

STANDARD NEWSPRINT PAPER

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

REPORT

[To accompany H. R. 10277]

The Committee on Finance, to whom was referred the bill (H. R. 10277) to reduce from 15 to 13 inches the minimum width of paper in rolls which may be imported into the United States free of duty as standard newsprint paper, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

AMENDMENTS

The Finance Committee added two amendments to the bill. The first would clarify and establish as law the present Bureau of Customs classifications of "rayon and other synthetic textile." Articles of noncellulose manmade fiber unknown when the 1930 law was written, will be given specific classifications without any changes in tariff rates.

The second amendment would provide for the temporary free importation of certain extracts of eucalyptus (myrobalan) whether or not used chiefly for tanning purposes. The law presently provides for the temporary free importation of tanning extracts, including those from myrobalan or eucalyptus. However, in recent years it has been found that this extract is useful as an additive to the mud used in oil drilling and, should the chief use be in other than tanning, all imports would become dutiable. The amendment would provide for duty-free status on the same temporary basis even though the chief use might be for other than tanning.

PURPOSE

The purpose of H. R. 10277 is to provide a new minimum of 13 inches (the present minimum is 15 inches) for the free importation of "standard newsprint paper."

GENERAL STATEMENT

Newsprint

Paragraph 1772 of the Tariff Act of 1930 provided that "standard newsprint paper" should be entered free of duty. No specifications defining "standard newsprint paper" were adopted. It was held to be limited to the class of paper which was chiefly used in printing newspapers on or before the date of enactment of the 1930 act.

The Treasury Department in establishing specifications for standard newsprint paper, to guide customs officials in determining the kind of paper which was entitled to duty-free treatment, established a minimum width specification for such paper in rolls. Prior to February 6, 1944, the minimum width specification was 16 inches. Section 507 of the Revenue Act of 1943 temporarily established a minimum width specification of 15 inches, as a wartime measure and the 16-inch specification was restored July 1, 1946. However, effective August 1, 1947, a minimum width specification of 9 inches was temporarily established by legislation with provision that the minimum width specification be increased to 15 inches, effective July 1, 1948 (Public Law 315, 80th Cong., approved August 1, 1947). Thus, at the present time paragraph 1772 specifies a minimum width of 15 inches. H. R. 10277 would simply reduce this minimum width specification from 15 to 13 inches.

At present newsprint paper of a width less than 15 inches is dutiable under the provision of paragraph 1401 of the Tariff Act of 1930 as uncoated printing paper, not specifically provided for, at 0.18 cent per pound and 4½ percent ad valorem.

There is a trend toward the use of narrower width paper in the printing of newspapers. In particular the narrower width rolls are used by small newspapers, in the printing of comic pages and other Sunday supplement sections. They are also used for the printing of single sheets. The existence of a duty on such narrower width rolls has restricted their use by newspapers even where it is more convenient to use such newsprint.

The Finance Committee recommends the adoption of H. R. 10277, as amended.

Synthetic fibers

When the tariff act of 1930 was adopted, Congress provided separately for synthetic textiles. At that time, however, the only synthetic textiles known were those such as rayon and acetate, derived from cellulose and Congress did not specifically provide for the new families of synthetic textiles not derived from cellulose which began to enter the market in about 1938 and 1939. These new fibers have acquired substantial importance in commerce and a wide range of application within recent years.

In 1951 the United States Customs Court (27 Cust. Ct. 176), ruled that Congress had intended for the synthetic-textile schedule of the Tariff Act to embrace all synthetics and not merely those derived from cellulose. Since that time the Bureau of Customs has so classified imports.

Recently the development of such heavy fibers as fishing line and tennis racket strings have been held by the courts not to be classifiable as synthetic fibers and now some uncertainty arises as to future classification of the various types of filaments and fibers which are

being or may be developed. The amendment has been so framed that existing tariff rates will not be altered nor interfered with in the establishment of the new classification. It merely ratifies existing customs practices and prevents the great complexities which could otherwise arise in the future.

Eucalyptus extract

These extracts were formerly used almost exclusively for tanning purposes which, since the destruction of most chestnut trees in the United States (almost the sole source of domestic tanning materials) have been granted temporary free entry. Science has discovered that certain eucalyptus extracts added to the mud used in drilling for oil greatly facilitate the operation. Inasmuch as there are no domestic sources for this material, it must be imported, and its increased use in drilling indicates that its chief use may sometimes lie in that area, rather than as a tanning material.

The Customs Bureau is obliged to withdraw the free-entry privilege unless, as the law states, the chief use is in the tanning process. If imports are chiefly used otherwise then all of the imports, regardless of usage, must be held dutiable. This amendment would not only provide for a continuation of the duty-free entry for tanning purposes, but would allow its continued importation for use in drilling without payment of the duty.

The free-entry privilege would be extended to imports until the time of the expiration of the 3-year temporary period provided for in 1957 with regard to this and other tanning extracts, and would cover all entries unliquidated at the time of passage of the bill.

CHANGES IN EXISTING LAW

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

TARIFF ACT OF 1930

TITLE I—DUTIABLE LIST

(19 U. S. C. 1001)

[Par. 1313. Whenever used in this chapter the terms "rayon" and "other synthetic textile" mean the product made by any artificial process from cellulose, a cellulose hydrate, a compound of cellulose, or a mixture containing any of the foregoing, which product is solidified into filaments, fibers, bands, strips, or sheets, whether such products are known as rayon, staple fiber, visca, or cellophane, or as artificial, imitation, or synthetic silk, wool, horsehair, or straw, or by any other name whatsoever.]

Par. 1313. As used in this title, the term "rayon or other synthetic textile", means any fiber, filament, or fibrous structure, and any band or strip (suitable for the manufacture of textiles) not over one inch in width, all the foregoing whether formed by extrusion or by other processes from substances derived by man from cellulosic or noncellulosic materials

by chemical processes, such as, but not limited to, polymerization and condensation, but the term does not include fibers, filaments, fibrous structures, or bands and strips of glass or other nonmetallic mineral, or of metal, paper, or natural rubber.

TITLE II—FREE LIST

(19 U. S. C. 1201)

Par. 1670

(a) * * *

(b) Extracts, tanning: Chestnut, catch, divi-divi, hemlock, mangrove, myrobalan, oak, quebracho, sumac, valonia, wattle, and other extracts, decoctions, and preparations of vegetable origin used for tanning, and combinations and mixtures of the foregoing; *and extracts, decoctions, and preparations of eucalyptus (irrespective of their chief use) suitable for use for tanning; all the foregoing not containing alcohol and not specially provided for.*

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Par. 1772. Standard newsprint paper. [For the purposes of this paragraph (but only until July 1, 1949, in the case of paper in rolls of less than 15 inches in width) paper which is in rolls not less than 9 inches in width shall be deemed to be standard newsprint paper insofar as width of rolls is concerned.] *For the purposes of this paragraph, paper which is in rolls not less than thirteen inches in width shall be deemed to be standard newsprint paper insofar as width of rolls is concerned.*

