

## PROVIDING FOR THE FREE IMPORTATION OF COMPRESSED MILL-WASTE WOOD FOR FIREWOOD

MARCH 26, 1948.—Ordered to be printed

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

### REPORT

[To accompany H. R. 5328]

The Committee on Finance, to whom was referred the bill (H. R. 5328) to amend paragraph 1803 (2) of the Tariff Act of 1930, relating to firewood and other woods, having considered the same, report favorably thereon with amendments and recommend that the bill, as amended, do pass.

The first committee amendment strikes out, after the word "including" on line 6, the words "bark, sawdust, and other wood waste of the saw and planing mill, ground or crushed, and compressed;" and inserts in their place the words "fuel made by compression from bark, sawdust, or other wood waste of the saw or planing mill;"

The second committee amendment inserts "(a)" after the word "That" in line 3 and inserts a new section (b) after line 10 as follows:

(b) This Act shall be effective as to merchandise entered for consumption, or withdrawn from warehouse for consumption, on and after the 30th day after the enactment of this Act.

The first committee amendment provides for the free importation of compressed mill-waste firewood whether ground or crushed, powdered or pulverized, or simply compressed from sawdust in its ordinary state. The second committee amendment will allow time for instructions to be circulated to customs officers respecting the treatment of imports of compressed mill-waste firewood provided by this bill.

#### GENERAL STATEMENT

This bill provides for free importation of small logs or briquets compressed from sawdust or other mill waste. Under present law these products are held to be dutiable as nonenumerated manufactured articles. According to the Tariff Commission, these briquets are relatively high priced compared with coal and wood and at present

are a specialized product. Imports to date have all been from Canada, and the relatively high transportation costs keep shipments over long distances from being economical.

The following portions of the report of the Committee on Ways and Means of the House of Representatives are applicable to this bill, as amended by your committee:

Paragraph 1803 of the Tariff Act of 1930 provides for the free entry of logs, timber, pulpwood, firewood, and other specified wood products not otherwise provided for in the act. The term "firewood" is not defined or limited in its application in the law.

American-made machines have been patented for the drying and compressing of sawdust and other wood waste into various forms including small logs and briquets. The Bureau of Customs has held that these items are nonenumerated manufactured articles not specially provided for and not firewood as listed in paragraph 1803. Nonenumerated manufactured articles are dutiable under paragraph 1558 of the Tariff Act of 1930 at 20 percent ad valorem. This duty has not been affected in any trade agreements.

It is generally admitted that approximately 50 percent of a log is considered waste in the sense that it is not usable as lumber. Much of this waste is destroyed or piled and left to rot. The shortage of firewood in some areas resulted in the development of a process for using much of this wood waste, and there are producers in the United States as well as in Canada. The shortage of sufficient material in the United States makes it unlikely that much competition will develop from imports and the cost of transportation is such that shipments over long distances are not economical.

Domestic production is not large, but statistics are unavailable. Imports have been very small and have come entirely from Canada.

The following is an excerpt from a report received from the United States Tariff Commission, dated February 18, 1948:

"The bill proposes to amend paragraph 1803 (2) of the free list of the Tariff Act of 1930 so that there would be included therein as firewood 'bark, sawdust, and other wood waste of the saw and planing mill, ground or crushed, and compressed.'

"It is our understanding that the purpose of this amendment is to grant duty-free entry as firewood to imports of a type of fuel or fuel wood in the form of briquets or 'logs' which are made from mill waste. Most of the fuel that would be covered by the proposed amendment consists of so-called logs about 4½ inches in diameter and 12¾ inches long which are made on machinery controlled by an American timber company and leased on a royalty basis to other concerns in the United States and Canada. The fuel made by the different licensees is all believed to be marketed under the same proprietary name.

"This fuel is made by reducing mill-waste wood to a powder and subjecting it to high pressure to form dense briquets which are held together by the natural cohesion of the wood. At present, fuel of this type is not classified as firewood under paragraph 1803 (2), but is dutiable at 20 percent ad valorem under the provision of paragraph 1558 for nonenumerated manufactured articles.

"Briquets of the type which would be covered by the amendment are made in the United States by a number of lumber concerns which have large quantities of waste. The product which is made in Canada and imported into the United States that would be covered by the proposed amendment is apparently marketed under the same proprietary name as most of the domestic output.

"Canada has been the sole source of imports of this fuel and will probably continue as the sole source if the duty is removed; however, there is some production of briquets in Europe. The imported product from Canada can probably reach some domestic markets that cannot be readily and economically served by the domestic producers; it is also likely, however, that in some areas the imported fuel would come in direct competition with similar domestic products.

"The Commission does not have data as to the extent of production of this fuel in the United States and Canada or information as to how its use may develop. It is relatively high-priced in comparison with coal and wood and at present at least is a specialized product."