

TRADE AGREEMENTS EXTENSION

JUNE 16 (legislative day, JUNE 11), 1954.—Ordered to be printed

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

REPORT

[To accompany H. R. 9474]

The Committee on Finance to whom was referred the bill (H. R. 9474) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

H. R. 9474 extends for 1 year the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended. Under present law, this authority expired June 12, 1954. Your committee's bill extends the authority until June 12, 1955.

GENERAL STATEMENT

The authority of the President to enter into reciprocal trade agreements was first granted in 1934 and has been continued by extensions at various times. No extension has exceeded 3 years and there have been extensions for 1 and 2 years.

A 1-year extension was enacted last year during the 1st session of this Congress (Public Law 215, 83d Cong., 1st sess.). That 1-year extension was intended as an interim measure designed to maintain the status quo pending completion of a thorough study of the overall tariff and international trade situation.

A part of this work has been accomplished by the completion of a study and an issuance of a report by the Commission on Foreign Economic Policy on January 25, 1954.

However, the very heavy schedule confronting the committees concerned in the form of a complete overhaul of the tax laws, plus social security, unemployment insurance, and other legislation has

made it impossible to hold the thorough public hearings which would be required for a detailed study of general trade-agreements legislation;

The General Agreement on Tariffs and Trade is to be revamped by State Department negotiation during 1954 and early 1955. The Finance Committee feels assured that Congress will have an opportunity to review the revised organizational provisions of the general agreement during the coming year and a simple 1-year extension, as requested by the President, would permit a continuation of present authority until this revision has been accomplished.

Favorable reports on H. R. 9474 have been received by the Committee on Ways and Means from various Government departments. The texts of those reports follow:

DEPARTMENT OF STATE,
Washington, June 9, 1954.

HON. DANIEL A. REED,
Chairman, Committee on Ways and Means,
House of Representatives.

DEAR MR. REED: The Department of State gives its unqualified support to H. R. 9474 to extend the Trade Agreements Act for 1 year. The President has emphasized the need, pending full committee and congressional consideration of his proposal for new legislation in this field, for a simple 1-year extension of the existing authority. The Department is in full agreement with this conclusion for a number of reasons.

During the past year when this administration has been reviewing and evaluating all aspects of our foreign economic policies, other countries have postponed economic decisions. Important economic results can flow just from the fact that the Congress does not permit a lapse in this authority pending its full review next year. For example, a number of Western European countries are now seriously considering making their currencies freely convertible into dollars. This would be the biggest move yet taken in the direction of ending the postwar complex of quantitative restrictions and discriminatory trade with resultant benefit for our industry and agriculture seeking markets abroad. It is the firm judgment of the Department that these countries will be encouraged to continue their moves in this direction, by the enactment of this legislation.

An extension of the present authority to negotiate trade agreements will enable the President to move forward to improve Japan's trading prospects in the world, an essential element to stability in the whole Far Eastern situation.

The Department hopes that the proposed action can be taken by the committee and the Congress to assure that there is no lapse in this trade-agreement authority.

Sincerely yours,

THRUSTON B. MORTON,
Assistant Secretary
(For the Secretary of State).

TREASURY DEPARTMENT,
Washington, June 9, 1954.

HON. DANIEL A. REED,
Chairman, Committee on Ways and Means,
House of Representatives, Washington, D. C.

MY DEAR MR. CHAIRMAN: Reference is made to an oral request from the Committee on Ways and Means for the views of this Department on H. R. 9474, a bill which would extend for 1 year from June 12, 1954, the President's authority to enter into reciprocal trade agreements under section 350 of the Tariff Act of 1930, as amended.

This Department recommends favorable action on this bill.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report to your committee.

Very truly yours,

H. CHAPMAN ROSE,
Acting Secretary of the Treasury.

THE SECRETARY OF COMMERCE,
Washington, June 8, 1954.

HON. DANIEL A. REED,
Chairman, Committee on Ways and Means,
House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: I should like to advise your committee that I favor the passage of H. R. 9474, which extends the Trade Agreements Act (19 U. S. C. 1351) for 1 year from June 12, 1954. I believe this extension to be desirable in order to permit Congress, and indeed the American people, to have sufficient time adequately to consider and debate H. R. 8860 which is now before your committee.

Sincerely yours,

SINCLAIR WEEKS,
Secretary of Commerce.

DEPARTMENT OF AGRICULTURE,
Washington 25, D. C., June 9, 1954.

HON. DANIEL REED,
Chairman, House Ways and Means Committee,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN REED: In response to the telephone conversation from your office, I wish to advise you that the Department of Agriculture supports the renewal of an extension of the reciprocal-trade-agreements program, whereby the President is authorized to enter into foreign-trade agreements under section 350 of the Tariff Act of 1930, as amended and extended, for a period of 1 year from June 12, 1954.

This Department believes that an extension of this program will be beneficial for American agriculture.

Sincerely yours,

E. T. BENSON, Secretary.

UNITED STATES DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C. June 9, 1954.

MY DEAR MR. REED: You have requested an expression of the views of this Department on H. R. 9474, a bill to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended.

This Department has no objection to the enactment of the bill.

The Bureau of the Budget has advised that there is no objection to the submission of this report to your committee.

Sincerely yours,

RALPH A. TUDOR,
Under Secretary of the Interior.

UNITED STATES TARIFF COMMISSION,
June 8, 1954.

HON. DANIEL A. REED,
Chairman, Committee on Ways and Means,
House of Representatives.

DEAR MR. CHAIRMAN: Pursuant to your request, the Commission is reporting on the bill introduced June 8, 1954, H. R. 9474, 83d Congress, to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended.

The bill, if enacted, would extend the authority of the President to enter into foreign trade agreements under section 350 of the Tariff Act of 1930, as amended, for a further period of 1 year from June 12, 1954. The existing authority for the President to enter into trade agreements under section 350 will expire on June 12, 1954, and after that date the President will have no authority to enter into foreign trade agreements pursuant to section 350 unless legislation extending that authority is enacted.

Section 350 was added to the Tariff Act of 1930 by section 1 of the act of June 12, 1934, and authorizes the President to enter into foreign trade agreements with foreign governments or instrumentalities thereof, and to proclaim under specified limitations such modifications of existing duties and other import restrictions, or such additional import restrictions, or such continuance, and

for such minimum periods, of existing customs or excise treatment of any article covered by such agreements, as are required or appropriate to carry out any such agreements.

Section 350 itself contains no limitation on the time within which the President is authorized to enter into foreign trade agreements. However, subparagraph (c) of section 2 of the act of June 12, 1934, limited the authority of the President to enter into foreign trade agreements pursuant to section 350 to a period of 3 years from June 12, 1934. Since that time the President's authority to enter into foreign trade agreements pursuant to section 350 has been extended from time to time by Congress, for periods varying from 1 to 3 years.

Because of the confusion usually present in connection with proposals to extend the President's authority to enter into foreign trade agreements, it might be pointed out that the so-called peril point provisions and escape clause provisions are not a part of the act of June 12, 1934 (usually referred to as the Trade Agreements Act of 1934) but are incorporated in the Trade Agreements Extension Act of 1951, as amended. - These provisions will not expire if the President's authority to enter into foreign trade agreements is not extended, although the peril point provision which relates to the negotiation of new trade agreements would presumably be inoperative if the negotiation of new trade agreements is not authorized. The escape clause provisions would continue to be operative so long as any existing trade agreements containing escape clauses remain in force.

Sincerely yours,

JOSEPH E. TALBOT, *Acting Chairman*

