duties for which they have received compensation. The broad-silk manufacturers have not received in the House bill the increases in duties which they are entitled to because of the payment of duties upon yarns entering into their product, spun silk, rayon,

cotton, and wool.

In previous tariffs specific duties were the main reliance, and while they averaged a nominal collection of about 55 per cent, it was much more effective protection than they realized under ad valorem duties. Moreover, since that time the relative disadvantage of the United States in relation to labor in foreign countries is greater than it had been theretofore, and additional duties having been granted upon component materials they should be allowed an additional compensatory rate. This rate should be somewhat commensurate to the advantages which have been granted upon this ground in the velvet schedule. These facts do not show any lack of reasonableness in the duties which are proposed upon spun silk, and I do not think that it is desirable that one industry should oppose the proper protection of another industry.

We wish to call attention to Exhibits A and B, which we believe to be the most accurate information anywhere in existence in relation to wages paid in the silk industry in the United States and foreign countries. The compilations

were nade from information received from the following:

United States Tariff Commission.

Bureau of Labor Statistics. Silk Association of America.

National Industrial Conference Board.

Cheney Bros.' reports.

Silk manufacturers having plants in the United States and in foreign countries.

China Weekly Review.

Report of the Association of Italian Corporations.

Any information which seemed to be out of line, either high or low, not borne out by other testimony being eliminated. It must be remembered that wages in the same industry in different localities in any country vary materially.

#### STATEMENT OF SAMUEL KRIDEL, NEW YORK CITY, REPRESENT-ING THE SILK DEFENSE COMMITTEE

(The witness was duly sworn by the chairman of the subcommittee.)

Senator Sackerr. What is your occupation?

Mr. Kridel. My occupation is, primarily, head of the firm of J. Kridel & Sons Co., with factories and commission merchants on silk goods, and also treasurer of the Bethlehem Silk Co., manufacturers of silk, Bethlehem, Pa.

Senator Sackerr. Are you appearing on behalf of the manufac-

turers or importers?

Mr. KRIDEL. The manufacturers and importers as well.

Senator Sackerr. What paragraph are you going to refer to?

Mr. KRIDEL. Paragraphs 1205, 1206, 1207, and 1211.

Senator Binoham. How large is your factory?

Mr. KRIDEL. In Bethlehem, Pa., we are makers of broad silk, makers of ribbons, and also spinners of silk yarn.

Senator Bingham. How many people do you employ?

Mr. Kridel. We employ 400.

Senator Bingham. Has your organization increased or diminished within recent years?

Mr. Kridel. It has increased and has kept in full operation for the

last five or six years.

Senator Sackett. Tell us first what you want to add. Mr. Kridel. Well, I should like to state here in a very concise manner exactly what I desire to have, if you will just give me a few minutes.

Senator Bingham. Do you speak for your own firm?

Mr. Kridel. I am speaking for my own firm and for quite a few others.

Senator BINGHAM. Who?

Mr. Kridel. We are an organization called the Silk Defense Committee, opposed as manufacturers, as converters, and some importers to the views entertained for the increase of any rates over existing in the present act.

Senator Bingham. How many persons signed this brief with you?

Mr. KRIDEL. Eight.

Senator Bingham. Read their names, please.

Mr. Kridel. Mr. J. C. Vibert.

Senator Bingham. Is he a manufacturer or importer?

Mr. Kridel. Both manufacturer and importer.

Senator Sackerr. In speaking of importers, do you mean the importers of the finished product that you make?

Mr. Kridel. Yes, sir.

Senator Sackett. Are they importers of the materials that you use? Mr. Krider. The finished product, and also the importers—only of the finished product.

Senator SACKET. All right.

Senator BINOHAM. Who are the others? Mr. KRIDEL. A. E. Wulschleger.

Senator Sackerr. What is his occupation?

Mr. Kridel. He is a converter. He buys goods in this market in the raw and converts it. He also imports goods and converts them. Senator Sackett. All right. The next man?

Mr. Kridel. J. Parbet.

Senator Sackett. What is his occupation?

Mr. Kridel. He is a manufacturer with about 500 looms, known as light gauze fabrics in this country.

Senator Sackerr. He is an importer?

Mr. Kridel. He also imports, too.

Senator Sackerr. Does he import the finished products?

Mr. KRIDEL. Yes, sir.

Senator Sackerr. How many people does he employ?

Mr. Kridel. I do not know.

Senator Sackett. Where is his mill?

Mr. Kridel. A man with 500 looms in this country must employ, I should say, between four and five hundred people. Senator BINGHAM. None of his looms idle?

Mr. Kridel. I do not think they are; no, sir. Senator Binoham. Where are his mills?

Mr. Kridel. I do not exactly know myself, but I will ascertain that for you. I can not tell each and every one of these.

Senator Sackett. We want to get as much information in regard to each and every one of them as you can give us. Go right through the list and give us the same information.

Mr. KRIDEL. Robert Hurlimann. Senator Sackett. What about him?

Mr. Kridel. He is also a manufacturer in this country, representing several firms, C. L. Ashman & Co., who have several mills in this country. I do not know the number of mills or where they are located, but I shall furnish each and every bit of information that you desire, if you wish me to supplement this.

The next is M. Arrouet.

Senator Sackett. Is he a manufacturer?

Mr. Kridel. He is an importer and manufacturer here as well.

Senator SACKETT. He imports the finished product?

Mr. Krider. He imports the finished product. Senator BINGHAM. What does he manufacture?

Mr. Kridel. Piece silks, fine piece silks. G. A. Schiele. He is an importer of velvet.

Now, our committee is opposed, for the reasons which I will give following, against an increase of the rates in House bill 2667, over those of the present act, and we are opposed to every argument that has been presented by Mr. Horace Cheney, chairman of the committee on legislation of the Silk Association of America.

We are members of the silk association in good standing.

We attach herewith a copy of the brief as has been submitted by this committee, to the Committe on Ways and Means at its hearings on silk fabrics on February 11, 1929, giving a history of the importations of silk goods from the various countries of the world, and showing the statistics as to the values of the importations from the foreign countries in the various years, as well as showing the comparison of the percentages of imports with those of goods manufactured in this country.

Senator BINGHAM. You do not want to have that brief printed

again, do you?

Mr. Kridel. No; I am just attaching it for your benefit.

Senator SACKETT. Yes; but it will not be printed.

Mr. Krider. These official statistics will show that the ratio of dutiable imports on silk goods is less than 41/2 per cent of goods manufactured in this country.

**We** protest as follows:

Paragraph 1205: We agree with the rate of 55 per cent ad valorem as written in the House bill, but protest against the rate of 65 per cent for Jacquard figured silks. This special classification or provision was not mentioned in either the Payne-Aldrich bill or any following tariff act, and if there is no necessity for any increase in plain silks the reasons advanced by Mr. Cheney are not sufficient for any increase in Jacquard figured goods.

Senator Sackerr. Are you manufacturers of Jacquard figured

silks ?

Mr. Kridel. Yes, sir.

Senator Sackett. That is your business?

Mr. Kridel. Also partly. We manufacture both plain silk and

figured silks.

The increased labor costs of weaving Jacquard figured silks in foreign countries is exactly the same proportionately as it is for weaving the identical class of goods in this country. It was pointed out that the tie-silk manufacturers in this country thought it necessary that an increase was required, but one manufacturer whom we represent. who is one of the largest manufacturers of Jacquard figured tie silks, has had his entire factory fully occupied with weaving Jacquard figured silks for the last three or four years, and has never feared the competition of any Jacquard figured goods that were brought into this country.

These Jacquard figured goods particularly affect the small ratio of

imports of Jacquard figured novelties from France.

Senator Sackerr. Is that a pure silk?

Mr. Kridel. Yes, sir; both pure silk and mixtures. Senator Sackett. Do those mixtures include rayons?

Mr. Kridel. It includes rayons as well.

Senator Sackerr. You heard the argument of a gentleman preceding you who asked for a compensatory duty on the amount of rayon used in those silks?

Mr. Kridel. It is not necessary; absolutely not necessary. You

take rayon, where the rayon is the chief value-

Senator Sackerr. No; where the silk is the chief value.

Mr. Kridel. Where it is the chief value there is a very high duty. Now, where the silk is the chief value the little bit of rayon and the slight difference there is in the imported article of rayon—that is, the duty paid on the imported rayon—does not figure into the additional price that they have for manufacturing.
Senator Sackerr. You say the slight rayon that is in it. What is

the maximum rayon in these imported tie silks or Jacquard silks?

Mr. KRIDEL. The moment the warp is of rayon the prevailing constituent material is rayon and therefore is carried into it. But there is a mixture of rayon. The value of it is presumably 25 per cent of the value of the silk.

Senator Sackerr. In quantity what would it be?

Mr. Kridel. In poundage it would be-

Senator SACKETT. Forty per cent?

Mr. Kridel. Yes, sir; in poundage it would be about 40 per cent, but the value of rayon is \$1.10 or \$1.15 a pound. The value of silk in that tie ball is \$5 or \$6.

Senator Sackerr. If there is a duty on the rayon and 40 per cent on the article is made of rayon, should there not be a compensatory

duty on the amount of rayon that is in that mixture?

Mr. Kridel. It is not necessary. We do not require it. It is not necessary. We are protected enough with the duty that we have at 55 per cent. There is not an increasing amount of goods coming in here on that account.
Senator Sackerr. What is the increase?

Mr. Kridel. In what?

Senator Sackert. In the amount of goods coming in here of that character.

Mr. Kridel. I doubt whether there are in all tie silks coming from abroad into this country over \$2,000,000 worth of goods.

Senator Sackett. What is the domestic production?

Mr. Kridel. Oh, I should imagine \$15,000,000 to \$20,000,000.

Senator SACKETT. All right, proceed.

These Jacquard-figured goods particularly affect the small ratio of imports of Jacquard-figured novelties from France, and it is for that reason that we do not want any additional duties assessed against these novelties coming from French manufacturers, with whom we have been in such good relations, receiving from them their stylish designs and patterns, from which the American industry derives its great opportunity for the reproduction in enormous quantities of these styles that come from and originate in France. No harm has ever come to any domestic silk manufacturer through the importation of these goods. There has been nothing but great benefit that has accrued to the American manufacturer. Why should we then take any chance of disturbing this helpful and stimulating relation?

We should also advise that this provision be eliminated for technical reasons, as a great many Jacquard-figured goods can be imitated on plain looms, showing figures which are actually not made on looms

with Jacquard attachments.

Paragraph 1206, pile fabrics: It appears that the House bill has allowed some of the rates of the present act to remain exactly as they were. However, velvets have been increased 10 per cent, and for partly cut pile fabrics 15 per cent. The very reason as given above, in respect to the importation of silks from France, holds good in the importation of pile fabrics. Most of these pile fabrics, with the complicated classifications as in the House bill, come from France, and here again we do not want to disturb the small importation coming from that country for reasons cited above. No harm as yet has come to the manufacturers of domestic velvets from any importation, as they have enjoyed tremendous prosperity in the last few years. They should be thankful for the introduction of what are known as transparent velvets, again an article which originated among the French manufacturers, and which has given impetus and tremendous employment to the industry in this country. Statements can be shown of velvet manufacturers in this country whose profits in the last few years have been enormous. Therefore, we as manufacturers, have no reason to fear any great influx of pile fabrics from abroad. If it has been shown that there was a larger amount of importations of velvets in recent years than there were several years ago, it was due entirely to the surplus of orders that were given on account of the big fashion for velvets, in excess of those that could be manufactured in this country. A great many so-called silk velvets which were imported, and which accounts for the large importations, do not come under the silk schedule but are now provided for in a separate schedule known as rayon, Schedule 18, paragraph 1807. This paragraph calls for rates no higher than those under the present act. Therefore, why should any increases be made in the rates on velvets in the silk schedule when other pile fabrics as plushes, chenilles, rayons, and velveteens remain the same as in the present act?

Paragraph 1207, narrow fabrics: We agree with the House rate of 55 per cent ad valorem, with the exception of Jacquard figured

narrow fabrics, which we desire stricken out for the same reason as indicated above for woven fabrics. Paragraph 1205. In fact, the industry here for Jacquard figured narrow fabrics hardly exists. We desire, however, at this moment to point out that there might be some conflict in the interpretation of narrow fabrics as mentioned in paragraph 1529, Sundries, page 194, lines 12 and 13, in which the words "galoons, trinmings, fringes, gimps" are mentioned. These are narrow fabrics made on the same ribbon looms and call for a duty in paragraph 1529 of 90 per cent. There will be a great deal of difficulty in interpreting what is meant by galoons, trimmings, fringes, and gimps. We desire that these words be stricken out completely in paragraph 1529, as they are more or less provided for in the narrow fabric paragraphs in all the textile schedules, be it cotton, wool, silk, hemp, or rayon.

We furthermore desire paragraph 1207 to read, "fabrics with or without fast edges not exceeding 12 inches in width." The present paragraph calls for fast edges only. There are many narrow fabrics made on wide piece looms which have dupe edges and which after weaving are cut in various strips, bringing as a result narrow fabrics that have semifast edges. There is no reason why there should be any higher rate of duty on this type of narrow fabrics than those with absolutely firm fast edges. There is in fact less labor used in manufacturing narrow fabrics of this type than those which are

actually made on the narrow fabric looms.

Paragraph 1211: We can not understand why there should be any rise in this paragraph, which pertains to manufactures not specially provided for, when paragraph 1205, relating to all woven fabrics in the piece, provides for only 55 per cent duty. There has never been in any of the tariff bills a higher duty asked for articles unprovided for than those of the ordinary woven silk fabrics. No article has ever turned up not provided for in any silk schedule that carried a rate of duty conflicting with the rate of duty for ordinary woven

fabrics in the piece.

Schedule 3, paragraph 385: There are a great many silk goods that are woven containing tinsel wire, lahm or lame, where these latter materials bring these fabrics into metal chief value. It appears that they have been advanced from 55 per cent ad valorem in the present act to 65 per cent ad valorem. Now, plain fabrics under paragraph 1205 pay 55 per cent ad valorem. We wish to say again that these silks with mixtures of metal come exclusively from France, and again we ask, for reasons stated above, that the duty on these be left as it is under the present rate of 55 per cent. These are all high-class novelties, rarely made in this country, and we as manufacturers do not fear any competition. The value of the raw material used in these fabrics is so extremely high that ad valorem duty on these value offer exceptionally high protection to the domestic fabrics. We as manufacturers are also using tinsel wire, etc., in the manufacture of our silk and metal fabrics and trust that this raw material be left at the old rate, as we do not want to pay an extra tax on our raw material.

We desire furthermore to include our protest, in so far as silk goods are concerned, against the retention of the United States valuation in the administrative feature of the House bill. If retained, there would be shown ever so many inequalities in the appraisals,

and thereby inequitably raise the determined rates considerably. No one would be able to ascertain what duty he has to pay until long after the goods have been imported, and the appraiser at New York might place a valuation on any importation quite different than an appraiser in any other port of the United States. The confusion and uncertainties would be terrible should any basis of valuation in this proposed tariff bill be different than the assessment of rates on the foreign market value only.

Senator Sackerr. How do you get at the foreign market value? Mr. Kridel. By being an open market and ascertainable by every-

body.

Senator Sackett. But they do not allow us to go into France and

have our experts ascertain that?

Mr. Kridel. Any counsel would have the privilege of going in and inquiring as to the value of their goods. What the French manufacturers object to was that the special agents be not allowed to look into their cost of production and their secret processes of manufacture. That was their entire objection.

Senator Sackerr. Does that not keep us away from finding out

that foreign value?

Mr. Kridel. I doubt if any foreign manufacturer would not give the information to the counsel as to—

Senator Sackett. A counsel is not an expert.

Mr. Kringl. Neither are the special agents experts.

Senator Sackett. Well, they are supposed to be sent for that purpose.

Mr. Krider. I hope so.

Senator SACKETT. All right. Go ahead.

Mr. Kridel. In entering the above protest against the rates in the Hawley bill, we have only one motive in view as we have shown as domestic manufacturers, that there is no necessity whatsoever for any increased duties in the silk schedule, and we are concurring with the recommendation that President Hoover has made to this Congress, that no duties shall be increased where there is not any apparent necessity for it. We shall present to you many letters from some of the most important manufacturers of silk goods in this country, showing that the industry to-day with the present act is fully protected in every possible manner, and that no fear is entertained of any great influx of silks from any other country in the world.

Senator Sackerr. You understand that if those letters are pre-

sented they will have to be verified by affidavits?

Mr. KRIDEL. Yes: they can be verified and will be.

Every argument by the very high protectionists in previous discussions presented great fear of an enormous influx of foreign silks, pointing out inaccurately great differences between the cost of goods in this country and abroad, but nearly 10 years have clapsed since the present act is in force, and imports have declined proportionately in a considerable manner to the increase of goods manufactured in this country.

The subcommittee of the Ways and Means Committee of the House in its report to the House when this bill was under discussion by the House, recited on page 110 in the report to accompany the proposed tariff act of 1929, H. R. 2667, the following, "in our opinion

the silk industry in the United States has suffered more in recent years from domestic overproduction, and from overcapacity for domestic production, and from constant changes in styles and fashions, than from competition from imports on account of inadequacy of tariff duties." Now, if this committee after its most thorough investigation has ascertained this report to be correct, and from the statistics which we have shown above which confirm this very conclusion, then why should not the rates in the present act be sufficient for the proper protection of the silk industry in this country?
We do not want, above all, to disturb our relations with France,

where the creative genius of that country has helped the American industry in silks, and we must not for that reason have the friendly intercourse between our countries discontinued by any rise in the silk rates, which might prohibit the small importation of silk goods

coming from that country.

Finally, it is our earnest request that no increases whatever be made in the rates in the silk schedule over those existing in the present act.

# BRIEF OF REPRESENTATIVES OF THE ASSOCIATED SILK WORKERS OF AMERICA

Subject: Reply to Horace B. Chency of the slik manufacturers on the turiff

The national and local organizations of the Associated Silk Workers of America protest against the statements and claims of Horace B. Chency of South Manchester, Conn., before the Senate Finance Committee, in which he positively demanded a higher protection on the ground that wages had been advanced 228 per cent since the war.

As trade union næn and women dally engaged in the industry as weavers and having to deal with the hard facts of the situation, we emphatically deny any such increase in wages. A fair figure would be from 25 to 75 per cent per advance according to the work, the nature of the slik, and the operating

conditions.

These figures can be submitted to any test and when compared with the increase in the cost of living, do not leave much of a margin for extras or lux-

urles. One must also consider that production is vastly increased.

To-day the average wage for weavers in Allentown, is \$22 to \$25 per week. In other districts of Pennsylvania, the figure goes from \$25 to \$27 per week. In Paterson and other New Jersey districts, the average wage for broad silk weavers ranges from \$25 to \$30 a week. There are a few cases in which the figures go to \$35 a week, but they are exceptional and not representative of the industry.

Some of the auxiliary crafts in the industry get even lower than the wages Northampton, Mass., has \$25 to \$30 per week as an average wage. All along the line it must be borne in mind that the increase in the cost of living and the multiplication of new wants offset the increase. And, secondly, that the advance in wages is more than compensated to the manufacturers by the increase in the volume of production.

In many mills there is no time off for lunch, and the working conditions are by no means satisfactory. There is much room for improvement on this score. The hours of 8, 0, 10, and, in some instances, 11 hours a day are kept.

It is fallacious to claim extra protection for the manufacturers without considering the weavers' side of the argument. It is an imposition on the public and the consumers who must pay from \$1.50 to \$5 a yard for cropes, georgettes, and satins in the stores, while the weaver who wove the goods was paid from 4½ to 6, 7, 8, 9, 10, 10½, and 13 cents a yard. Samples of silk are submitted for illustration.

There is a further and equally important question—the exercise of the silk workers' constitutional rights. In a large measure, the weavers in the silk industry are native American. In some sections 100 per cent, in others between 90 per cent and 95 per cent. Yet it is a commonplace subject and daily occur-

rence to see them on strike, resisting cuts in wages or prices when paid piecework; and while on strike subject to every known form of persecution and often deprived of their fundamental constitutional rights. Allentown and Stroudsburg, Pa., have had wage cuts and strikes by the score during the past six months. In many instances the slight gains made during the war have been taken away from the workers.

And here is one of the greatest complaints—and a damning fact—of the silk workers. They get discharged or laid off or fired for enrolling in a union or attending a union meeting. The constitutional right to meet and discuss their troubles is denied and even vigorously opposed by the silk manufacturers. Yet

they ask Congress for more protection.

We ask that a rider be added to all legislation on the tariff on silk to the effect that manufacturers must respect the legal and constitutional right of weavers and silk workers generally to organize—to meet and discuss their troubles.

Respectfully submitted.

ASSOCIATED SILK WORKERS OF AMERICA.

Paterson, N. J.

# SPUN SILK

[Par. 1202]

# STATEMENT OF O. D. FROST, NEW YORK CITY, REPRESENTING AMERICAN SILK SPINNING CO. AND CHAMPLAIN SILK MILLS

(The witness was duly sworn by Senator Sackett.)

Senator SACKETT. Will you tell us what schedule you are interested in?

Mr. Frost. 1202.

Senator Sackerr. What are you going to ask us for I Just con-

crete it so that we will know.

Mr. Frost. I had planned, Mr. Chairman, to elaborate and amplify Mr. Cheney's remarks in regard to this paragraph. However, the questions which the committee asked Mr. Cheney developed a good many of the points that I was trying to cover, and I shall try not to duplicate anything he brought out.

Senator Sackerr. What you are asking for is what he asked for? Mr. Frosr. What he asked for; and I should like also to explain one or two points that were not brought out by questions to Mr.

Cheney, if that is agreeable to the committee.

Senator Sackerr. All right.

Mr. Frost. In the first place, spun silk yarns are a manufactured

product.

The raw material used in the production of spun silk fabrics, as some of you may know, is obtained from the cocoon. The cost of the raw material varies from time to time and the cost of production or conversion in this country fluctuates very little. That is the reason why we are particularly sensitive to low labor costs in the other producing countries.

In the present law—that is, the Fordney-McCumber law—the rates which we have are 40 per cent on shingles and 45 per cent on ply yarn.

Also specific rates. These specific rates, figured as they apply on the various types, are approximately 55 cents per pound on singles and approximately 70 cents a pound on ply yarns, but the duties actually collected under the ad valorem rate during the last five years have been considerably in excess of those specific rates. Those specific rates have not applied.

Now, we estimate that the difference in cost of production between here and abroad—that is, between here and Europe—on standard quality of 200/2-ply is about \$1.75 per pound, and on singles—that is, 62 singles—the difference is about 95 cents a pound.

In our original brief before the Ways and Committee of the House, we asked for a specific rate to compensate for the difference in cost of

production, as we estimate it.

Senator SACKETT. Does the difference in costs of production, as you estimated them there, for which you applied for the specific, cover the overhead as well as the labor cost?

Mr. Frost. Labor and overhead.

Senator SACKETT. Taxes, rentals, and all those things?

Mr. Frost. All those things which go into conversion costs; and we estimate, as nearly as we can, that the difference on ply yarns is \$1.75 and on singles—that is, the standard sizes of those two qualities—95 cents.

Senator Sackerr. What investigation have you made of the con-

version cost abroad?

Mr. Frost. We have had a number of sources of information. We ourselves had a representative in France at one time—unfortunately he is deceased now—who was very familiar with manufacturing costs in the mills of France, Switzerland, and Italy, and our estimates, so far as labor costs are concerned, are based on information which he sent us. We have checked that through information which we have here with regard to the profits which we know they ordinarily figure on their selling prices, and they check very closely. In fact, I think that our estimates will be confirmed by the figures which have been secured by the Tariff Commission in their investigation. I am under the impression that you can procure those figures by taking the matter up with the representatives of the Tariff Commission.

Now, in appearing before the Ways and Means Committee, we asked for those specific rates, which meant, of course, an increase on ply yarns from the specific rate of 70 cents a pound to \$1.75, which is a very large increase, although, as a matter of fact, the duties collected on ply yarns during the past five years under the ad valorem rate have been about \$1.62. But the specific rate which we asked for in the House is somewhat lower than the actual amount of duty collected as an average over the past five years on singles. The reason why we preferred the specific rate, and still prefer the specific rate, is because when business is not so good and prices are

low, the ad valorem rates do not adequately protect us.

When business is good and the demand is good, the ad valorem rates which have been in existence in the past have not prevented a large importation of yarns into this country. During the past five years the importations of yarns has amounted to about 5,000,000 pounds or an average of about 1,000,000 per year. That is the average importation. That quantity is a sufficient one to keep one of our mills busy at full capacity during the entire period. There are only six of us in the industry.

Senator Sackett. How many men do they employ?

Mr. Frosr. In the neighborhood of six or seven thousand men and women.

Senator Sackerr. Where are they located?

Mr. Frost. They are located at South Manchester, Conn.; Providence, New Bedford, Brighton, and Whitehall, N. Y., and one at Leeds, Mass.

Senator SACKETT. What has been the domestic production and its relation over the past five years? Has it been increasing or de-

creasing?

Mr. Frost. The domestic production has decreased in a very marked degree in the past few years.

Senator Sackerr. Can you give us any figures to show it from

1923, say ?

Mr. Frost. We have no figures, because those figures are not compiled so far as I know. That is they are not compiled by the silk association.

Senator Sackett. What is your estimate?

Mr. Frost. My estimate is, running at capacity we would produce between five and six million pounds per year. I agree with Mr. Cheney's estimate, during the past year probably our production was not over 3,000,000 pounds.

Senator Sackerr. What was it along in 1923 and 1924?

Mr. Frost. In 1925 I think our production was equal to our capacity; probably between five and six million pounds produced in the year 1925.

Senator Sackerr. The loss has not all gone to imports then, has it? Mr. Frost. No; by no means. That loss has been due to a number

of causes which have nothing to do with importation.

Senator Sackerr. Let us hear what they are?

Mr. Frost. Well, the competition of rayons, for one thing, the weighting of raw silk fabric has had an effect upon our business, the changes in fashion have had an effect, and also the importations.

Senator Sackerr. What effect would a raise in duty of 5 per cent ad valorem that you ask for have upon the business of the manu-

facturers here?

Mr. Frost. Well, during the last two years the duty actually collected on 200/2-ply has amounted to about \$1.40, at 45 per cent ad valorem. If that rate were increased to 55 per cent, it would just about bring the actual duty collected, assuming the price remained the same, to \$1.75, which would just compensate for the difference in the cost of production and put us on an equal basis with European manufacturers.

Senator Sackerr. Well, suppose you change to the United States valuation, what effect would it have? Would it not raise your duty that you are asking for \$1.75 to \$2, or something of that kind?

Mr. Frost. As I understand the proposed United States value as defined in the House law, I think it would not materially increase the amount of duty collected on spun silk. It would stabilize the collection of the duty and perhaps avoid any undervaluation.

Senator SACKETT. Did you find much undervaluation in your spun

silk?

Mr. Frost. It is very difficult to tell. We have known of it in the past, but it is almost impossible for us to detect it. If it is impossible for the Government representatives to detect it, it would be more impossible for us.

Senator SACKETT. You feel that the use of specific duties at the same rate as the ad valorem would provide, at present market prices,

a stabilization to the industry?

Mr. Frost. It would mean if prices declined further, our duty would not—I do not think a specific rate equal to the amount of ad valorem duty which has been collected during the past two years would compensate for the difference in cost of production. duty has only been \$1.40 on 200/2-ply.

Senator SACKETT. There is one other question I would like to ask.

You asked for an increase of duty from \$1.42 to \$1.75? Mr. Frost. Yes.

Senator SACKETT. If you had a stabilized duty, due to a specific rate, if you split that in two and took \$1.60, would that not enable the industry to go ahead on the specific rates?

Mr. Frost. I think it would be a help.

Senator Sackerr. I think that would have some effect.

Mr. Frost. I think so, too.

Senator Sackerr. In that way, by changing to a specific, we need

not raise it quite so much?

Mr. Frost. As I have understood the difficulty of that, Senator, it is this, that on the face of it if you were to adopt a specific rate of \$1.625, for example, the opponents of the bill might compare that with the former specific rates and say it was a tremendous increase; but, as a matter of fact, it would not be an increase.

Senator Sackerr. It would not be an increase of any amount over

the present ad valorem rates?

Mr. Frost. Right, over the average for the five years. It would be an increase over what you have collected during the past two years.

Senator Sackerr. On account of the falling price of the article? Mr. Frost. Yes, sir. I wonder if I may leave with you a memorandum as a part of my testimony?

Senator Sackett. Yes.

Senator Simmons. Looking at the rates as they are now in the House bill and as they are fixed therein, do you not think putting this proposition on a specific basis might make some little disturbance?

Mr. Frost. Well, Senator, after understanding the point of view of the House committee on the subject, we rather abandoned the idea of

trying to get a specific for that reason.

(The memorandum referred to is as follows:)

## MEMORANDUM OF MANUFACTURERS OF SPUN-SILK YARNS

Paragraph 1202 of the House bill provides for ad valorem rates of 40 per cent

on singles and 50 per cent on ply yarns. The rate on singles is the same as in the tariff act of 1922 and the rate on ply yarns is 5 per cent higher.

During the five years ending June 30, 1928, there were imported into the United States 5,000,000 pounds of spun silk yarns, or at an average rate of 1,000,000 pounds per year, sufficient to keep an average plant in this country going at full capacity. Domestic plants have not run at full capacity during the last two years. In order to keep our labor and machinery fully employed it is necessary that we be able to secure a larger proportion of the domestic demand.

The two standard sizes of spun silk yarns are what are known as 200/2 ply metric count or 60/2 ply English count, and 100/single metric count or 62/single English count. The former is composed of two strands of 120/single English

count, twisted together, while the latter is a single strand.

We estimate that the difference in cost of producing 200/2 ply here and abroad is \$1.75 per pound and the difference in cost of producing 100/single is \$0.05 per

pound. The amounts of duty collected per pound during the past five years have been as follows:

Year ending	200/2	100/1
June 30, 1924	\$1.67 1.70 1.74 1.40 1.39	\$1.20 1.13 1.08 .79 .76

It will be seen from the above that during the past two years, due to price levels being lower, the duties assessed have not been sufficient to cover the differences in cost of production. On account of the competition of rayon with spun slik it is not likely that our price levels will ever be as high as formerly; therefore, if we are to continue in business it is necessary that we have a rate on ply yarns sufficient to bring the duty collected up from \$1.40 to \$1.75, which would mean an increase from the rate of 50 per cent in the House bill to 55 per cent.

On the same basis of calculation we would be justified in asking for a rate on singles sufficient to bring the duty collected up from \$0.76 to \$0.95 per pound, which would be 50 per cent or an increase of 10 per cent over the rate in the House bill. However, foreign competition on singles has been less serious than on ply yarns and we therefore concur with the legislative committee of the Silk Association in asking for an increase to 45 per cent only on singles.

Our estimates of the differences in cost of production are based on reliable data as to wage rates abroad and have been checked with other information available to us with regard to costs, profits, and selling prices of our European competitors. We believe them to be conservative.

The rates suggested above are not sufficient to protect us from impending competition from Japan and China. However, as yet this competition has not developed in volume and we shall have to depend upon the flexible provisions of the proposed law to meet this situation when it develops.

This memorandum is being submitted on behalf of the following manufacturers of spun-silk yarns: American Silk Spinning Co., Providence, R. I.; Champlain Silk Mills, Whitehall, N. Y.; Cheney Bros., South Manchester, Conu.; Corticelli Silk Co., Leeds, Mass.; National Spun Silk Corporation, New Bedford, Mass.; New England Spun Silk Co., Brighton, Mass.

Respectfully submitted.

O. D. Frost, President Champlain Silk Mills, 200 Madison Avenue, New York, N. Y.

# BRIEF OF THE AMERICAN SILK SPINNING CO., PROVIDENCE, R. 1

Hon. Frederic M. SACKETT,

Chairman Senate Finance Committee, Washington, D. C.:

The majority of all imports of spun silk (schappe) is in two sizes, which are standard, vis, 100/1 (singles or one-ply) and 200/2 two-ply (French count)—all in gray.

Under the present tariff law spun slik (schappe) in the above sizes is given a specific duty of 55 cents per pound on the singles and 70 cents per pound on the two-ply.

As there is an ad valorem catchall clause of 40 per cent on singles and 45 per cent on two-plies, spun silk imported has actually been paying:

	1924	1925	1926	1927	1928 (year ended June 30)
200/2	(Zenis	Cents	Cente	Cente	Cents
	1. 67	1. 70	1. 74	1 1. 40	1 1. 39
	1. 20	1. 13	1. 08	1. 79	1. 76

<sup>1</sup> Approximate.

It is, therefore, apparent that the present specific rate is of no avail, and that practically all importations are made under the catchall ad valorem clause.

The Ways and Means Committee, in their last review of this paragraph, seemed to prefer not increasing the specific rates and allowed the spun silk

manufacturers an additional 5 per cent on ply yarns.

We estimate the difference in cost of producing 200/2 here and abroad is \$1.75 per pound. Under the present law the specific duty is 70 cents per pound. We estimate the difference in cost of producing 100/1 here and abroad is 95 cents per pound. Under the present law the specific duty is 55 cents per pound.

The production of spun slik in ply yarns involves over 50 per cent labor cost

of the selling price of the yarn.

Some of the spun-silk mills are running only part time and not paying dividends on invested capital—one of the largest spun-silk manufacturers in the last few years having failed financially.

When it happens, as it has during the last two years, that business is poor and values are low, even the present ad valorem rate does not compensate for

the difference in cost of production.

It is hoped that at least an ad valorem increase of no less than 10 per cent additional will be granted by the Finance Committee on ply yarns and 5 per cent additional on singles.

The Ways and Means Committee of the House during the present hearing, canceled all the specific rates in this paragraph and allowed an increase in the advalorem on ply yarns of only 5 per cent additional.

The business of the continental spinners has been extremely active in Europe

during the past three years. Therefore, importations of this material have not increased, but with conditions changing on the Continent, owing to lower labor costs in Italy, France, and Switzerland, as well as Japan, the industry here, which has been languishing, would be seriously threatened.

We might add that the suggested rates are those indorsed by the Silk

Association of America.

Respectfully submitted.

AMERICAN SILK SPINNING CO., M. C. MIGEL, President.

Sworn to before me this 2d day of July, 1020.

[SEAL.] MARVIN A. TYLEB, Notary Public.

As presented by the Ways and Means Committee and amended by the House May 23, 1020; Spun silk or Schappe silk yarn, or yarn of silk and rayon, and law, 1020, 40 per cent.) Bleached, dyed, colored, or plied, 40 per cent ad valorem. (Present law, 1022, 40 per cent.) Bleached, dyed, colored, or plied, 50 per cent ad valorem. (Present law, 1922, 45 per cent.)

Proposed rates: Spun silk or Schappe silk yarn, or yarn of silk and rayon, and roving, not bleached, dyed, colored, or plied, 45 per cent ad valorem. Bleached, dyed, colored, or plied, 55 per cent ad valorem.

# PETITION OF SUNDRY MEMBERS OF THE SILK ASSOCIATION OF AMERICA (INC.)

THE PORTLAND SILK Co., New York City, June 26, 1929.

MR. I. M. STEWART.

Clerk Senate Finance Committee, Washington, D. C.

DEAR SIR: I am sending you herewith for the information of your committee a petition, signed by a few large slik and velvet manufacturers, in reference to the rate of duty on spun silk yarns (Schappe), covered by Schedule 12, paragraph 1202, of the proposed amended act, H. R. 2667.

Might I not ask you to consider this as part of the record in connection with the rate of duty applicable to spun silk yarns under above-mentioned schedule

and paragraph?

Thanking you for your attention in this matter, I remain, dear sir,

Very truly yours,

WALTER W. METCALF.

New York, N. Y., June 21, 1929.

COMMITTEE ON LEGISLATION OF THE SILK ASSOCIATION OF AMERICA (INC.). New York, N. Y.

GENTLEMEN: The undersigned, members of the Silk Association of America (Inc.), beg to bring to your notice that they do not advocate the increase of 5 per cent proposed in the rate of duty on spun silk ply yarns as provided in

Schedule 12, paragraph 1202, of the proposed amended act, H. R. 2607.

Imported spun silks have always been a desirable raw material, the availability of which we should not like to see jeopardised. We are afraid that this advance of 5 per cent in the rate of duty—equivalent to about 15 cents per pound—would eliminate imported yarns from the market, and thereby at times increase the cost of production of fabrics unnecessarily and to the damage of ourselves and the consuming public.

Even a surface study of this question supports the contention that the in-

crease from 45 to 50 per cent ad valorem, as proposed, is undesirable, because:

1. Under the rates of the present Fordney-McCumber tariff the domestic spun silk manufacturers have been able to sell their ply yarns at prices usually below those commanded by the imported article.

2. The rate of duty on corresponding fabrics is 55 per cent ad valorem,

whereas the proposed duty on yarn is 50 per cent ad valorem.

We are auxious to avoid the complete elimination of this foreign source of supply for ply yarns, and therefore request your committee to maintain the present rate of duty of 45 per cent ad valorem, and not to increase same to 50 per cent ad valorem.

Louis Roessel & Co. (Inc.), by L. Otto E. Roessel, vice president; Schwayenrath, Huber & Co.; the Portland Silk Co., Walter Metcalf, vice president; Empire Silk Co., P. O. Warner, secretary; Rossić Velvet Co., A. Liebman, president; the American Velvet Co., Chas. A. Wimpfheimer, president; Stunzi Sons Silk Co. (Inc.), per F. Muller; John N. Stearns & Co., J. N. Stearns, treasurer; J. M. Langeniesse & Son; Stehli Silk Corporation, P. H. Romer, Most President; Zollinger & Schroth (Inc.), by P. H. Bonner, vice president; Zollinger & Schroth (Inc.). by Henry Zollinger, president; D. I. & C. H. Stern (Inc.), by C. H. Stern, treasurer; R. & H. Simon Co., L. Rodman Fox, president.

Note.—Separate affidavits are filed with the committee on behalf of each of the foregoing signers.

# STATEMENT OF HENRI W. LANGE, NEW YORK CITY, REPRE-SENTING THE SPUN-SILK GROUP OF THE NATIONAL COUNCIL OF AMERICAN IMPORTERS AND TRADERS (INC.)

(The witness was duly sworn by the chairman of the subcommittee.)

Senator Sacketr. What is your occupation?

Mr. Lange. Importer.

Senator Sackett. What do you import?

Mr. Lange. Spun-silk yarns.

Senator Sackerr. You are speaking on what provision?

Mr. Lance. Schedule 12, paragraph 1202.

Senator Sackett. You are representing only yourself?

Mr. Lange. I represent the spun-silk group of the National Council of American Importers and Traders. I would like to protest against any increase of duty on spun silk or schappe yarns, Schedule 12, paragraph 1202, of the tariff bill now under consideration. We specifically request a reduction of the rate of duty to bring it back to the rate under the Payne-Aldrich bill, namely, 35 per cent ad valorem, and will try to show your committee that that rate was amply protective to the American manufacturers of spun silk.

Senator SACKETT. At that time?

Mr. Lange. We believe it is to-day. We do not believe that the rate of 85 per cent would be a handicap to the domestic manufacturer.

Senator Sackerr. Do you think it was a fair rate at that time? Mr. Lange. We think it was a fair rate.

Senator Sackerr. Have labor costs increased?

Mr. Lange. They have increased in this country and abroad also.

Senator Sackett. Equally?

Mr. Lance. Perhaps not quite. Of course, I am not a manufacturer, so it is very difficult for me to speak of the cost in detail, as far as the cost of manufacturing abroad or in this country is concerned. I want to take up the question from the point of view of selling.

In passing I may mention that the Fordney-McCumber Act, which followed the Underwood-Simmons Act, applied a rate of 40 per cent on singles and 45 per cent on ply yarns, ad valorem. There were specific rates which were inoperative. In regard to the specific rates, it was intended to eliminate those for simplification in the calculation of duty, and I personally think that it is a wise move, because, as these gentlemen who preceded me have stated, there is practically no possibility of under valuation in connection with spun silk. In other words, it is possible to establish the value at all times and conse-

quently to apply the ad valorem rate on same.

Spun silk is a raw material. It is produced from a waste which is obtained from the fiber of the silk worms' cocoons. There occur short threads which have to be climinated and set aside and discarded as waste silk. Further, a certain proportion of silk cocoons are not reeled, because the silk-worm butterfly, in order to propagate its species, is allowed to come out, and in so doing pierces and destroys the utility of the cocoons for reeling purposes. The "pierced" cocoons are also set aside. The "waste silk" referred to and the "pierced" cocoons are purchased by the silk spinners and through various processes are spun by them into a yarn which is called spun silk, or schappe. A great many manufacturers place spun silk in the same position as raw silk. Raw silk, as you know, comes in free of duty.

This material is sold to the textile industry, the large silk manufacturers, the velvet manufacturers, the plush manufacturers, either in single ply or in ply, which means two or more threads twisted

together.

Lately the proportion of domestic production to consumption in this country has been 87½ per cent as against 12½ per cent of imported yarn. This 12½ per cent of imported yarns is still needed by the American manufacturers because they can not obtain the quality or kind which they need in this country, or because of some particular property of the yarn which can not be duplicated. In other words, it is practically only what is strictly necessary and can not be obtained here which has been left to importation.

This statement is confirmed by the Tariff Commission in their Summary of Tariff Information, 1929. I should like to quote this

to you. The Tariff Commission says:

#### COMPETITIVE CONDITIONS

During the five years 1923-1027 the domestic industry supplied on the average about 83 per cent of the annual consumption of spun-silk years as compared with about 68 per cent during the four preceding years 1919-1922. This increase was due in part to a small increase in production but principally to a substantial decrease in imports. Spun silk for use in broad silks, mixtures, and knit goods

is almost entirely domestic. A considerable part of the ply spun-silk yarns consumed in yelvet and plush manufacture is also of domestic origin.

Imports, which were about 14 per cent of the domestic consumption in 1927. are almost wholly ply yarns for pile-goods manufacture. For this purpose they are preferred by many to the domestic. Special qualities of softness are sought after in velvet yarns to give the pile greater spread and evenness of cover and to facilitate the cutting of the interlaced pile warp threads in the double-warp velvet loom. The prevalent use abroad of skillfully blended low-grade southern China waste, which has peculiar softness, and the treatment of the waste by a chemical process of degumning, yields a yarn with the characteristics desirable for velvet production. Until recent years the domestic spun-silk manufacturers had not, as a general thing, perfected methods of degumming other than the boil-off, which removes practically all the gum, making a harsher yarn. They have, moreover, used high-grade waste requiring less hand labor, less skill in manipulation and fewer dressing processes than the low-yield Canton waste

employed extensively in the European industry.

The domestic spun-silk industry labors under no handicap due to organization or technique except possibly the technique necessary for the most successful working up of these very low-grade wastes for the high-count yarns for velvet

manufacture.

This statement is also confirmed by some American manufacturers of silk, velvets, and so forth, and who have, all of them, petitioned the Silk Association of America, asking them to endeavor to see that there is no increase in the tariff for ply yarns. Your clerk, I believe, has a copy of this petition. These manufacturers have large mills in Connecticut, New Jersey, New York, Pennsylvania, North Caro-

lina, Virginia, and Alabama.

Mr. Cheney stated that 99 per cent of the silk manufacturers in merica approved the rates. These manufacturers which I just men-America approved the rates. tioned are very outstanding firms and some of the largest manufacturers in this country and they have addressed a petition to the Silk Association of America, of which you have a copy, because to them spun silk is a raw material. To them a certain percentage of imported yarn is necessary and we agree with them any increase, whatever it be, on the present tariff would mean an absolute embargo.

Under the Fordney-McCumber turiff, or, rather, from the Payne-Aldrich tariff, which had also specifics but in which the tariff of 35 per cent applied, as well as under the Underwood-Simmons Act that is to say, from 1909 to 1921—under a 35 per cent ad valorem rate, both for ply and single, we find that the domestic production increased from 777,462 pounds in 1909 to 4,737,137 pounds in 1921. The imports during that same period dropped from 3,159,600 pounds in 1909 to 2,007,137 pounds in 1921.

The Fordney-McCumber Act raised the duty 5 per cent on single and 10 per cent on ply, bringing it up to 40 per cent ad valorem and 45 on ply. The effect of that was immediate. Spun-silk yarn single has disappeared from the market. The domestic production in 1923 was 3,486,136 pounds, increased 4,455,990 pounds in 1927. The imports in 1921 were 2,009,137 pounds and decreased in 1928 to

628,359 pounds.

Senator BINGHAM. What is your business?
Mr. LANGE. In New York I am an importer. I represent the spunsilk group of the National Council of American Importers and Tradërs.

Senator Bingham. Are you an American citizen?

Mr. LANGE. I am.

Senator Bingham. What was your country of origin?

Mr. Lange. Switzerland.

Senator BINGHAM. Do you export goods from Switzerland?

Mr. Lange. No.

Senator BINGHAM. Where do you import from? Mr. Lange. France. Our concern is French. Senator BINGHAM. What is meant by the cartel?

Mr. LANGE. By the cartel, I believe, is usually meant three European spinners of silk yarns; practically the only three European spinners of spun silk yarns are known as the cartel.

Senator BINGHAM. What does it mean?

Mr. LANGE. Well, cartel usually means an association.

Senator BINGHAM. Are they interested in the manufacturing end in this country?

Mr. Lange. Not as far as I know.

Senator BINGHAM. Are they interested in importing?

Mr. Lange. They are interested in exporting from France. Senator Bingham. And importing into the United States?

Mr. LANGE. I speak as an importer. I have no connection, as far as this tariff is concerned, with any European concern. As a matter of fact, I do not believe any of them would feel it proper to appear before an American committee to discuss a tariff.

Senator Bingham. Naturally.

Mr. LANGE. I speak here as an importer. I am not a manufacturer. I am giving figures as produced by American publications.

Senator Bingham. Are you one of the agents of this foreign

cartel?

Mr. Lange. I am the agent of the French concern; yes, sir.

Senator BINGHAM. Has the French concern any interest in the

American manufacturers?

Mr. Lange. So far as I know, no direct connection, no; no direct interest. Possibly some stockholders of the French concern may be stockholders of the American concern, but as far as I am concerned, of course, the thing is absolutely strange to me. I do not know the workings of it at all because I have no connection with any of the mills in which they might have a financial interest in this company.

Senator SACKETT. Proceed.

Mr. Lance. Another point which I should like to bring to the attention of the committee is this: In a brief which we shall file with the committee we intend to point out that the American manufacturer of spun silk has for years acrificed in his selling price, at least for the past four or five years, or practically since the Fordney-McCumber tariff came into effect, a great deal of protection which was given him by that tariff. In other words, in selling he has not taken advantage of the 40 per cent which was given him and added to the foreign cost or to the foreign selling price, but he has sacrificed part of it right along by underselling us. Sometimes he has gone as far as sacrificing 14 per cent of that 40 per cent duty on singles and 9½ per cent on ply.

It seems unreasonable that an industry which for years sacrifices in its selling price a certain percentage of the amount of protection it gets does not require this protection, and it is for that reason that we request a return to a flat rate of 35 per cent ad valorem, both on

ply and single yarn.

I might say also that it does not seem quite reasonable when we compare the rate on this raw material and the rate on manufactured fabrics as proposed in the House bill, the rate on finished fabrics into which this raw material enters being 55 per cent and the rate on the raw material being 50 per cent or its equivalent specific rate.

I wish to thank you for giving us this opportunity to appear before you. I shall file a brief and ask that it be made a part of the record.

(Mr. Lange submitted the following brief:)

BRIEF OF THE SPUN SILK GROUP OF THE NATIONAL COUNCIL OF AMERICAN IMPORTERS AND TRADERS (INC.)

The spun silk group of the National Council of American Importers and Traders (Inc.) filed a brief before the Committee on Ways and Means requesting that the specific duties in paragraph 1202 of the tariff act of 1922 be abolished and that a uniform duty of 35 per cent ad valorem be fixed for both

single and ply spun silk yarns.

In the pending tariff bill, as reported to the House of Representatives, the specific rates were eliminated and the following ad valorem duties were adopted:

l'er	cent
Single yarn	40
Ply varn	

In that connection the report of the Committee on Ways and Means (p. 111)

stated:

"The progression of specific rates on spun silk by gradation in yarn counts is omitted in this paragraph in favor of an ud valorem system applicable to all yarns irrespective of count. Simplification of this paragraph is believed advisable as the elaborate system of specific rates was not operative under the act of 1922 on the bulk of the imports. In 1927, for instance, only 3.3 per cent of the total quantity of imports of spun silk yarn were entered under the specific rates. The proposed ad valorem rates are identical with those applied on the single and on the plied yarns under the minimum ad valurem provisos of the 1922 law. In phrasing, the word 'rayon' is substituted for 'artificial silk' in the first line of the paragraph, in accordance with the definition of rayon appearing in Schedule 13."

In the bill, as passed by the House of Representatives, the ad valorem rate of duty on the ply yarn was increased from 45 per cent to 50 per cent ad

valorem, the paragraph in question then reading as follows:

"Par. 1202. Spun slik or schappe slik yarn, or yarn of slik and rayon, and roving, not bleached, dyed, colored, or plied, 40 per cent ad valorem; bleached, dyed, colored, or plied, 50 per cent ad valorem."

We earnestly protest against the increased rate in paragraph 1202 of the pending tariff bill and renew our request that a uniform rate of 85 per cent ad valorem be enacted for both single and ply spun silk or schappe slik yarns.

The reasons for our request are as follows: 1. Spun silk or schappe slik yarn is a raw material for the slik and velvet weaving industries of the United States and in certain qualities is not produced in this country. Consequently any increase in the present excessive duties on this essential commodity will not only affect the American consumer but will also place the American manufacturers of silks and velvets at an even greater disadvantage than at present in competing with the foreign manufacturers of silks and velvets.

A duty of 85 per cent ad valorem for both single and ply spun silk yarns, as provided for in the Payne-Aldrich Tariff Act of 1909 and the Underwood Tariff Act of 1913, was entirely sufficient for the protection of the American manufacturers of spun silk yarn, because under that rate of duty the domestic spun silk industry grew rapidly, while, on the other hand, the importations

of spun silk yarns showed a marked decline.

3. The duties of 40 per cent ad valorem and 45 per cent ad valorem respectively on single and ply spun silk yarns, as provided in the tariff act of 1922, have practically stopped the importation of single yarn and have reduced the importation of ply yarn to a very small quantity.

4. The sufficiency of a duty of 35 per cent ad valorem is also proven by the fact that the selling prices of the domestic yarn are substantially lower than the selling prices in this country of similar imported yarn. In other words. the domestic industry does not require the degree of protection which is now afforded by the tariff act of 1922.

Before discussing these reasons for a reduction of duty, a brief description

of spun silk or schappe silk yarn will be given.

Spun silk is a raw material which is obtained from the filer of the silk worm's cocoon. In the process of reeling the cocoons to secure real or raw slik there occur short threads which have to be eliminated and set aside or discarded as waste silk. Further, a certain proportion of silk cocoons are not reeled, because the silk worm butterily, in order to propagate its species, is allowed to come out and in so doing pierces and destroys the utility of the cocoons for reeling purposes. The pierced cocoons are also set aside. The waste silk referred to and the pierced cocoons are purchased by the spun silk spinners and through various processes are spun by them into a yarn which is called spun silk or schappe.

This yarn is a raw material in the same manner as is raw silk. It is sold to the textile weaving industries for the manufacture of a great many of the popular and less expensive silk weaves, satins, shirtings, the cheaper grades of velvets and plushes, etc. It is sold under two designations, viz. single, meaning a single thread, and ply, which is obtained by twisting together two or more single threads. Practically speaking, however, all spun silk is single or two ply. It is spun in different sizes, but the most commonly used are 62/1 (62, single) and 60/2 (60, 2-ply).

I. Spun silk or schappe silk yarn is a raw material for the silk and velvet weaving industries of the United States and in certain qualities is not produced in this country. Consequently any increase in the present excessive duties on this essential commodity will not only affect the American consumer but will also place the American manufacturers of sliks and velvets at an even greater disadvantage than at present in competing with the foreign manufacturers of silks and velvets.

Spun slik or schappe slik yarn is a raw material for the innumerable slik and velvet articles that are made in this country. For this reason the extremely high duties proposed by the pending tariff bill will be a great detriment to the American manufacturers of silks and volvets and ultimately to the American consumer who will be forced to pay a higher price for finished silk and velvet On the other hand, a lower duty, which will protect the domestic spun

slik industry, will redound to the benefit of the American consumer.

Certain qualities of spun slik yarn which are essential for many American manufacturers are not produced in this country and must be imported. They are used mostly by two large American Industries, viz., the silk and velvet manufacturers, for various classes of merchandise which they make. present conditions those industries, which are in competition with the foreign

slik and velvet manufacturers, are greatly handicapped by the present high rates of duty on their purchases of this raw material.

In other words, foreign slik and velvet manufacturers are buying their spun slik or schappe slik yarn free of duty, but the American slik and velvet manufacturers have to buy the same raw material at an increase of 40 or 45 per cent over their foreign competitors. They have found this to be almost overwhelmingly difficult since the enactment of the present tariff in 1922 and have lost valuable business to foreign competitors. They are entitled to relief in this situation on the principle that they should, as American manufacturers, be able to buy their raw material abroad at as low a price as possible, particularly when they can not buy it here. It is plain that their purchases of imported material do not in any was disturb the development of the domestic spun-silk industry.

We are reliably informed that practically all of the leading American manufacturers of silks and velvets, who are members of the Silk Association of America, have petitioned the legislative committee of that association to oppose any increase in the duties on spun silk or schappe silk yarn. We are also informed that a copy of their petition will be filed with the Committee on

Finance.

As will presently be seen, a reduction in the present duties to a uniform rate of 35 per cent ad valorem will not injure or affect the development of the domestic spun-silk industry, while on the other hand, it will remove a useless burden which is now imposed on the slik and velvet weaving industries of this country by the present excessive rates of 40 and 45 per cent ad valorem.

II. A duty of 35 per cent ad valorem for both slugle and ply spun slik yarus. as provided for in the Payne-Aldrich Tariff Act of 1909 and the Underwood Tariff Act of 1913, was entirely sufficient for the protection of the American manufacturers of spun slik yarn, because under that rate of duty the domestic spun silk industry grew rapidly, while on the other hand the importations of spun silk yarn showed a marked decline.

Under the Payne-Aldrich Tariff Act of 1909, paragraph 397, spun silk yarn was assessed at the rate of 55 cents per pound for the single yarn in size 60, plus a graduated specific duty for finer sizes, and at 70 cents per pound for the ply yarn in size 60, plus a graduated specific duty for finer sizes. That act contained a minimum ad valorem rate of 35 per cent ad valorem. Because the minimum ad valorem rate was almost always higher than the specific rates, it may truthfully be said that the rate of duty assessed under that act was 35 per cent ad valorem. The tariff act of 1013, paragraph 312, provided a rate of 35 per cent ad valorem on spun silk and schappe silk yarn.

While the duty of 35 per cent ad valorem was applicable, the American spun slik industry increased its production tremendously and there was a proportionate decrease in the imports of spun silk yarn. In proof of this, the fol-

lowing figures, published by the Department of Commerce, are given:

•	1900	1923
Domestic productionpounds	777, 462 3, 159, 600	3, 486, 136 1, 051, 463

These figures show an increase of 340 per cent in domestic production during the period referred to and a decrease of 60 per cent in the imports for the same

period.

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Further, as reported in the Summary of Tariff Information, 1029, recently compiled by the United States Tariff Commission, the domestic production of spun silk yarn has continued to expand at a rapid rate. For example, in the years 1925 and 1927, the two latest years for which statistics are available, the domestic production has been as follows:

Year	Pounds	Value
1928	3, 489, 266 4, 455, 990	\$15, 202, 824 15, 696, 165

On the other hand, we learn from the same source that there has been a further large decline in the imports of spun-silk yarn to date. This is shown by the import statistics for the past four years, as follows:

Year	Pounds	Value
1925	648, 751 880, 311	\$4, 281, 078 2, 040, 270 2, 179, 536 1, 732, 990

From the above it will be noted that, while the domestic production has been expanding to a very large degree, the imports are now less than one-half

of what they were in 1925 and only one-fifth of what they were in 1909.

It is manifest, therefore, that the domestic spun silk industry is not one of those industries which are in a depressed condition due to increasing importations and is not fulrly within the scope of the proposed limited tariff revision. as desired by the President, by the Congress of the United States, and by the American people generally.

III. The duties of 40 per cent ad valorm and 45 per cent ad valorem, respectively, on single and ply spun silk yarns, as provided in the tariff act of 1922, have practically stopped the importation of single yarn and have reduced the

importation of ply yarn to a very small quantity.

The rates of 40 per cent on the single yarn and 40 per cent on the ply yarn, provided by the tariff act of 1922, have resulted in—

(a) The practiculty complete elimination from the American market of the

single yarn; and
(b) The reduction of imports of ply yarn to a minimum quantity represented

by a class of material which can not be procured here.

Although the American spun silk production has steadily increased since 1022, the imports of spun silk yarn have continued to decrease to a point where in 1928 they fell to the lowest figure since the year 1895, when spun silk was only beginning to find a commercial market in this country.

The latest available comparative statistics show: Ponnde Production in the United States for the year 1927\_\_\_\_\_\_ 4, 455, 990 Imports for the calendar year 1928..... 628, 350

The figures for production in the United States were taken from the Department of Commerce, Census of Manufactures, 1927, the latest year for which such data are available. The figures for imports were taken from the Summary of Tariff Information, 1920, compiled by the United States Tariff Com-

At the present time the domestic production of spun silk yarn represents about 87½ per cent of the total consumption in this country and the imports represent only 121/2 per cent—most of the imports, as previously stated, being made up of qualities which are not obtainable in this country.

IV. The sufficiency of a duty of 85 per cent ad valorem is also proven by the fact that the selling prices of the domestic yarn are substantially lower than the selling prices in this country of similar imported yarn. In other words, the domestic industry does not require the degree of protection which is now afforded by the tariff act of 1922.

Ordinarily the purpose of a protective tariff is to enable a domestic industry to sell its product at a fair price in competition with a similar foreign product. That is not the case with respect to spun silk yarn, because, as is well known in the trade, the domestic yarn has continuously undersold the imported product in this market for many years past. Based on actual trade information, we submit herewith the following comparison of the selling prices of domestic and imported spun silk yarns, both single and ply, for different stated periods since 1026:

	American yarns, per pound		Imported yarns, per pound	
	Ply yarns	Singles	Ply yarns	Singles
1926—January-February	\$4. 25 6. 15	\$1.90 4.75	6, 6236 6, 25	\$5.70 5.30 4.80
March September 1927—February	5.50	4. 25 4. 00	5. 75 5. 15	4, 80 4, 32
October	4, 30	3. 50 3. 50	4. (A) 4. (A)	3.90

An examination of this table will disclose at once that the domestic spun slik industry during the past three years at least has not availed itself of the full degree of tariff protection afforded by the duties in the tariff act of 1922. On the contrary, a comparison of the selling prices indicates that the domestic industry has sacrificed at least 14 per cent of the 40 per cent protection on the single yarn and at least 9½ per cent of the 45 per cent protection on the

ply yarn.

If a domestic industry, as evidenced by the wholesale selling prices of its product for an extended period, does not avail itself of the full degree of tariff protection which it enjoys but, on the contrary, sacrifices a large part of such protection, obviously it does not require that portion which it sacrifices.

In making our request for a uniform rate of duty of 85 per cent ad valorem, therefore, we are literally conforming to the amount of protection required by the domestic industry, as demonstrated by its own selling price level during the past few years. Were there any doubt about the justice of our request, it would seem to be removed by the following impartial statement copied from the Summary of Tariff Information, 1929 (p. 1750), compiled by the United States Tariff Commission:

## "COMPETITIVE CONDITIONS

"During the five years 1923-27 the domestic industry supplied on the average about 83 per cent of the annual consumption of spun-silk yarns as compared with about 68 per cent during the four preceding years 1919-1922. This increase was due in part to a small increase in production but principally to a substantial decrease in imports. Spun silk for use in broad silks, mixtures, and knit goods is almost entirely domestic. A considerable part of the ply spunsilk yarns consumed in velvet and plush manufacture is also of domestic

origin.

"Imports which were about 14 per cent of the domestic consumption in 1927, are almost wholly ply yarns for pile-goods manufacture. For this purpose they are preferred by many to the domestic. Special qualities of softness are sought after in velvet yarns to give the pile greater spread and evenness of cover and to facilitate the cutting of the interlaced pile warp threads in the double-warp velvet loom. The prevalent use abroad of skillfully blended low-grade southern China waste, which has peculiar softness, and the treatment of the waste by a chemical process of degumming, yields a yarn with the characteristics desirable for velvet production. Until recent years the domestic spunsilk manufacturers had not, as a general thing, perfected methods of degumming other than the boil off, which removes practically all the gum, making a harsher yarn. They have, moreover, used high-grade waste requiring less hand labor, less skill in manipulation, and fewer dressing processes than the low-yield Canton waste employed extensively in the European industry.

"The domestic spun-silk industry labors under no handicap due to organization or technique except possibly the technique necessary for the most successful working up of these very low-grade wastes for the high-count yarns for

velvet manufacture."

The statement just quoted not only corroborates the fact that the domestic production of spun silk yarn has been expanding rapidly while the imports have been decreasing, but also emphasizer the special qualities of the imported yarns which are essential for the textile weaving industry of this country and which are not obtainable here.

#### CONCLUBION

It is respectfully urged that the increased duty on spun silk yarn be stricken from the pending tariff bill and that in lieu thereof a uniform rate of 35 per cent ad valorem be inserted.

Respectfully submitted.

HENRI W. LANGE, Chairman, New York, N. Y.

# **WOVEN FABRICS**

[Par. 1205]

STATEMENT OF B. EDMOND DAVID, NEW YORK CITY, REPRESENTING THE BROAD SILK MANUFACTURERS ASSOCIATION OF PATERSON, N. J.

(The witness was duly sworn by the chairman of the subcommittee.)

Senator Sackett. In what line of business?

Mr. David. Silk manufacturer.

Senator Sackett. Where are your mills?

Mr. David. In Paterson, N. J., and in eight places in Pennsylvania. Senator Sackett. Which schedule do you wish to speak to?

Mr. David. On paragraph 1205, with special reference to fancy silks.

Senator Sackerr (reading):

Woven fabrics in the piece, wholly or in chief value of silk, not specially provided for, 55 per centum ad valorem.

That is the basket clause.

Mr. David. Yes, sir.

Senator Sackett (reading):

If Jacquard-figured, 65 per cent ad valorem.

Mr. David. Yes, sir.

Senator SACKETT. What do you want to ask about that?

Mr. David. All we are asking for is the adjustment of some rates to new conditions which have arisen since 1922, in order to enable us to compete on an equal basis with foreign importations, to start up many idle looms and to give work to our employees.

I am referring especially to Jacquards and fancy goods, in which the labor cost is very large, so that the difference between European and American labor becomes more important than it is in almost any

other article.

The House bill has granted us an increase on Jacquards of 10 per cent, which is urgently needed, and it is also needed in other fancy goods as well, and all goods made with more than one color in the filling should be included with the Jacquard goods.

And we are asking for an increase in silk goods mixed with rayon

or other synthetic yarns.

This article is very little known, and not imported at the time of the last tariff bill, but it now constitutes a very important part of the importations. It is impossible for the American manufacturer to compete successfully with the European goods in which silk is the component material of chief value, and which are mixed with rayon, due to the fact that rayon yarus are so much cheaper on the other side than they are here.

Under the present bill we are paying 45 per cent duty on rayon yarns. We pay approximately the same prices for American rayon yarns as we pay for foreign rayon yarns, duty paid; so that the European manufacturer has an enormous advantage over us, which can be equalized if we get a compensating duty, a duty equal to the amount which we have to pay on the yarns which are contained in

our merchandisc.

Under the tariff bill of 1922, mainly all silk goods were considered, and as raw silk costs the same in Europe as it does in America, there was not that additional difference between the cost of European and American goods as we now have on account of the higher cost of some of our raw material, such as rayon.

The same increase which is asked for Jacquards and fancy goods and for rayon goods under paragraph 1205, is also asked for mufflers

in paragraph 1207.

Senator Sackett. You have not asked for any increase of the Jacquard rate of 65 per cent?

Mr. David. No, sir; we have asked that it be less.

Senator SACKETT. That it be less?

Mr. David. No; we have asked that you add an increase on goods made with rayon or other synthetic yarns.

Senator Sackerr. That comes under a different paragraph?

Mr. David. Not if the chief value is silk. The rayon schedulerefers to goods which are made all of rayon or where the chief value is rayon. I am speaking of goods where the chief value is silk mixed with rayon, and which have heretofore come under the silk schedule at the rate of 55 per cent.

Senator SACKETT. How much do you want that increased to if part

of it is of rayon?

Mr. David. There should, in my opinion, be a compensating duty for the amount of duty paid for the rayon yarns that are contained in those goods.

Senator Sackerr. How much of a compensating duty? Mr. David. It will amount to approximately 10 per cent.

Senator Sackett. Is it not often the case that in these goods sometimes there is 20 per cent of rayon and sometimes there is 40 per

cent of rayon?

Mr. David. Of course, if an arbitrary figure of 10 per cent is taken, then in some instances the protection will not be sufficient, and in other instances it will be more than sufficient.

Senator Sackerr. Is there any way of getting at a compensating rate in which the amount of rayon in the goods is known?

Mr. David. I think so. The amount of rayon in goods could be stated, and the duty be arranged accordingly.

Senator Sackett. All right; you may proceed.
Senator George. What is your chief product?
Mr. David. Our chief product is tie silks and fancy silks.

Senator George. How many other manufacturers of those silks are there in this country; very many more?

Mr. David. Oh, yes. I do not know exactly, but there are probably

at least 50 or more.

Senator George. Do they all take the same view that you do in

regard to this increase?

Mr. David. They do, as far as I know. The officers of the Broad Silk Manufacturers Association of Paterson, which includes most of these manufacturers, have asked me to appear here as their representative.

Senator George. And all the tie-silk manufacturers, then, share

your suggestion here?

Mr. David. To my knowledge they do, Senator.

Senator SACKETT. Have you anything further that you want to

Mr. David. I might say a word in regard to specific duties.

question has been raised here.

Specific duties are, in our opinion, undoubtedly the best form of duty where there is a relation between weight and value of the mer-

chandise; that is, in all plain silks and in all yarns.

When it comes to fancy silks, where there is absolutely no relation between the weight of the goods and the value of the goods, a specific rate can not well be applied, and for that reason we had in the bill of 1909, the last bill with specific rates, an ad valorem catch clause of 50 per cent. Almost all fancy silks, in fact, I believe all of them, came in under the ad valorem catch clause. The specifics were not effective, because if the rates sufficed for plain goods they were too low for fancies. On the other hand, if they were made suffi-

ciently high to be effective on fancy goods, they would be too high to apply to goods made on plain looms.

Senator Sackerr. Could not that be arranged with one specific

for fancy goods and one specific for plain goods?

Mr. David. That could be done, but it would make a very complicated schedule, because there is such a variety of fancy goods. On the other hand, the ad valorem catch clause has worked very satisfactorily. It has virtually taken the fancy goods out of the specific rate.

Senator Sackert. Is there anything further you want to say?

Mr. David. I think that is all.

Senator Simmons. You spoke about a compensating duty on goods made partly of silk and partly of rayon, and you wanted a flat duty levied against them?

Mr. David. We want the same duty as we received on other mer-

chandise, plus a compensating duty.

Senator Simmons. Then by that you mean to say that you want a certain amount against silks and another amount against the rayon, because they are not both on the same basis? You want those two added together and averaged; is that the idea; or do you want them segregated?

Mr. David. Our own proposition is to apply the same ad valorem rate to these goods as to other goods, and then add thereto a compensating duty, to compensate us for the amount of duty we pay on the

amount of rayon mixed in these goods.

Senator Simmons. I understand you now. There were not very

many importations of these fabrics you are now speaking of?

Mr. David. They are increasing by leaps and bounds. One of our customers informed me some time ago that he was in Europe and he alone purchased a half a million dollars' worth of these goods. We estimate, although we do not know, but judging from what we see in the market we estimate, that there is \$5,000,000 worth of these goods sold in the New York market at the present time.

Senator Simmons. Which is not a very large percentage of the goods sold in the New York market. The American production of

this is very large.

Mr. David. We estimate that the American production is from ten to fifteen million dollars.

Senator Simmons. Dollars?

Mr. David. Yes.

Senator Simmons. You mean woven fabrics in the piece? Mr. David. Woven fabrics in the piece, that fall under the-

Senator Simmons. That is paragraph 1205.

Mr. David. That fall under the classification of fancy silks.

Senator Simmons. But the total production of this product in this country is very large. It is given in a table I have here at 512,826,736 square vards, valued at \$458,615,404.

Mr. David. I think that probably includes other goods besides those

I am speaking about.

Senator Simmons. It includes those woven goods in the piece?

Mr. DAVID. Yes, sir.

Senator SIMMONS. These \$485,000,000 domestic products and the importations, in 1928, were valued at \$16,000,000?

Mr. David. I am particularly speaking of fancy silks.

Senator Simmons. You are speaking of the basket clause of this

Mr. David. I am speaking of goods made with a mixture of rayon

and silks.

Senator Simmons. They are covered by this general designation?

Mr. David. They are included in it.

Senator Simmons. They are included in this general designation?

Mr. David. Yes, sir.

Senator Simmons. It is a very negligible amount as compared with

the domestic production.

Mr. David. There is a very much larger percentage of fancy silks imported than of plain silks, and I was referring to fancy silks made with rayon mixture. That is where the American manufacturer feels the foreign competition the strongest, and he is, in fact, unable to compete 's Mr. Cheney explained.

Senator. Amons. As to the imports of that product, there was only \$16,000,000 in 1928. Now you are talking about the large im-

portations or the aggregate of those products.

Mr. David. Of that \$16,000,000, a very large percentage-

Senator Simmons. Most of that is made of these goods you are now talking about?

Mr. David. Yes.

Senator SIMMONS. And what percentage of this product? Senator SACKETT. Now, you want to take this out of the basket clause, and if we should apply this to the whole basket clause, \$450,000,000, it might do a great deal of damage in some other

particular.

Mr. DAVID. If it is stated that a basket clause applies to all goods. then the specific rates will apply where they are higher than the ad valorem rate in the basket clause. They will not apply where they are lower. In such cases and particularly in fancy goods, jacquard goods and rayon mixed goods, ad valorem rate of the basket clause will apply.

Senator Sackerr. Is there anything else?

Mr. David. No: thank you.

(Mr. David submitted the following brief:)

BRIEF OF THE BROAD SILK MANUFACTURERS ASSOCIATION, OF PATERSON. N. J.

The FINANCE COMMITTEE.

United States Senate, Washington, D. C.:

Since the enactment of the tariff law of 1922 the material then called artificial silk—now known as rayon—has been improved and perfected to such a degree that at the present time it is used to advantage and to a considerable extent as a substitute for real silk in the production of goods formerly made entirely of real silk fiber; for instance, in silks used for necktles, scarves, and in fancy materials used for dresses, shirts, underwear, and upholstery purposes,

As a rule, these goods are made of silk warp and rayon filling, but also vice versa, or in part with rayon filling, and they are entered under paragraph 1205 as woven fabrics in the piece composed wholly or in chief value of silk.

Silk in these goods is the component material of chief value so that paragraph

1213 does not apply.

At the time of the enactment of the 1922 tariff very few, if any, goods were imported which were constructed of slik and rayon, slik being the component material of chief value.

To-day the importation of such articles from Italy, Austria. France. Germany. and Switzerland is a serious menace to the fancy silk and especially to the tie-silk industry. This is due mainly to the fact that the American manufacturer pays on rayon yarns a duty of 45 per cent ad valorem while his product—woven silk fabrics mixed with rayon—are protected only at the rate of 55 per cent ad valorem. Prices of domestic rayon are approximately on a level with those of imported yarns. Therefore, the duty of 55 per cent, which was assumed to sufficiently protect goods made entirely of real silk—the cost of which is the same in Europe as in America—is entirely too low for goods made in part of a material, the price of which is over 45 per cent higher here than in Europe.

It is therefore respectfully recommended that in order to secure for the industry the protection which it urgently needs, a compensating duty be assessed on slik goods of which Rayon is a component material, in addition to the rates assessed under paragraph 1205, this compensating duty to be equal to the difference between the cost of European and American rayon

yarns.

It is also recommended that the additional duty of 10 per cent on jacquard goods as proposed in the bill passed by the House, he adopted, and that this additional 10 per cent be assessed not only on jacquard goods, but on all fancy goods, that is, on goods containing more than one color in the filling. This additional duty is required to more nearly equalize the larger difference between American and European labor costs in fancy goods, and thereby offer the American manufacturer the opportunity to compete against the foreign manufacturer in the better qualities of fancy silks, which is entirely impossible under the present schedule.

It is also respectfully urged that United States valuation be made applicable to all importations or to those which can not be fully investigated in regard

to actual foreign-market value in wholesale quantities.

Respectfully submitted.

B. EDMUND DAVID,

Representing the Broad Silk Manufacturers Association of Paterson, N. J.,

Member of the Legislative Committee of the Silk Association of America.

# STATEMENT OF A. C. STAPFER, NEW YORK CITY, REPRESENTING THE SILK DEFENSE COMMITTEE

(The witness was duly sworn by the chairman of the subcommittee.)

Senator Sackett. You are a manufacturer?

Mr. Staffer. A manufacturer. I represent the silk defense committee as an expert and statistician.

Senator Sackert. What is the silk defense committee?

Mr. Stapfer. It is an organization composed of manufacturers, traders, and importers, practically all of the members of the Silk Association in good standing.

Senator Sackett. You are appearing on the same matter that Mr.

Kridel appeared on?

Mr. STAPFER. Yes; the same thing.

Senator Sackett. Are you asking for the same things that Mr. Kridel did?

Mr. STAPFER. Practically the same thing, but not to go into further detail than Mr. Kridel did.

Senator Sackett. What mills have you?

Mr. STAPFER. The Piedmont mills. I am vice president and general manager of the Piedmont Silko, with mills in Chambersburg and Shippensburg, Pa.

Senator Sackett. What sized mills are they?

Mr. STAPFER. One hundred and seventy-five looms in one mill, and in one we have a spinning plant with about 5,000 spindles.

Senator Sackett. How many people do you employ in those mills?

Mr. Stapper. Altogether, about 300.

Senator Sackerr. You are also in the importing business?

Mr. Stapper. I am not. Our selling agent is importing some, but that is very small. I am a protectionist to the fullest extent. In fact, I want to say I am a protectionist beyond the point of equalizing costs of production here and abroad. I believe we should have the major part of the market to ourselves. As it happens, in the silk goods, we have 95 per cent of the market to ourselves, and only 5 per cent comes in from the other side.

Senator Sackerr. You say the silk industry—taking the whole

industry?

Mr. Stapper. I mean the whole industry as specified by the Department of Census. All dutiable silks are about 5 per cent, and the domestic market supplies about 95 per cent.

Senator SACKETT. Then you agree with the other witness who said 5 per cent that comes in from abroad is really helpful to the

American manufacturers?

Mr. Stapfer. I fully agree that it is absolutely helpful, and I wish to state that Mr. Cheney a few years ago, before the McCumber tariff was written, made a statement as follows:

It is not the intention or desire of silk producers of this country to exclude entirely foreign importation. They believe that the level of importation which rules a considerable number of years was desirable and helpful, stimulating their industry, giving it new impetus and information, and incidentally supplying the American market with many things, which because of their character, were not readily produced here, and for which there was a market entitled to be supplied. That tariff, they believe, would be in the end more advantageous for the silk industry of the United States, which did not prevent the extension and growth here, but maintained a reasonable flow of importation.

In this connection wish to state that for nine years I was examiner of silks at the port of New York, and for two years the analyst of textile fabrics, and I have had quite extensive experience in manufacturing here, in Switzerland, and in Japan.

Senator Sackett. What do you manufacture in your own mills? Mr. Stapper. Crêpe de chines, georgettes, satin, and so forth.

Senator SACKETT. What paragraph of the tariff do you come under?

Mr. Starfer. Particularly paragraph 1205.

Here is the kind of material we manufacture [indicating samples].

Senator Sackert. Is that pure silk?

Mr. STAPFER. That is weighted. Senator Sackett. With what?

Mr. STAPFER. Tin.

Senator SACKETT. With tin?

Mr. STAPFER. Yes. Practically 80 per cent of the domestic silks to-day are weighted with tin. If they are going to weight them any

higher we will have to appear under the metal schedule.

There has been a great deal said about the low wages in Japan and China. Wages can only be compared if measured with equal efficiency and same conditions, such as raw material, and so forth. A weaver operating 1 or 2 hand looms in China can not be compared with a weaver operating 8 to 12 automatic looms here.

For instance, this fabric, which is a standard fabric, a georgette, and which was introduced about 15 years ago by France, has become the leading article in this country. Assuming this fabric could be successfully manufactured in Japan, the duty of 55 per cent assessed

on the raw silk in the fabric alone would almost be as high as the

entire American conversion cost.

What I mean by conversion cost is that a manufacturer could go into the market and have this fabric woven and thrown on a commission weaving basis for about 27 to 28 cents, about 15 or 16 cents for weaving and about 10 cents for throwing.

Senator Sackerr. That does not cover his overhead, though?
Mr. Stapper. No. That is the price the manufacturers are willing to take the business at.

Senator BINGHAM. What concern do you represent?

Mr. STAPFER. I am general manager of the Piedmont Silk Co. Senator Binoham. General manager of the Piedmont Silk Co.? Mr. Stapfer. Yes.

Senator Bingham. Who are the officers?

Mr. STAPFER. I am the vice president. Senator BINGHAM. Who is the president?

Mr. Stapper. We have no president at present. Mr. Whitman is treasurer. I am the vice president.

Senator BINGHAM. You are vice president and general manager, but there is no president?

Mr. Stapper. No.

Senator BINGHAM. How many people do you employ?

Mr. STAPFER. Three hundred.

Senator Sackert. All right, Mr. Stapfer. Now, proceed with

what you want to say.

Mr. STAPFER. A great deal has been said about importations from Japan. This is an article imported from Japan [indicating]. The imports are somewhat declining. This is a pure silk fabric.

I wish to make reference to the importations of habutai from

Japan, as shown by the Tariff Commission's summary of tariff

information.

The importations of these habitais is done without material injury to domestic industry, for domestic manufacturers can employ their whole available labor supply in the production of goods better suited and more profitable to produce.

Senator Bingham. Are you interested in this silk defense organi-

zation ?

Mr. Stapper. Yes, sir.

Senator Sackett. He is part of it.

Mr. STAPFER. This is a 12-moome pongee, composed of wild silk

Senator Sackerr. Is that pure silk?

Mr. Stapfer. Yes, sir. But there is a little rice powder in it. It is what they call pongee.

Senator Bingham. I suppose the real name should be the Silk

Importers Defense Association? Is that right?

Mr. STAPFER. In this case I wish to say that my viewpoint has been sustained by a great many domestic manufacturers. I have letters to that effect from very big ones who have absolutely no import connections whatsoever.

Senator Binoham. Are you a member of the silk association?

Mr. Stapfer. Yes, sir.

Senator Bingham. How large a percentage of that association does Mr. Cheney represent?

Mr. STAPFER. That is hard to say, because no meeting was ever called to ratify the tariff recommendations.

Senator Binomam. Are you charging now that Mr. Cheney is act-

ing upon his own initiative and without authorization?

Mr. Stapfer. No, sir. I would not say that. Mr. Cheney has been elected chairman of the legislative branch, and he as such expresses his viewpoint.

Senator Binoham. But you think the most of the manufacturers

do not agree with him. Is that it?

Mr. STAPFER. There are a great many that disagree.

Senator Bingham. That is what I said. Most of the manufacturers, you say, do not agree?

Mr. Stapper. Some of them are large manufacturers and opposed

to any increase.

As to this particular case about importations, I venture to say that most of the domestic manufacturers are not interested in any increase, as they are amply protected, because, after all is said and done, 90 per cent of the domestic manufacturers are manufacturing goods such as crêpe de chines, Georgettes, and satins, and none of it is imported.

Senator Bingham. You don't do any importing yourself, do you?

Mr. Stapfer. No. sir.

Senator Sackett. Do you import raw materials?

Mr. STAPFER. We import the raw silk for manufacturing purposes.

Senator Sackett. Do you import the spun silk?

Mr. Stapper. No, sir. Of course, on silks you have a very diver-

sified line.

Schator Bingham. That is a very interesting proposal you have made, and I would like to get to the bottom of it. You come here as a manufacturer, not representing any importing group, representing, as you say, a majority of the manufacturers, and yet you want the tariff reduced.

Mr. Stapper. No; I do not; by no means.

Senator Binoham. Then I mis inderstood you. You want it raised?

Mr. Stapper. No: we want it left alone.

Senator Bingham. If you do not want it raised what are you

asking for?

Mr. Stapper. To leave it alone: that is all. Leave the Fordney-McCumber tariff bill as it is, as it has been amply protective, based upon statistics.

Senator Bixquam. Are you afraid that it will hurt your business

if the tariff is raised?

Mr. Stappen. It has an indirect influence. It may affect our export trade. It may affect our prosperity.

Senator Binguam. To where do you export?

Mr. Stapper. I do not export.

Senator Bixquam. Then how can it affect your export trade if you do not export?

Mr. Stapfer. The welfare of the country at large.

Senator BINGHAM. And you are speaking on behalf of the great mass of American citizens.

Senator Sackett. Have you anything else to say, Mr. Stapfer? Mr. Stapfer. Yes, sir.

I want to point out Mr. Cheney introduced a coolie coat, showing how cheaply coolie coats can be imported here.

Here is a dress sold at \$3.75 in a job lot. That is a beautiful piece

of goods.
Senator SACKETT. Is that made here?

Mr. Starrer. That is made here in domestic factories.

Senator Simmons. Sold for what?

Mr. Starfer. \$3.75 less 8 per cent, which brings it to about \$3.45. Senator Sackerr. Does that compete with anything imported?

Mr. STAPFER. No; that is a domestic fabric. Senator Sackett. Does that compete?

Mr. STAPFER. No; that fabric could not be imported. In fact, the only articles that can be imported to-day are novelties.

Senator Greene. Is this all silk [indicating]?

Mr. Stapfer. Yes, sir.

Senator SIMMONS. You mean the duties are now at a point where

they exclude imports except novelties?

Mr. Stapper. I would say imports to-day are certainly not competitive any more in a broad sense. We call it competitive by indirect replacement. But to-day imports from Japan consists of habutais and pongees, and the domestic manufacturers are not making them. A crêpe de chene and such fabrics as we manufacture can not import. We receive some novelty fabrics from France such as highclass brocades.

Senator Simmons. You mean to say that the rates of the Fordney-McCumber tariff mean ample protection to the American industry?

Mr. Stapper. Absolutely.

Senator SIMMONS. And there is no need for further protection?

Mr. Stapfer. Absolutely none.

Senator SIMMONS. And the industry is doing fairly well?

Mr. STAPFER. The only trouble we have in the industry is, unfortunately, overproduction. We are overproducing. We are producing more than we can assimilate. The main trouble is that to-day the silk business is one in which you can not make profits on anything.

Senator Simmons. The silk industry comes in the category of schedules that the President said this extraordinary session might

deal with?

Senator Sackett. Why are you so interested in coming here before

Mr. Stapper. I have been active here in every tariff campaign. Senator BINGHAM. You have the habit, in other words, and just had to come?

Mr. Starrer. I have been an examiner of silks, and it is a hobby. Senator George. I would like to have the record show that some one has a right to represent the public.

Senator Sackett. Have you anything else you wish to bring out? Mr. STAPFER. For instance, here is a Japanese fabric, Japanese That is sold by Sears, Roebuck & Co. to the public at very pongee. low prices.

Senator Sacrett. Do you make that here?

Mr. Stapfer. No. sir.

Senator Sackett. Why do you show it to us, then?

Mr. Stapper. That is just an illustration.

Senator BINGHAM. Of what?

Mr. Staffer. Of various fabrics being imported.

Senator SACKETT. I don't think we are interested in that.

Have you anything further in reference to the tariff?

Senator Simmons. You said that fabric you showed there was imported?

Mr. Stapfer. Yes.

Senator SIMMONS. And that is one of the novelties you say is still

coming in?

Mr. Stapper. No; that is not a novelty. That is a pongee that comes in in a limited quantity from Japan and has been known as pongee all over the world.

Senator SIMMONS. But there is no article produced in this country

with which it comes into competition?

Mr. STAPFER. No; not to my knowledge. The fabrics imported

from France are novelties, very high-class novelties.

The House raised Jacquard goods. It is somewhat inconsistent, because those fabrics have the highest value of any fabric imported. The cost of weaving Jacquard goods is proportionate, and therefore the ad valorem system would automatically equalize the condition.

Senator Sackerr. Then you are opposed to that increase on Jac-

quard goods?

Mr. Stapfer. Yes.

Senator Binoham. How long have you had this tariff committee? Mr. Staffer. Well, I have been connected with tariffs since 1921. I am going to submit to you letters from numerous domestic manufacturers who absolutely sustain my viewpoint.

Senator Binomam. They are your clients, are they?

Mr. Stapfer. No.

Senator Simmons. Are those letters sworn to?

Mr. Stapfer. No.

Senator SIMMONS. Can you have them sworn to?

Mr. Stapfer. No; but those letters are on file in the House. They were submitted to Congressman Chindbloom.

Senator Simmons. I would like to ask the chairman if it will be

necessary to have those letters sworn to.

Senator Sackerr. They are already part of the House Committee hearings, he says, and we will get them in that way. I do not suppose it would be necessary to reintroduce them. They are in the House records.

Mr. STAPFER. Yes; they are in the House records. They have been

on file with Congressman Chindblom.

Senator SIMMONS. Do I understand you to say that you are not a manufacturer at all?

Mr. Stapfer. I am a manufacturer.

Senator Sackerr. He says he is not an importer.

Senator Simmons. Then you represent the manufacturers, according to your statement?

Mr. STAPFER. I represent the group like Mr. Kridel. He is a

banker and manufacturer and has a few import departments.

Senator Simmons. In this association of which you speak there are manufacturers and there are importers?

Mr. Stapfer. Yes, sir.

Senator Simmons. They work in perfect harmony with each other, don't they?

Mr. Stapfer. Absolutely.

Senator SIMMONS. The manufacturers regard the importers as serviceable?

Mr. Stapper. Well, to some extent. A certain amount of imports

are absolutely beneficial to the industry.

Senator Simmons. And those were the reasons why they have the importers in this association?

Mr. Stapfer. Yes, sir. Senator Simmons. With the manufacturers?

Mr. Stapfer. Yes, sir.

Senator BINGHAM. Is their largest line of business importing, or their chief interest?

Mr. Stapfer. I would say I don't know exactly how it is divided. I don't know how much Mr. Kridel imports, who is the chairman of this committee, but I know he is doing quite a large domestic business.

Senator Simmons. You know that the general reputation of this group known as the Self Defense Organization is that they are more interested in importing than local manufacture?

Mr. Stapfer. I would say it is about equally divided. They both

manufacture and they import goods.
Senator Simmons. There are some members who are both importers and manufacturers?

Mr. Stapfer. Yes, sir.

Senator SIMMONS. There are some members who are altogether importers?

Mr. Stapfer. Yes, sir.

Senator Simmons. But they work together in harmony?

Mr. Stapper. Yes, sir.

(Mr. Stapfer subsequently submitted the following memorandum:)

#### SUPPLEMENTAL MEMORANDUM BY MR. STAPFER

JULY 3, 1920.

SENATE FINANCE COMMITTEE. Washington, D. C.

HONORABLE COMMITTEE: In reference to specific rates submitted by Mr. Chency but not read into the record. I wish to make the following statement. based upon my experience as a former examiner and analyst of textile fabrics at the port of New York, as well as manufacturer, regarding the proposal of

specific rates in the silk schedule.

When the Fordney-McCumber bill was framed the House adopted specific rates which were practically identical with the Payne-Aldridge rates. Conditions, even at that time, have changed to such an extent that the Payne-Aldridge specific rates were in most cuses ineffective and in other cases were very unjust, as, for instance, in the case of fabrics composed of wild or tussah silk. Some of these fabrics imported would have to pay a rate of duty ranging from 110 to 236 per cent ad valorem, as per statements of regular entries made and submitted to the Senate Finance Committee. After considerable study and deliberation the Senate Finance Committee had stricken out the specific rates entirely. At the time our committee did not oppose specific rates but pointed out the inconsistencies, particularly as they would have applied on tussah fabrics. It would have been a comparatively easy matter to specially provide for those goods.

Specific rates could be successfully and practically applied to some of the commodities in the slik line, particularly habutae and pongecs, which come from Japan and China, but a distinction would have to be made between

fabrics woven with real silk or wild silk. Wild slik is only about one-half the value of real silk. Specific rates on novelty fabrics or tie silks coming from Europe would not be practical us the classifications would have to be exceedingly intricate and complicated to properly compensate for the numerous and

different kinds of fabrics.

A suggestion has been made to provide specific rates for fabrics called umbrella fabrics or gloria, an article which is composed of slik and cotton, slik still being in chief value, but containing less than 20 per cent of slik. The rate of \$2.24 per pound recommended would be almost triple the specific rates contained in the Payne-Aldrich tariff bill. If translated into ad valorem rates, same would range between 56 to 85 per cent to-day, according to the type of fabrics imported. If specific rates were adopted, the classification would have to be divided into two or three subdivisions in order to differentiate between the various fabrics, being of different weights. Specific rates would have certain advantages in protecting undervaluations and would act as a minimum rate in case values or the market should decline and would afford additional protection when protection would be needed mostly.

Outside of the commodities mentioned, the application of specific rates would be exceedingly difficult owing to the great many changes in the styles and variation of fabrics and even the complicated schedule of the Payne-Aldrich Tariff Act would not be sufficient to provide specific rates for all these diversified com-

modities, particularly since the inauguration of weighted fabrics.

If your honorable committee should seriously contemplate substituting specific rates for ad valorem rates, the writer would hold himself at your disposal in assisting your committee in the adoption of specific rates where practical.

Respectfully submitted.

# STATEMENT OF FRANK HUGHES, MONTCLAIR, N. J., REPRESENT-ING THE DUNDER TEXTILE CO., PASSAIC, N. J.

## [Gloria cloth]

(The witness was duly sworn by Senator Sackett.)

Senator Sackerr. How long will you take for your statement?

Mr. HUGHES. I want 10 minutes.

Senator SACKETT. Very well; proceed.

Mr. HUGHES. I am president of the Dunbee Textile Co., Montcluir, N. J. We are manufacturers of what is known in the trade as umbrella cloth, otherwise known as gloria cloth. This is included in paragraph 1205 of this schedule.

We feel that it should be taken out of that schedule and given a separate paragraph, because it is entirely different from the ordinary

run of silk goods.

Senator George. Tell us just what it is.

Mr. Hughes. It is made of silk and cotton, in which silk is of the chief value and cotton is the greatest weight.

There is only about \$1,500,000 worth of it used in this country:

probably not that much.

Due to the conversion cost, the labor being a principal item, running about 40 per cent, we are absolutely unable to compete with France and Italy, where the importations come from.

Senator George. What is it used for?

Mr. Huones. Umbrellas. It was, years ago, quite an important industry; but rain coats and automobiles have cut into it and have cut it down until I am sure there is less than \$1,500,000 a year of it.

Since 1922 our sales have decreased on account of foreign importations, from about \$600,000 per annum to less than \$300,000, while the importations have increased from \$44,000 to over \$1,000,000. There are only two other manufacturers that are making this cloth besides ourselves, in this country, and one of them went out of business this winter, and the other one, we understand, is also going out because they are unable to compete; and we shall probably have to give up making it altogether, unless we can get a little higher duty on this particular quality.

Senator SACKETT. What rate of duty are you asking for !

Mr. Hughes. We are asking for a specific duty of \$2.24 a pound on the degummed, which would be equivalent to about 20 to 25 per cent ad valorem. The reason we are asking for that is because it does not affect the silk schedule at all.

Senator Simmons. What is the domestic price of that, by the

pound?

Mr. HUGHES. I could not tell you exactly, by the pound. Our

costs run from 31 to 36 cents a yard.

Senator SIMMONS. I would like to know what a pound sells for in this country.

Mr. Hughes. They do not sell it by the pound. They sell it by

the yard.

Senator Simmons. Can you not work it out and tell us how many pounds there are in a yard?

Mr. Hughes. Yes; it runs about 16 to 18 pounds to a piece of 80

yards.

Senator Sackett. How many people are engaged in this indus-

try-workmen?

Mr. Hugues. We were employing between 400 and 500 when we were competing so strongly against the foreign importations, while now we are only running 25 or 30.

Senator Sackerr. Can you describe this cloth in such a way that it will not include other cloths that have a mixture of silk and

cotton?

Mr. Hugues. It is entirely different. There is no other cloth made that comes in competition with it.

Senator SACKETT. How do you describe it? Mr. Hughes. It is a silk and cotton mixture.

Senator SACKETT. There are plenty of other silk and cotton mixtures.

Mr. Hugues. Yes; but this is made differently and dyed differently. It is entirely different. We had to put in special dyeing machinery; and it is very difficult for anybody else to dye that unless they have the same equipment we have.

Senator SIMMONS. You will have to give a definition, if you want to get the benefit of this law, that will differentiate this from any

other mixture of silk and cotton.

Mr. Hugues. It has been known in the trade since we have known of it, as umbrella cloth or gloria. It is not used for any other purpose, so far as we know, except for covering umbrellas.

Senator Bingham. Do people use as many umbrellas as they did

before they had automobiles?

Mr. Hughes. No; I wish they did. We would not care, then, whether we had a duty or not. It is just a question now whether we will have to give it up and go out of business.

There are only two importers who are importing this cloth. They are importing it themselves, instead of taking it on consignment.

and they sell it here.

Senator Sackerr. I would like to ask you to meet with the gentlemen of the Tariff Commission and see if you can arrive at some technical description that will differentiate this cloth from other cloths that have a mixture in them of silk and cotton.

Mr. Hughes. We have our specialist here; he is our practical man,

and he could tell you-

Senator Sackett. You can get together with the Tariff Commission men, and we will have that inserted in the record at this place.

Mr. Hugues. What we would like to have you do is to give us a separate paragraph classifying it as a silk and cotton mixture, silk chief value, commonly known as gloria or umbrella cloth.

Senator George. And then you would like a specific duty?

Mr. Hoones. We would like to have a specific duty; but if we could get enough to make up the difference in labor costs, we do not care about that. We want enough to enable us to compete with the French and Italian manufacturers.

Senator Simmons. Had you not better stick to an ad valorem on

this, if you can get any at all?

Mr. Hugues. Yes.

Senator Simmons. What is the ad valorem?

Mr. Huones. It would run somewhere around 70 or 75 per cent ad valorem.

Senator George. You say it is sold here by the pound?

Mr. Hugues. No; by the yard. Senutor George. What does a yard weigh? Mr. Hugues. I should say about 2 or 3 ounces.

Senator George. How is it imported?

Mr. Huques. Over there I think they estimate it in meters. it comes in here it must be sold by the yard, in the piece.

Senator George. Seventy per cent ad valorem would suit you? Mr. Hugues. Very much better than 55 per cent. Senator Sackerr. It would build up the business?

Mr. Hughes. Yes; it would. I think it would put it on nearly an equal basis. It is under the general silk, specific, 55 per cent.

Senstor George. Under the present law?

Mr. Huohes. Yes.

Senator George. The committee did not change it?

Mr. Hugnes. They did not change it. Senator George. Did you file a brief?

Mr. Hughes. Yes; and it covers the questions you have asked me, I think.

Senator George. But they did not give you what you osked?

Mr. Hugues. No. I talked with some of the members afterwards, and they seemed to think that it was a small article, and if they gave us any thing the whole silk industry would come in and demand something. We feel that we are infants, and we need something that they do not.

Senator Sackett. Very well; thank you.

## STATEMENT OF ISAAC S. WOLF, NEW YORK CITY, REPRESENTING THE TIE-SILK GROUP OF THE NATIONAL COUNCIL OF AMERI-CAN IMPORTERS AND TRADERS (INC.)

### [Tie silks]

(The witness was duly sworn by the chairman of the subcommittee.) Mr. Wolf. I am appearing on behalf of the tie-silk group of the National Council of Importers. I am not appearing here alone on behalf of these tie-silk importers, but I wish to also state I am very largely interested in domestic tie-silk mills, financially interested as well as part owner and agent.

Senator Bingham. How many people are employed in the mills you:

are a part owner of?

Mr. Wolf. We have 300 looms.

Senator Bingham. How many people altogether are employed?

Mr. Wolf. About 400 people.

Senator Bingmam. About 400 people?

Mr. Wolf. Yes, sir.

Senator Sackerr. Where are the mills located?

Mr. Wolf. York, Pa.

I have been in this business nearly 50 years. When I first imported tie silk there was not a yard of tie silk made in this country. The industry has developed notwithstanding a tariff all the way from 45 to 55 per cent at various times. I am asking to-day that the additional duty which is intended to be levied on Jacquards be done away with; that Jacquards should come in under the same heading as all other silk. I do not see any particular reason why tie silk should be singled out as having to pay a higher duty.

I have statistics here showing the importations of various tie silks

the first four months of this year, amounting to \$159,000.

Domestic tie silks are amply protected. We have never found we were unable to do business on account of foreign competition. On the contrary, it is absolutely necessary that foreign goods come in here, because the domestic manufacturers, I can safely say, get 75 per cent of their ideas from foreign tie silks.

Senator Binomam. You mean to say that Americans have such poor inventive faculties that they have to go to the foreigners to get 75

per cent of their ideas?

Mr. Wolf. We are making very beautiful goods here, but it seems that the ideas that come from Europe are more quickly sold than a good many in the United States here.

Senator Bingham. So your importing business is better than your

manufacturing business.
Mr. Wolf. No; it is not. I did not say that.

Senator Bingmam. It must be so if you say they are more quickly

sold than the goods sold here.

Mr. Wolf. They haven't the ideas in the large way that European manufacturers have. Where you gather ideas from England, France, Germany, Switzerland, Italy, Austria, Hungary, and Czechoslovakia, namely, in seven or eight countries, there are more ideas than in just one country like ours, and these ideas come in in the form of samples.

Senator Bingham. You say this increase of 5 per cent or 10 per

cent will keep out those samples?

Mr. Wolr. Not these, because these samples do not cost anything. They are sent here at a nominal value, and the manufacturers use

Senator BINGHAM. Then what is the point you are arguing?

Mr. Wolf. The idea is that the domestic manufacturer gets a large part of his ideas to make novelties, and the tie business is specifically a business of novelties.

Senator Bingham. You say this 5 or 10 per cent amounts to an

absolute embargo, do you?

Mr. Wolf. I would not say it is an embargo, but I do not see the reasoning for singling out Jacquard merchandise for a higher duty than other silks.

Senator BINGHAM. What is the point of your idea, then, if it is not an embargo and they are going to come in anyway, so that the

American manufacturer can see what they have?

Mr. Wolk. I do not say that they will come in anyway in the large quantities they have been receiving. My argument is this, Senator.

Senator Bingham. The novelties would come in anyway, wouldn't

they?

Mr. Wolf. Surely. But I think it would materially lessen the importation of tie silks if Jacquards were singled out for a higher duty. Another serious question is this: The duty on neckwearalthough I am not appearing on behalf of the neckwear manufacturers of America—is practically more than the tie silk. It puts the American workman at a disadvantage. The made-up neckwear should be increased.

Senator SACKETT. What paragraph does that come under? Senator Bingham. I should think it would be 1210 or 1211.

Mr. Wolf. It is paragraph 1210.

Senator Bingham. You want that increased?

Mr. Wolf. Absolutely, because it would be an injustice to the American laborer if he would have to compete.

Senator Bingham. Why don't we have somebody from the neck-wear manufacturers? I don't see them represented here.

Mr. Wolf. I understand they appeared before the Ways and Means Committee. Why they have not appeared here I do not know.

Senator Sackerr. They got an increase of 5 per cent and probably

were satisfied.

Mr. Wolf. Five per cent is absolutely inadequate. If Jacquard silks should pay 65 per cent, neckwear should pay at least 80 per

cent. They are made from the same articles.

I want particularly to stress the 65 per cent on Jacquard goods, because I have been appearing before tariff committees for the last 30 years, and the question of Jacquards has never come up as a specific thing. It would come up now if you put a 65 per cent duty on it.

Senator Sackerr. They appeared before the House committee.

Mr. Wolf. I would like to show you a number of telegrams we have received from very high-class neckwear manufacturers regarding the tariff, and I would like to leave them with you gentlemen.

Senator Sackerr. Do you want to put them in the record? Mr. Wolf. Yes; I would like to. I would also like to leave a

brief with you, which will be here to-morrow.

Senator BINGHAM. The neckwear manufacturers appeared before the House committee and they presented a brief. They said they were not particularly interested in the amount of duty. thought there ought to be enough difference between the manufactured article and the fabric itself to take care of the difference in the actual cost. Do you agree with that?

Mr. Wolf. It comes to the same thing that I said.

Senator Sackerr. Are you a neckwear manufacturer?

Mr. Wolf. No.

Senator Sackett. Then I am afraid we can not give much weight

Senator Simmons. As to those telegrams, we have not been putting in letters.

Senator Sackett. Don't you just want to read those telegrams? Mr. Wolf. Yes; I would like to.

Senator Sackett. You are not a neckwear manufacturer, are you? Mr. Wolf. No, sir. It is incidental to my appearance.

Senator SACKETT. Why don't you just leave them out and let the

neckwear people take care of it themselves?

Mr. Wolf. But I just wanted to show you these samples which I cut from merchandise which we both import and manufacture our-These goods are sold as domestic goods, made in one of our mills in Paterson, which sold at \$1.65 [indicating].

Here is a competitive article which sells for \$2.25, a foreign article

[indicating].
Senator Sackerr. Shall we take these apart and give one to each member of the committee?

Mr. Wolf. Yes.

Senator Binomam. But anyone can see by looking at it with his eyes half shut that one is a great deal better than the other.

Mr. Wolf. No; it is a different manufacture.

Senator Binomam. I will leave it to anyone who wants to buy a tie if he would not prefer that one to the other one [indicating]. One is a very much better quality.

Mr. Wolf. Senator, will you look at this one [indicating]? There

is 60 cents difference in price, too.

Senator Simmons. You do not make the identical article that is

imported?

Mr. Wolf. No, sir. The construction of foreign goods is entirely different. It practically comes to the same thing. It is competitive but it is not exactly the same product. For selling purposes, this is about what this is [indicating]. We sell this one [indicating] for \$1.75, and this one imports for \$2.10. That is not as good as this one

[indicating].
Senator Simmons. The American article is better than the high-

priced foreign article?

Mr. Wolf. Absolutely.

Senator Sackett. Now, does that cover what you wanted to say?

Mr. Wolf. I think it does.

Senator Sackett. All right. Thank you.

(Mr. Wolf submitted the following brief:)

BRIEF OF THE TIE SILK GROUP OF THE NATIONAL COUNCIL OF AMERICAN IMPORTERS AND TRADERS (INC.)

Hon. REED SMOOT.

Chairman Schate Finance Committee, Washington, D. C.

Sin: Importers of the silks feel that they have a just grievance, as their imports are chiefly covered by the latter part of paragraph 1205 of H. R. 2667, reading, "\* \* \*; if Jacquard-figured, 65 per centum ad valorem," whereas there is in the present law (act of 1022) no special provision for Jacquard silks, and such goods are dutiable under the general silk frabric paragraph:

#### ACT OF 1022

11. B. 2067

PAR. 1205. Woven fabrics in the piece, composed wholly or in chief value of slik, not specially provided for, 55 per centum ad valorem.

PAR. 1205. Weven fubrics in the piece, wholly or in chief value of silk, not specially provided for, 55 per centum ad valorem; if Jacquard-figured, 65 per centum ad valorem.

This class of silks, comprising their chief imports, has therefore suffered an increase of nearly 19 per cent, whereas any increase is, as we shall undertake to point out to your honorable committee, wholly unnecessary and unjustified.

A higher rate of duty on silks made with or by means of a Jucquard attachment to a loom is rather new tariff making. There is no separate statistical information available for Jacquard silks as distinguished from other silk fabrics, but the following information as to the imports of silk cloth, as compared with the domestic production of this class of goods, should set at rest any fear that the domestic silk industry is in danger of losing it foothold in this country. Where 95 per cent of this country's consumption of silk fabrics is of domestic manufacture, the industry can ill afford to ask additional protection.

Domestic production of broad silks (not including silk upholstery goods)

[Complied from data collected at the biennial census of manufactures taken in 1928 and in 1926, for the years 1927 and 1925 (no census was taken for the year 1926)]

	Census year		
	1927	1925	
Value. Square yards. Pounds.	\$485, 615, 404 512, 826, 739 58, 315, 013	\$529, 121, 011 483, 115, 974 57, 980, 466	

These figures do not include full production, but only the production of establishments engaged primarily in the manufacture of silk products; it does not include production by establishments where silk goods is not the primary product of manufacture.

Commenting upon these figures the United States Tariff Commission in its Summary of Tariff Information, 1929, prepared for the Committee on Ways and Means of the House of Rupresentatives says:

Means of the House of Representatives, says:

"The production of broad silks in the United States has shown an increase in each census year since 1919, except in 1921, which was a year of depression in the silk industry."

The figures show a domestic production more than twenty-five times greater in value than the amount of imports—that more than 95 per cent of the value consumed is of domestic production. Compare:

1927\_\_\_\_\_\_\_\$17, 917, 160 1925\_\_\_\_\_\_\_\_14, 555, 950

It should be noted that exports of domestic silk for the year 1927 amounted to \$2,767,611.

The following is quoted from Silk and Silk Goods, April 9, 1928, page 103: "American silk goods popular in Australia.—The American share in this trade has increased rapidly within recent years, and it is believed that opportunities exist for further expansion in the sales of American-made shirtings, tie silk, and dress goods."

#### DOMESTIC SELLING PRICES

We shall submit to your committee samples of foreign the silks, together with the necessary United States selling price—these prices allow us merely a selling commission of 10 per cent, and the manufacturer a normal profit.

The similar American-made fabric (manufactured in Paterson, N. J.) sells, as you will observe, at a lesser price. The sale of the imported fabric is only

possible because-

A. For a brief period of time it enjoys the distinct advantage of being new and original in design.

B. The manufacturer will accept an order for a fewer number of yards than

the domestic manufacturer will make.

C. The foreign manufacturer will confine a pattern to a particular cravat manufacturer in the United States against an order of 75 yards of a pattern, consisting of six colors—whereas the American manufacturer requires an order of at least 800-500 yards per pattern.

We quote from the Summary of Tariff Information compiled by the United

States Tariff Commission, as follows (p. 1763):

"The importation of cravating is predominantly a quality trade, in which

exclusiveness prevails and sales are in small quantity per pattern."

Many of our group (importers of foreign tie silks from England, France, Czechoslovakia, Switzerland, Germany, Austria, Italy) either are manufacturers, or represent manufacturers of similar silks in this country. They are thus qualified to give testimony as to the comparative selling prices of the foreign and domestic goods.

## Comparison of selling prices of foreign and similar domestic tie silks

Sample	Foreign	Domestic	Sample	Foreign Domestlo
1	Per yard \$2.25 2.25 2.25 2.45 2.45 2.45	Per yard \$1.65 1.65 2.10 2.10	8	Per yard   Per yard   \$2.65   \$2.65   \$2.65   \$2.65   \$2.65   \$2.65   \$2.10   \$1.75   \$2.10   \$1.75

<sup>1</sup> Domestic quality about 15 per cent better than foreign quality.

## IMPORTS BENEFICIAL TO AMERICAN MANUFACTURER

We consider the importation of foreign tie sliks a necessity and a stimulus to the American trade. In designs particularly does this country rely upon French, Swiss, English, and other foreign designers.

The only reason it is at all possible to sell imported tie siks to any extent in this country is because of the advantage which the foreign tie siks enjoy by reason of style and novelty effects; once they have been imported they are quickly and satisfactorily copied by our domestic manufacturers, who, by reason of their skill, large production, modern plants, and the fact that the raw product (raw silk) is imported free of duty can actually undersell the foreign

manufacturer.

The complaint of domestic-silk manufacturers specializing in the silks does not justly lie against the importation of foreign silks, but rather against the importation of finished cravats made abroad and often from patterns or shapes supplied from the United States. This menace will continue (and even to a greater degree) under H. R. 2667, because while the material of which men's scar's (cravats) are made is covered for the most part under paragraph 1205 at 65 per cent, the finished cravats are also dutable under paragraph 1210 at 65 per cent. This will work havoc with the industry manufacturing men's silk neckwear, which employs a large number of men and women, situated in many

different States, amongst which we might mention California, New York,

Nebraska, Illinois, Ohio, Massachusetts, and Missouri.

In making this appeal we are acting jointly with leading manufacturers of men's neckwear, and are making these representations with their permission and at their request.

#### PROPOSAL

Silk fabrics.—We propose the elimination of the words "if Jacquard figured, 65 per cent ad valorem." (11, 18, and 19, p. 158, par. 1205.)

The effect of this will be to leave the rate (as to all woven fabrics of silk) as in the present law, at 55 per cent, and eliminates an increase of nearly 20 per cent inserted in the House bill, evidently to protect a particular branch of the silk industry, to the very serious disadvantage of the consumer and the user of the raw material; slik fabric is the raw material of the neckwear manufacturer.

Rayon fabrics.-A similar condition exists with regard to fabrics wholly or

in chief value of rayon.

Such goods are now dutiable under paragraph 1213:

Products of cellulose, not compounded, whether known as visca, cellophane, or by any other name, such as are ordinarily used in braiding or weaving, and in imitation of silk, straw, or similar substances, 55 cents per pound; but none of the foregoing yarns, threads, or filaments, or products of cellulose shall pay a less rate of duty than 45 per cent ad valorem. Knit goods, ribbons, and other fabrics and articles composed wholly or in chief value of any of the foregoing, 45 cents per pound and 60 per cent ad valorem."

And would be dutiable under paragraph 1306, H. R. 2667:

"Woven fabrics in the piece, wholly or in chief value of rayon, not specially provided for, 45 cents per pound and 60 per cent ad valorem, and, in addition,

if Jacquard figured, 10 per cent ad valorem."

The sliks in chief value of rayon are largely Jacquard figured. The extra "penalty" of 10 per cent "if Jacquard figured" is in this paragraph as unfair as it is in paragraph 1205 with regard to slik fabrics. The cost of the Jacquard fabric has been increased, and an ad valorem rate of duty necessarily places an additional tax on such goods.

In this section (Schedule 13, H. R. 2007) we have a similar inequality, and finished cravats—men's neckwear—are taxed at 45 cents per pound and 70 per cent ad valorem (par. 1311), and the fabric of which such articles are made (if Jacquard) is dutiable at the same rate, namely, 45 cents per pound and 70

per cent ad valorem.

Foreign labor for the manufacture of neckwear is admittedly cheap, and the equal rate on the finished articles places a great disadvantage upon our customer, the American neckwear manufacturer. We recommend the elimination of the words "and, in addition, if Jacquard figured, 10 per cent ad valorem" (11, 7, and 8, p. 161, par. 1306), at this time offering no objection to the rate of duty of 45 cents per pound and 60 per cent ad valorem provided in this paragraph for woven fabrics of rayon.

Respectfully submitted.

I. S. Wolf, Chairman.

City of New York, County of New York, State of New York, 88:

Henry Stern, being duly sworn, deposes and says that he is an American cltizen, member of the firm of Stern & Ballhaussen, and has been engaged in the business of foreign and domestic tie silks for upward of 35 years; that he is the secretary of the tie-silk group, National Council of American Importers and Traders (Inc.); and that the attached are true and correct photostat copies of letters and telegrams received by him from the firms indicated, all of these firms being customers of deponent's firm and well known to deponent.

HENRY STERN.

Sworn to before me this 2d day of July, 1929. [SEAL.]

CARL W. STEARN, Notary Public, New York County.

CHICAGO, ILL., June 26, 1929.

STERN & BALLHAUSSEN,
354 Fourth Avenue, New York, N. Y.:
Use our name by all means in tariff matter.

CARTER & HOLMES.

OMAHA, NEBR., June 26, 1929.

Stenn & Ballhaussen, 354 Fourth Avenue, New York, N. Y.:

We oppose the unfair increase in duty on tie sliks.

REESE & REESE.

NEW YORK, N. Y., June 27, 1929.

STERN & BALLHAUSSEN,

354 Fourth Avenue, New York, N. Y.:

We authorize you to use our name in connection with proposed increase in tariff.

BACHRACH Co.

New York, N. Y., June 27, 1929.

STERN & BALLHAUSSEN,

354 Fourth Avenue, New York, N. Y.:

We would like for you to register our protest against the proposed increased tariff on tie silks.

STERN MERRITT Co. (INC.).

Boston, Mass., June 28, 1929.

STERN & BALLHAUSSEN,

35} Fourth Avenue, New York City.

Gentlemen: In reply to yours of June 26, we are strongly in favor of a protective tariff, but just as strongly opposed to a prohibitive tariff. It seems to me from the information at hand that the present duty is high enough. In fact, I believe it would be better to leave the tariff alone entirely. You probably realize it is traditional for New England people to believe in a very high tariff, as it is necessary to protect our textile industries, also the shoc industries, but it is the belief of people who have made a study of this that the suggested increases on some items, of which stik is one, could be called a prohibitive tariff. Having traveled through Europe a number of times and observed articles of American manufacture in even the smallest towns, it would seem to me that we can not expect our exports to expand unless we allow the entry to this country of foreign goods on a reasonable tariff basis.

Yours very truly,

Brown & Wells (Inc.). R. E. Wells.

### **UPHOLSTERY GOODS**

[Pars. 1905 and 1906]

STATEMENT OF AARON NEUMANN, NEW YORK CITY, REPRE-SENTING THE UPHOLSTERY GROUP OF THE NATIONAL COUNCIL OF AMERICAN IMPORTERS AND TRADERS (INC.)

(The witness was duly sworn by the chairman of the subcommittee.)

Mr. NEUMANN. The importers of silk-upholstery goods, members of the upholstery group of the National Council of American Im-

porters and Traders (Inc.), respectfully protest to your committee against the increases proposed in H. R. 2667, paragraphs 1205 and 1206.

The upholstery goods considered in this brief are now assessed with duty under paragraphs 1205 and 1206 of the tariff act of 1922, and are included in paragraphs 1205 and 1206 of H. R. 2667, and for convenience in comparison of the existing law and the law proposed, these paragraphs are quoted—

Senator SACKETT. You need not quote them, because we have them

right before us.

Under the proposed paragraph 1205, Jacquard-figured woven fabrics in the piece, wholly or in chief value of silk, are assessed with a duty of 65 per centum ad valorem, which is an increase of 10 per cent over the duty now provided in paragraph 1205 of the tariff act of 1922, which paragraph covers all woven fabrics in the piece, wholly or in chief value of silk, whether or not Jacquard figured, at 55 per cent ad valorem.

There are no figures available to show separately the imports of woven silk fabrics which are Jacquard woven, so that the only comparison that can be made is of the total imports of woven silk fabrics of all types, which include broad silks of all kinds, whether for

upholstery purposes or as dress goods.

The domestic production for 1927 amounted in value to \$493,-918,393, as against an importation of similar woven fabrics amounting in value to \$17,917,150, in 1927, and in 1928 to \$16,416,041.

These figures include woven silk fabrics, except silk pile fabrics. Of the figures given for domestic production for 1927, the total production of silk upholstery goods and tapestries amounted to \$8,302,979 for 1927, almost equal in amount to the total importations of all woven silk fabrics, which, as stated, include many kinds of silk goods not used for upholstery purposes.

Comparing the total imports of woven silk fabrics with the total domestic production, it will be seen that the imports are less in per-

centage than 4 per cent of the domestic production.

In the Summary of Tariff Information, 1929, on the tariff act of 1922, Schedule 12, page 1762, it is stated with respect to imports of broad silks from Europe, which include the upholstery fabrics in which we are interested:

To a great extent they consist of fancies, either Jacquard-woven or printed, and are imported because of their novelty, or because of their real or reputed superiority over domestic goods of the same variety. Competition occurs mainly in those fancies—both woven and printed, of novel and artistic designs—produced in large quantities per pattern. In this field, domestic production greatly predominates and an export trade has been built up.

In view of the small percentage of woven silk fabrics imported, as compared with the production in this country, and the conditions of competition, as stated in the summary to which we have referred, we believe that there is no justification for the proposed increase of 10 per cent on Jacquard-woven silk fabrics over the present rate of duty in paragraph 1205 of the turiff act of 1922.

Under the proposed paragraph 1206, H. R. 2667, the duty on pile fabrics, in velvet, with the pile wholly cut or uncut, is increased

from 60 per cent to 70 per cent, and if the pile is partly cut, to 75 per cent. This would include the fabrics in which we are interested, and we believe that these increases are not warranted in order to

protect the domestic industry.

We submit herewith a sample, which we have marked "No. 20," of a fabric which would be dutiable at 75 per cent ad valorem under subparagraph 2 of paragraph 1206. This fabric is produced on a hand loom and there is no similar fabric made in this country. The imported fabrics, that is, velvets with the pile partly cut, which are imported, are mainly of the character of this sample, that is, produced on hand looms, and are special fancy fabrics which are not manufactured in the United States and could not be manufactured here profitably by reason of the hand labor. It is not a class of fabrics that manufacturers in this country are desirous of producing. This being true, there would seem to be no reason why there should be an increased duty of 15 per cent.

We also inclose two samples; one imported, marked No. 2, and the other domestic, marked No. 1. This imported velvet would be dutiable under subparagraph 1 of paragraph 1206 at 70 per cent ad valorem. The imported fabric, No. 2, would cost laid down in the

United States, as follows—\$5.85 per yard.

Sample No. 1 is of material produced by Cheney Bros. in this country, and this fabric is being made at a selling price of \$4.45 per yard. This price was furnished us by R. Carrillo & Co. (Inc.). New York

City, in a letter which we attach to the sample in question.

If Cheney Bros. can supply this velvet at \$4.45 per yard, where the landed cost to us of the imported fabric, which is identical in character, is \$5.85 per yard, with the present rate of duty of 60 per cent, it is obvious that the increase to 70 per cent is not justified. On the other hand, the rate should be reduced from 60 per cent.

Senator SACKETT. Do you know whether you sell any of the im-

ported article, No. 2?

Mr. NEUMANN. No. 2; I do not know whether it can be imported any more on account of the production in this country. You see, the difference in the price is so much, it is so much less, and it is an absolute reproduction.

Senator Sackerr. It is a reproduction?

Mr. NEUMANN. Virtually; yes.

By reference to the Summary of Tariff Information, page 1773, it will be seen that the imports of silk pile fabrics, not elsewhere recorded, including chenilles, amounted in value to \$473.115 in 1927 and \$512,954 in 1928. It is stated that there are included in these statistics loop pile fabrics or friezes obtained from Germany, and other hand-woven wire-loom novelties for upholstery purposes, mainly from France and Italy, and that there are at present no imports of chenilles.

The imports of velvets in 1927 amounted in value to \$3,955,145, but these figures include a great many articles. as stated in the Summary, page 1771, that is, transparent artificial pile velvets, cotton-back chiffon velvets, novelty brocade velvets, Salome velvets, erect-pile fabrics, and silk-back chiffon velvets. These fabrics are mostly

used for dress and millinery purposes and not for upholstery and

drapery uses.

In view of the foregoing, it is respectfully submitted to your committee that the proposed rates of duty in H. R. 2667 should not be adopted, but that a separate paragraph should be provided for upholstery fabrics, inasmuch as they are dissimilar from dress-goods fabrics and the other articles covered by paragraphs 1205 and 1206. This paragraph should be in the following form:

PAR. —. Upholstery goods, composed wholly or in chief value of silk (not including pile fabrics), 55 per cent ad valorem; pile fabrics used for upholstery or drapery purposes, cut or uncut, composed wholly or in chief value of silk, 60 per cent au valorem.

That is all I have to say.

Senator Sackerr. Thank you very much.

Mr. NEUMANN. Mr. McGeachin is on the way down here, and may we submit in the morning these samples that we have here to the examination of the committee?

Senator Sackert. Well, there will not be anybody here to see them

in the morning.

Mr. NEUMANN. May we leave this brief with the committee?

Senator Sackett. Yes.

Mr. NEUMANN. Thank you.

(Mr. Neumann submitted the following correspondence for the record:)

NATIONAL COUNCIL OF AMERICAN IMPORTERS AND TRADERS (INC.), New York, N. Y., July 2, 1929.

STATE OF NEW YORK.

City and County of New York, ss:

Rene Carrillo, being duly sworn, deposes and says that he is a member of the firm of R. Carrillo & Co., located in New York City at 10 East Fifty-third Street. That the attached is the original of a letter he addressed to George McGeachin, chairman of the upholstery group of the National Council of American Importers and Traders. That the samples attached are

No. 2: Sample of material purchased by his firm from Vanoutryve & Co.,

France, and cost to land in United States, duty paid, \$5.85 per yard.

No. 1 is a sample of material which deponent understands and verily believes to be an exact reproduction of sample No. 2 above referred to, which sample represents material offered to deponent's company at the price of \$4.45 per yard, less 6 per cent, delivery at New York by the firm of Chency Bros.

RENÉ CARRILLO.

Sworn to before me this 2d day of July, 1929.

[SEAL.] HARRY DEMAREST, Notary Public.

Commission expires March 30, 1931.

R. CARRILLO & Co. (INC.), New York, May 16, 1929.

Mr. GEORGE MCGEACHIN. New York City.

DEAR MR. McGeachin: Replying to your favor of the 15th, Cheney has just recently taken this order from us, and we expect the first piece in about two to three weeks.

Their goods will be exactly as our sample, but we will send you a cutting from their material as soon as this is received, and I hope it will be of some benefit.

Sincerely yours,

RENÉ CARRILLO.

CHENEY BROS., Now York, March 29, 1929.

R. CARRILLO & Co. (INC.),

19 East Fifty-third Street, New York City.

Delivery: Twelve pieces soon as ready; two 60 days later.

Buyer's order No. 105.

Trade .011.

Terms: Regular. Salesman: Hudell 54.

Style:

Vert, 2 yards..... \$4.45

To match sample as to quality, color, and finish.

CHENEY PROS. By Hudell.

NEW YORK, May 13, 1929.

Mr. GEORGE MCGEACHIN,

New York City.

DEAR SIR: Regarding the attached clipping of velvet, this was an article that Vanoutryve made for us under their No. 45546-855456 at \$3.66 a meter, which at the present rate of 60 per cent duty cost us, landed, \$5.85.

Chency Bros, are now making this velvet for us at \$4.45 a yard.

You will note the difference in the two prices.

Yours very truly.

R. CABRILLO & Co. (INC.). RENÉ CARRILLO.

### SILK LABELS

[Pai. 1205]

## BRIEF OF GEORGE H. GOLDENBERG, IMPORTER, NEW YORK CITY

June 22, 1929.

Hon. FREDERIC M. SACKETT,

Chairman Silk Goods, Senate Financo Committee,
Senate Office Building, Washington, D. C.

DEAR SIR: There is used approximately \$8,000,000 worth of silk labels in this country, practically all made in this country, as you can ascertain from Mr. Bob Fitzgerald, the appraiser in charge of the silk division at the appraisers' stores in this city. The imports in 1928 were less than \$3,000 or one-eighteenth of 1 per cent of the total. Official statistics from the Department of Commerce are not available, owing to the fact that slik labels are coumerated under paragraph 1205 under the act of 1022 as manufactures of silk. The present rate is 55 per cent. The Ways and Means Committee of the House

has raised the schedule to 65 per cent owing to the Jacquard construction.

The chairman of the House committee, the Hon. Mr. Hawley, has expressed himself to the public that the revision is necessary in many lines owing to changed conditions in the trades. I call to your attention the large change which has taken place in the label industry. A new label-making machine, patented and built by the Fletcher Works in Philadelphia, has revolutionized label making. The machine can turn out twice and in some instances three times as many labels as the German machines. The muchines are patented

and not sold abroad. As a result, foreign silk labels can not be imported in order to compete with domestic prices. Domestic prices to-day are lower than foreign prices without the duty added.

I ask you to avail yourself of the New York appraiser's information, which should help and guide you in your deliberations. I am inclosing herewith 5 samples for your honorable committee, and ask that this letter be used as a brief and printed in your records.

I ask in all fairness that the present rate of duty be lowered to 40 per cent, and I am sure that it is not the intention of Congress to absolutely prohibit foreign merchandise where it is shown that the domestic industry is enjoying an unusual amount of protection.

Very truly yours,

GEORGE H. GOLDENBERG.

Sworn to before me this 27th day of June, 1929. [SEAL.]

J. WALTER SMITH. Notary Public.

Commission expires March 30, 1930.

## PILE FABRICS

[Par. 1206]

## STATEMENT OF HARRY S. RADCLIPFE, MONTCLAIR, N. J., REP-RESENTING THE PILE FABRICS GROUP, NATIONAL COUNCIL OF AMERICAN IMPORTERS AND TRADERS (INC.)

(The witness was duly sworn by the chairman of the subcommittee.)

Senator Sackerr. Are you a manufacturer?

Mr. Radcliffe. I am an importer of pile fabrics, referring to paragraph 1206,

Senator Sackett. Pile fabrics have been rewritten in this bill?

Mr. Radcliffe. Almost entirely so.

Senator SACKETT. What do you want to say about it?

Senator Binomam. Are you a member of this silk defense organization?

Mr. RADCLIFFE. No, sir. I am a member of the National Council of American Importers & Traders.

On February 11 last I appeared before the Committee on Ways and Means. My testimony appears on page 6663 of its record and is supported by briefs submitted on behalf of the Velvet Group of the National Council of American Importers and Traders (Inc.).

Since then we have received the official 1927 census of silk manufactures, issued by the Department of Commerce; the 1929 Summary of Tariff Information, and the report of the Committee on Ways and

Means that accompanied the proposed tariff bill.

These recent facts further justify our request, which we here again urge, for a reduction of the existing rate of 60 per cent to 55 per cent, as we argued before the Committee on Ways and Means, and demonstrate the entire lack of necessity for the proposed increase of 10 per cent.

The basic reasons of our argument before the committee of the

House were:

1. More than ample protection to domestic producers under the existing rate of 60 per cent.

2. The economically sound theory that a monopoly to domestic

manufacturers should be avoided.

3. The increased cost of production to foreign manufacturers by

reason of the stabilization of European currency.

4. The fact that the widespread use of silk pile fabrics has constituted this article a necessity rather than a luxury, warranting a decreased rate, to the end that it be available to the consumer at the lowest possible cost consistent with ample protection of the domestic industry.

5. The necessity of imports, as a complemental supply to inade-

quate domestic production.

The committee states in its report that—

As competition from abroad is largely confined in the silk pile goods industry to velvets, and as imports have been increasing in volume under the Act of 1922 the rate of duty on velvets is advanced 10 per cent (p. 112).

The report also adds-

it is believed that these increases in duty will compensate the domestic pile fabric manufacturers for the duties they are required to pay on the foreign-spun silk yarns consumed by them in the production of certain types of chiffon dress velvet.

Evidently the Committee on Ways and Means soon afterwards discovered the fact to be that the proposed velvet increase was not based upon compensatory necessity, for a committee amendment was then offered from the floor of the House increasing the rate for plied-spun silk yarns from 45 per cent to 50 per cent, with the following explanation by Mr. Chindblom:

Mr. Chairman, this amendment relates to the duty on plied-spun silk or schappe yarn. This yarn is principally used in the manufacture of velvets. The pending bill increases the duty on velvets and in order to make a compensatory increase in the duty on the plied yarn which is used in the manufacture of velvets, the comulttee proposes this amendment.

From Congressional Record, volume 71, No. 34, pages 1964 and

1965, dated May 25, 1929.

In other words, the committee was led to believe by the proponents of an increased velvet rate that such increase was necessary as a compensatory measure in view of the existing duties on spun

silk or schappe yarn.

After increasing the rate from 60 per cent to 70 per cent and finding the increase unwarranted, evidently the committee, in order to justify its action, increased the rate for plied-spun silk or schappe yarn 5 per cent, rather than admit the error and reinstate the present rate for silk velvets to 60 per cent so erroneously advanced. Such an unsound basis of tariff making should not be countenanced.

Our suggested rate of 55 per cent duty for silk pile fabrics affords more than ample compensation for any duty on raw materials which the domestic manufacturers are required to pay. For instance, the present specific duties for spun silk yarns have resulted in an annual average of \$1.43½ per pound, or approximately two and one-half

times the duty per pound for spun silk.

Moreover, the type of silk velvets now in unprecedented style demand and forming the bulking of the domestic production are constructed without the use of any spun-silk yarn in the pile whatsoever, thereby obviating the necessity for spun-silk yarn compensatory duties for these articles.

While it is readily apparent that the committee was confused regarding compensatory duties, we further insist that it has attached undue importance to the fluctuation of imports under the present act from a value of \$5,521,853 in 1923 downward to \$2,365,159 in 1925 and upward to \$3,955,145 in 1927 and \$6,733,206 in 1928.

The summary of tariff information at page 1771 is enlightening when it states that "Imports in 1928 were largely dress velvets of

the transparent type, for which there was an unprecedented demand

and an inadequate domestic supply."

Knowledge of the element of style favor is highly essential to a correct understanding of the fluctuations of imports. For instance, in 1923 imports amounted to a value of five and one-half million dollars, and it is admitted that this volume of importations was due to an unprecedented demand for chiffon velvets and an entirely inadequate domestic supply.

It is common knowledge that the years 1924, 1925, and 1926 were poor style periods for silk velvets, a fact revealed not only by the sharp decrease in the value of imports, but also by the noticeable

decline in the value of domestic production.

The 1927 Census of Silk Manufacturers states that the value of domestic production of silk velvets for that year was \$11.909,215 as compared with a value of \$14,524,622 in 1925.

Senator Sackett. Who takes that census? Mr. Radcliffe. The Department of Commerce.

On the face of these unexplained statistics there would appear to have been a competitive loss of over two and one-half million dollars,

but such was not the fact.

The admitted explanation is that millinery velvet, which was the chief item of domestic production in 1925, declined in style favor due to the increased popularity of felt hats, whereas on the other hand dress velvets, estimated by the Summary of Tariff Information (p. 1770) as being only 5 per cent of the domestic production in 1925, were approximated as constituting 75 per cent of the domestic output for 1927.

It will be seen from these officially ascertained facts that domestic production of silk dress velvet, the chief item of importation under the present act, has increased from approximately \$75,000 in 1925 to \$9,000,000 in 1927, an increase in two years for the domestic production of dress velvets of the unprecedented amount of 1,200 per

cent.

In 1928 the domestic manufacturers began the production of a transparent type of dress velvet on a far more important and broader scale and manufactured enormous quantities of this merchandise, and at the present time are continually increasing their facilities for the production of this type of silk velvet.

Under paragraph 1206 covering silk pile fabrics and pile ribbons now dutiable at a uniform rate of 60 per cent, the proposed bill

provides three major classifications as follows:

Pile fabrics if the pile is wholly cut or uncut.
 Pile fabrics if the pile is partly cut.

3. Velvet ribbons.

We suggested to the Committee on Ways and Means a separate classification for velvet libbons, not only of silk chief value, but of cotton chief value and rayon chief value as well, and the separate classification adopted in this paragraph is in line with and an acceptance of our theory that all velvet ribbons should be entirely separated from other pile fabric rates of duty.

In each of the other two major classifications of the proposed paragraph 1206, separate rates are provided for velvets, and a 10

per cent lesser rate for pile fabrics other than velvets.

Silk-pile fabrics of the partly cut pile type are not now in general use, and notwithstanding the statement of the Committee on Ways and Means that the separate classification of this type is in accord with similar provisions in other textile schedules, we urge that paragraph 1206 should not be complicated by the surplus verbiage necessary to separately provide for such articles.

We respectfully submit that the criterion urged by President Hoover in his message to this special session of Congress, as a test of the necessity for upward revision, has placed the burden upon domestic manufacturers seeking such increase, to show clearly that there has been a substantial slackening of activity in such industry

directly due to insurmountable foreign competition.

The proposed increased tariff rates for silk-pile fabrics can not be justified upon such grounds. Such slackening in activity in the domestic industry that has occurred has been confined to those items that have lost style favor to new style articles introduced from abroad and which have secured a widespread popular style reaction.

It has been necessary, notwithstanding a prodigious effort by the domestic producers to endeavor to supply these new demands, to import an increased supplemental supply of foreign-made velvets.

Increasing imports under such style-demand conditions do not constitute insurmountable competition, and we respectfully submit that in the light of all of the facts there is not only no justification for the proposed unwarranted advances in duty rates for silk velvets or any other pile fabric produced by the silk pile goods industry, but that, on the other hand, the existing rate should be reduced to 55 per cent ad valorem.

## SILK HATS

[Par. 1210]

## BRIEF OF MANUFACTURERS OF SILK HATS AND OPERA HATS

Customhouse records do not report imports of silk or opera hats as a separate item and we have been unable to learn of any United States Government records of domestic production. Therefore it is impossible to quote official Government statistics. It is well known, however, in the men's hat trade, that silk hats and opera hats are imported and landed in retailer's stores at much lower prices than American manufacturers are able to sell the product of their own factories. It is common knowledge also that the general business placed with American manufacturers is confined to supplying the requirements of retail merchants when an unexpected brisk sale necessitates prompt replenishment of the retailers' stocks until shipments from abroad can provide an adequate supply. It is also well known that imports are growing rapidly while the domestic production is daily decreasing.

In support of our request for an increase in the rate of duty on silk and opera

hats, we present the following memora::dum:

First. Domestic manufacturers can not compete in price with foreign producers under the present rate of duty, which is not sufficient to equalize the difference in cost of production in America and Europe.

Second. Imports are rapidly increasing while domestic production is steadily declining. The records of the National Trade Association which are available on request, give the total number employed in the trade in New York City for 1600 as 400, which had dwindled in 1920 to 80; 1925 had decreased to 55, and at the present time there are only 21.

Third, Hatter's plush is the material of greatest cost in the manufacture of silk hats. In 1622 the duty on this commodity was increased from 10 per cent

to 60 per cent, thereby substantially increasing the cost to the American manufacturer, without any compensating increase of duty on the finished article. Hatters' plush is manufactured in France, Germany, and Switzerland, this commodity not being produced in America, and the raise in duty from 10 per cent to 60 per cent arbitrarily raised the price of this material for the domestic manufacturer and increased further the advantage of lower labor cost which the foreign manufacturer already possessed at that time, and as reported in the preceding paragraph from the records of the National Trade Association, the members employed in the trade in New York City dropped from 80 in 1920 to 21 at the present time.

Fourth. We append herewith a quotation from a foreign manufacturer of silk and opera hats (copy of original letter in my files from J. Cesar Koch & Co., Paris. France), dated December 17, 1928, offering this merchandise for sale at 75 to 90 francs for each hat. With the franc quoted at 3.90 cents, the equivalent price would be \$2.93 to \$3.51 which with a duty of 60 per cent would bring

the cost to \$4.69 to \$5.62 plus the cost of freight and insurance.

For the changest silk or opera hat that could be produced in America the cost of labor alone is \$3.30 each, and for material \$3.74 each, a total of \$7.04 each for labor and material alone, without any charge for manufacturing overhead or profit.

#### CONCLUSION

Inasmuch as silk and opera hats are so distinctive in character and so unlike the merchandise in general which is classified in paragraph 1210 of the tariff, we petition that these commodities be placed in a separate paragraph and that the rate of duty be increased from 60 per cent to 75 per cent.

Subscribed to by Robert J. Patterson, editor The American Hatter, 1225 Broadway, New York City; J. W. Bayly & Son. 257 North Twelfth Street, Philadelphia,

Pa., M. Fluegelman. 494 Sixth Avenue, New York City.

JUNE 28, 1929.

# SUPPLEMENT

## **JACQUARD-FIGURED FABRICS**

[Pars. 1205 and 1207]

# BRIEF OF THE HAT BAND MANUFACTURERS ASSOCIATION OF PATERSON, N. J.

Hon, REED SMOOT, Esq.,

Finance Committee, United States Senate, Washington, D. C.

DEAR SIR: The attention of this association has been called to an ambiguity in the wording of paragraphs 1205 and 1207, Schedule 12, of the tariff bill

as passed by the House recently.

In both these paragraphs there is a 65 per cent ad valorem duty specified for Jacquard-figured goods, as against 55 per cent ad valorem for plain woven goods. The words "Jacquard-figured" might be construed in its narrow sense as meaning cloth figured on a pure Jacquard loom, or else in the broader sense, cloth with any kind of figure or fancy weave such as is produced by a Jacquard loom. Many fancy or figured weaves that are produced by a Jacquard loom can also be produced or simulated on a plain loom with what is known as the dolby. We are quite sure that the intention in these two paragraphs was to cover all fancy or Jacquard weaves, whether produced on a pure Jacquard loom or on a plain loom, at the 65 per cent ad valorem figure.

Therefore, it is the request of this association that the wording "if Jac-

quard-figured, 65 per centum ad valorem" should read as follows:

"if fancy or figured weaves, whether made with Jacquard or shaft Jacquard (the latter also known as dobby), 65 per cent ad valorem."

We are sure you will see the necessity of clearing up this ambiguous phrase in the two paragraphs mentioned, and we would greatly appreciate your employing your efforts to see that the correction is made.

Very truly yours,

HAT BAND MANUFACTURERS' Association, M. S. Rosen,

Chairman Committee on Turiff.

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