

**UNITED STATES TARIFF COMMISSION**

**KRAFT WRAPPING PAPER FROM CANADA**

**Determination of No Injury or Likelihood Thereof in  
Investigation No. AA1921-103  
Under the Antidumping Act, 1921,  
as Amended**



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UNITED STATES TARIFF COMMISSION

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UNITED STATES TARIFF COMMISSION  
Washington, D.C.

December 18, 1972

[AA1921-103]

KRAFT WRAPPING PAPER FROM CANADA

Determination of No Injury or Likelihood Thereof

On September 19, 1972, the Tariff Commission received advice from the Treasury Department that 30-pound MF (machine finish) kraft wrapping paper from Canada is being, or is likely to be, sold in the United States at less than fair value within the meaning of the Antidumping Act, 1921, as amended. In accordance with the requirements of section 201(a) of the Antidumping Act (19 U.S.C. 160(a)), the Tariff Commission instituted investigation No. AA1921-103 to determine whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States.

Notice of the investigation and hearing was published in the Federal Register of September 29, 1972 (37 F.R. 20354). A public hearing was held on November 9, 1972. Appearances were entered by representatives of importers. No appearances were entered for the domestic industry.

In arriving at a determination in this case, the Commission gave due consideration to all written submissions from interested parties, evidence adduced at the hearing, and all factual information obtained by the Commission's staff from questionnaires, personal interviews, and other sources.

On the basis of the investigation, the Commission has determined unanimously that an industry in the United States is not being or is not likely to be injured, or is not prevented from being established, by reason of the importation of 30-pound MF (machine finish) kraft wrapping paper from Canada sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended.

Statement of Reasons 1/

In our opinion, no industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of 30-pound MF (machine finish) kraft wrapping paper from Canada sold at less than fair value (LTFV).

Description of the product

30-pound MF kraft wrapping paper (hereinafter referred to as 30-pound kraft paper) which is generally made entirely from wood pulp--principally from softwood species--is produced by the chemical sulphate (kraft) process. It is chiefly used for wrapping purposes; however, among other uses are production of merchandising bags, grocery bags, laminates, as well as plain and reinforced gumming tape. Paper used for gummed tape is made to rigid specifications and requires a substantially slower machine run than that made for other purposes.

The industry

The Treasury Department's determination of sales at LTFV covered all 30-pound kraft paper imported from Canada; however, its price comparisons to determine sales at LTFV were made only on such paper used for gumming. Consequently, in making its decision in this case, the Commission considered the effects of the LTFV sales on the facilities in the United States used in the production of 30-pound kraft paper, and gave special attention to the effects of those sales on the facilities producing such paper used for gumming purposes.

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1/ Commissioner Ablondi concurs in the result.

### The U.S. market

Information developed in the investigation indicated that, prior to the entry of Canadian paper, certain U.S. producers of 30-pound kraft paper used for gumming had shifted their productive capacity to the production of other paper on which they could realize greater revenues. As a result, the domestic supply of 30-pound kraft paper for gumming purposes was inadequate to meet the demand of U.S. converters producing gummed tape. The shortage was so severe that one of the U.S. producers of gummed tape testified at the hearing that he was compelled to seek out the Canadian supplier of such paper in order to meet his requirements. Thus, it is evident that by 1971 Canadian 30-pound kraft paper for gumming use became a necessary supplement to that obtainable from U.S. sources.

### Impact of sales at LTFV

Whether considering all 30-pound kraft paper or only that used for gumming purposes, we find no discernible adverse impact on domestic industry by reason of sales at LTFV.

U.S. producers' sales of 30-pound kraft paper, including such paper used for gumming, increased each year during 1969-71 and were higher in January-June 1972 than in the corresponding period in 1971. Such sales, however, represented only 2 percent of the total yearly sales of all products by the establishments in which such paper was produced.

In 1971, the year in which sales at LTFV were determined, imports from Canada (nonexistent prior to 1970) supplied less than 3 percent of total U.S. consumption of all 30-pound kraft paper, and 11 percent of

that for gumming. In view of the minor significance of 30-pound kraft paper in the total operation of the U.S. establishments concerned, and the general shortage of paper for gumming use from U.S. sources, the level attained by imports in the U.S. market could not have had an injurious effect.

Neither did the Commission find evidence of price depression or suppression. Prices of Canadian 30-pound kraft paper for gumming were equal to or higher than prices of comparable domestic paper during 1971 and January-June 1972. Thus, prices of the Canadian paper had no depressing effect on prices of comparable U.S. paper. On the contrary, evidence obtained in the investigation indicates that prices (both Canadian and domestic) increased during the period.

Finally, the operations of those U.S. establishments which produced 30-pound kraft paper, including such paper used for gumming, have been profitable during the period considered.

#### Conclusion

Based on the foregoing, the Commission has made a negative determination.

