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COMMENTARY

Trump's Newsprint Tariff Is a Tax on America's Free Press

Local newspapers were already struggling when Trump imposed a 30% levy on Canadian paper.



A worker adjusts a roll of newsprint at the press of the Columbian newspaper in Vancouver, Wash. PHOTO: NATALIE BEHRING/GETTY IMAGES

By *Steve Forbes*

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It's tough to keep track of all the U.S. industries now threatened by the tariffs the Trump administration has teased, announced and implemented this year, but one in particular should worry readers of this and other newspapers. Since March a tariff of up to 30% on Canadian uncoated paper has raised the price of newsprint, making it difficult for cash-strapped newspapers to circulate their work. As if limiting economic freedom weren't enough, the administration is also undermining Americans' freedom of expression with this needless tax on journalism.

The tariff originated with an investigation begun last August by the U.S. International Trade Commission, assessing the claim by an American company that Canada is unfairly subsidizing its paper industry. The North Pacific Paper Co.—known as Norpac and based in Washington state—says Canada's subsidies create an unequal playing field that threatens the company and its employees.

But Norpac isn't the only stakeholder in the matter. Whatever competitive challenge Canadian newsprint exerts on American paper companies, the tariff has inflicted far greater harm on publishers, printers, and the many companies that supply materials, parts and services to them. And as many as 600,000 workers could be affected negatively if Norpac is successful in convincing the administration to raise the paper tariff to 50%.

The purpose of ITC investigations—and of President Trump's general approach to trade—is to revisit assumptions about how trade practices affect Americans. These efforts have produced some good outcomes, such as the government's toughened opposition to China's intellectual-property violations. But there is a difference between enforcing clear trade rules that protect all Americans and lurching into piecemeal imposition of tariffs to benefit individual companies.

Norpac's petition is an example of protectionist cronyism. Among U.S. paper producers, the company is conspicuously alone in its petition for protective tariffs. The trade group that represents paper mills, the American Forest and Paper Association, opposes the tariffs, as do scores of newspapers, book publishers and printers around the country. They are rightly concerned that if the paper they use becomes more expensive, they will be forced to print less.

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The strength of America's free press. The rise of online advertising already has shattered the business model of many newspapers, and most small regional dailies have been forced to consolidate or close. Those that have shifted to an online-only format have tended to offer fewer well-reported stories of interest to local readers.

In such an environment, a sharp price hike in newsprint, which is generally the biggest budget item after labor, could force dozens of additional publications to close or be reduced to shadows of their former selves. The killing of local newspapers by the imposition of tariffs would gut the nation's free press. It is local newspapers, not cable news networks, that scrutinize the goings-on at town halls, and how tax dollars are spent on schools and public works. Local papers are indispensable in uncovering corruption in government. They expose hospitals that mistreat patients and companies that dump chemicals into local streams. For many people of modest means or who live in rural areas, these papers are the top source of community news and information.

America's Founders cherished the free press, recognizing its essential role in democracy. They held that if citizens couldn't read about vital issues, consider various points of view, and evaluate the performance of public servants, democracy wouldn't succeed. Amid today's abundance of information sources, local newspapers haven't become obsolete. Rather, they are offering a crucial service by providing Americans detailed information on topics not covered in national outlets.

All businesses must adapt to survive in a free market, and newspapers are no different. While the government has no responsibility to safeguard newspapers from market forces, it shouldn't hasten their demise by shielding a single company from market forces. Norpac's tariff campaign is one of overt cronyism—asking Washington politicians for a favor at other parties' expense. The newsprint tariffs are a heavy new tax on struggling businesses and an unjustified burden on a cherished institution, the American newspaper.

—Mr. Forbes is chairman and editor in chief of Forbes Media.

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