SENATE

REPORT No. 692

Calendar No. 729

FREE ENTRY OF STANDARD NEWSPRINT PAPER

JULY 23 (legislative day, JULY 16), 1947.—Ordered to be printed

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

REPORT

[To accompany H. J. Res. 238]

The Committee on Finance to whom was referred the joint resolution (H. J. Res. 238) to amend paragraph 1772 of the Tariff Act of 1930, having considered the same report favorably thereon with an amendment, and as amended recommend that the bill do pass.

The purpose of the bill is to define the min mum width limit of standard newsprint paper which will be accorded free entry under the Tariff Act of 1930.

As it passed the House the bill provided a minimum width of 15 inches. Your committee has amended the bill to specify a minimum width of 9 inches.

As the report of the Committee on Ways and Means, appended hereto, sets out, when the Tariff Act of 1930 was adopted it provided free entry for "standard newsprint paper." The minimum width of standard newsprint paper at that time was found, by administrative determination, to be 16 inches and this came to be the established minimum width.

Many newspapers, because of the acute shortage of paper which developed early in the war, reduced fractionally the widths of columns, lines and margins, and adjusted their presses to admit the use of rolls of 15-inch paper of which there were available supplies. These changes of format in many cases will continue indefinitely, and the report of the Committee on Ways and Means suggests that it was with a view primarily to this changed circumstance that a minimum width of 15 inches was specified in the House bill.

Testimony was presented to your committee that the acute shortage of newsprint paper led a number of newspaper publishers to devise methods of joining 9-inch strips of newsprint paper to form pages adapted to the width of their presses and, as a consequence of the continuing shortage of newsprint paper, a number of newspaper publishers depend, for at least a portion of their supplies of newsprint, upon rolls of 9-inch width. Your committee inquired into the possible effects upon domestic production of ground wood papers from according free entry to 9-inch rolls of newsprint and is persuaded by the testimony it received that the effects, if any, are remote and unlikely to be harmful to any considerable extent.

The report of the Committee on Ways and Means of the House of Representatives follows.

GENERAL STATEMENT

The purpose of this bill is to permit the free entry under the Tariff Act of 1930 of standard newsprint paper in widths of 15 inches rather than the present 16-inch width now accorded free entry under that act.

At the time of the enactment of the Tariff Act of 1930, standard newsprint paper was a specific, well-defined product. In due course, it became necessary for the Treasury Department to establish certain regulations governing imports of that commodity — Among such regulations was, for example, the requirement that standard newsprint paper in sheets must weigh between 30 and 35 pounds for a ream of 500 sheets, 24 inches by 36 inches. At the same time the Department, established 16 inches as the minimum width, and 28 inches as the minimum diameter of rolls.

Early in the war the shortage of paper became acute and the width of rolls was reduced temporarily by an act of Congress to permit the free importation of this essential article. Even prior to that time, foreign-language newspapers, comic and other Sunday supplements, and certain special types of publications had started using 15-inch rolls.

The temporary reduction in the width of rolls to 15 inches ended at the time the President declared an end to hostilities. In the meantime, the paper shortage has continued to be acute. Large numbers of presses were adjusted or made to use the 15-inch rolls and these operators are at present required either to pay a duty on the rolls of paper which they import or, as most of them have found it more expedient to do, import the 16-inch rolls and trim off 1 inch or a fraction thereof. This constitutes wastage of paper which is in short supply and constitutes a burden upon those who made an effort during the war to conserve on the paper which they used.

The Treasury Department has not found it expedient to reduce the width of rolls in its definition of standard newsprint paper. This is understandable in view of the fact that Congress, by the very limiting of the period during which 15-inch rolls were to be imported free of duty, indicated a desire to terminate that section. While the bulk of the newsprint paper used is still of the 16-inch width, it appears that there is some discrimination as a result of a continued use of 16 inches as the minimum width. A large proportion of the newsprint paper, whether of 15- or 16-inch width, used in the United States is imported.

It is believed that this legislation will result in a saving of paper and will remove any present discrimination by the publishers. It is neither the intent nor is it believed pessible under this bill that so-called ground-wood paper, which is produced in substation in quantities in the United States, will be affected by this bill.