

EXTENSION OF FILING DATE FOR TARIFF COMMISSION REPORT ON SIMPLIFICATION OF TARIFF SCHEDULES

JULY 25 (legislative day, JULY 16), 1956.—Ordered to be printed

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

REPORT

[To accompany H. R. 12254]

The Committee on Finance, to whom was referred the bill (H. R. 12254) to provide additional time for the Tariff Commission to review the customs tariff classifications and schedules, having considered the same, report favorably thereon and recommend that the bill do pass.

PURPOSE

The bill would extend until March 1, 1958, the time in which the Tariff Commission is required, under the Customs Simplification Act of 1954, to complete a study of the tariff schedules of the United States and report thereon.

GENERAL STATEMENT

Subsection (a) of section 101 of the Customs Simplification Act of 1954 (Public Law 768, 83d Cong., approved September 1, 1954) directed the Tariff Commission to make a complete study of all the provisions of the customs laws of the United States under which imported articles may be classified for tariff purposes and to submit to the President and to the chairman of the House Committee on Ways and Means and the chairman of the Senate Committee on Finance, by not later than September 1, 1956, a proposed revision and consolidation of these laws to accomplish the simplification purposes prescribed in the original legislation. The Tariff Commission has now advised the Congress that it would not be possible to comply with the time limitation of September 1, 1956, imposed by Public Law 768 and has requested an extension of the period allowed for completing the studies and submitting the reports required. H. R. 12254 would grant the additional time by extending to March 1, 1958,

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the date by which such studies must be completed and the prescribed reports submitted.

In its request for this additional time, the Tariff Commission indicated as reasons necessitating the request, the fact that the members and the personnel of the Tariff Commission have been occupied with such matters as peril points and escape-clause proceedings and lending technical assistance in connection with tariff negotiations, the magnitude and importance of the study and report required by Public Law 768, and the need for full and adequate hearings in connection with this study.

The Finance Committee urges that the bill be adopted.

The letter from the United States Tariff Commission advocating an extension of filing date follows:

UNITED STATES TARIFF COMMISSION,

May 21, 1956.

THE PRESIDENT OF THE SENATE,

United States Senate.

DEAR MR. PRESIDENT: Subsection (a) of section 101 of the Customs Simplification Act of 1954 (Public Law 768, 83d Cong., approved September 1, 1954) directed the Tariff Commission to make a complete study of all the provisions of the customs laws of the United States under which imported articles may be classified for tariff purposes and to submit to the President and to the chairmen of the Committee on Ways and Means of the House and the Committee on Finance of the Senate, not later than September 1, 1956, a proposed revision and consolidation of these laws which, in the judgment of the Commission, would to the extent practicable accomplish certain simplification purposes. In accordance with subsection (d) of section 101, the Tariff Commission on March 15, 1955, submitted to the President and to the chairmen of the Committee on Ways and Means and the Committee on Finance an interim report on the tariff simplification study.

Additional time beyond September 1, 1956, will be needed for the Commission to complete the project. Since the institution of the study in September 1954 much of the time of the Commission and its staff has been taken up with work of a pressing nature—primarily work in connection with the trade-agreement negotiations involving Japan and the current negotiations being conducted under the additional authority granted to the President by the Trade Agreements Extension Act of 1955 (Public Law 86, 84th Cong.). The Commission has been called upon to make "peril point" findings with respect to a large number of articles listed for consideration in connection with these negotiations. Also, a large number of specialists on the Commission's staff have devoted and are devoting a substantial part of their time giving technical assistance in connection with these negotiations.

Many changes in tariff classification and rates of duty resulted from the trade-agreement negotiations involving Japan concluded in 1955 and many more changes will undoubtedly result from those now in progress at Geneva. When simplification of the tariff rate schedules is undertaken as a project separate and apart from tariff rate making, such a project cannot be advanced effectively during a period when extensive changes are being made in the classification provisions and

rates of duty. A reasonable period of time, relatively free of such changes is a prerequisite to the completion of the proposed revised tariff schedules.

It will be recalled that the law providing for the study contemplates that the Commission hold hearings for the purpose of affording interested parties opportunity to be heard with respect to the proposed revised schedules, particularly with respect to the probable effect upon the domestic industry of any incidental changes in duties which may be involved in the proposed revision. In the opinion of the Commission, it would be premature to prepare and publish a revision of tariff schedules and hold hearings thereon before the completion of the current trade-agreement negotiations now in progress at Geneva. The results of these negotiations will not be known until late May or early June of this year. Manifestly, the short period from June to September 1, 1956 (the present statutory deadline on the completion of the tariff study), is not an adequate period of time to assimilate into proposed revised schedules the numerous classification and rate changes which will result from the pending trade-agreement negotiations, to hold public hearings on such revised schedules, and to submit a final draft of such schedules to the President and to the Congress. A complication which will require special attention arises from the fact that many of the rate changes resulting from the pending negotiations will be made effective in 2 or 3 installments over a period of approximately 2 years ending in June 1958.

As matters now stand, the Commission believes that, from a practical standpoint, a desirable objective would be the development of a plan which would envisage the revised schedules being made effective on or about July 1, 1958 (the date when, under Public Law 86, 84th Cong., the President's authority to enter into foreign trade agreements terminates). In this connection, it is the Commission's understanding that the principal tariff negotiations contemplated under the trade-agreements authority, as extended by Public Law 86, are those now in progress at Geneva, and that large-scale negotiations thereafter under such authority as extended by Public Law 86, are not likely. Under these circumstances, an appropriate date for the completion of the tariff study would be a date sometime in the early part of 1958. This arrangement would have the added advantage of providing for the completion of the study at a time when the Congress would be in session.

In view of the foregoing, the Commission respectfully requests that you give favorable consideration to the enactment of the attached draft of proposed legislation which would extend until May 1, 1958, the time within which the Commission is to complete the proposed revised tariff schedules.

The Bureau of the Budget advises that there is no objection to the submission of the proposed legislation to the Congress.

Sincerely yours,

EDGAR B. BROSSARD, *Chairman.*

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

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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):

[Public Law 768, 83d Cong.]

CUSTOMS SIMPLIFICATION ACT OF 1954

TITLE I—REVIEW OF CUSTOMS TARIFF SCHEDULES

SEC. 101. (a) * * *

(c) Not later than [two years after the enactment of this Act] *March 1, 1958*, the Commission shall transmit copies of the schedules and accompanying data and statements to the President and to the chairmen of the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

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