

## TRADE AGREEMENTS EXTENSION BILL OF 1958

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AUGUST 6, 1958.—Ordered to be printed  
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Mr. MILLS, from the committee of conference, submitted the following

### CONFERENCE REPORT

[To accompany H. R. 12591]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 5, 6, 11, 12, 13, 14, 15, 23, 24, 25, and 26.

That the House recede from its disagreement to the amendments of the Senate numbered 16, 17, 18, 19, 20, and 21, and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: 1962; and the Senate agree to the same.

Amendment numbered 2:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

(1) Paragraph (2) (A) is amended to read as follows:

“(A) Increasing by more than 50 per centum any rate of duty existing on July 1, 1934; except that a specific rate of duty existing on July 1, 1934, may be converted to its ad valorem equivalent based on the value of imports of the article concerned during the calendar year 1934 (determined in the

*same manner as provided in subparagraph (D) (ii) and the proclamation may provide an ad valorem rate of duty not in excess of 50 per centum above such ad valorem equivalent."*

And the Senate agree to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: 20; and the Senate agree to the same.

Amendment numbered 4:

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: four; and the Senate agree to the same.

Amendment numbered 7:

That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: four; and the Senate agree to the same.

Amendment numbered 8:

That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: four; and the Senate agree to the same.

Amendment numbered 9:

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

*"(C) In the case of any decrease in duty to which subparagraph (A) of this paragraph applies (i) no part of a decrease after the first part shall become initially effective until the immediately previous part shall have been in effect for a period or periods aggregating not less than one year, nor after the first part shall have been in effect for a period or periods aggregating more than three years, and (ii) no part of a decrease shall become initially effective after the expiration of the four-year period which begins on July 1, 1962. If any part of a decrease has become effective, then for the purposes of clauses (i) and (ii) of the preceding sentence any time thereafter during which such part of the decrease is not in effect by reason of legislation of the United States or action thereunder shall be excluded in determining when the three-year period or the four-year period, as the case may be, expires."*

And the Senate agree to the same.

**Amendment numbered 10:**

That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

(c) *Such subsection (b) is further amended by inserting "(1)" after "(b)" and by adding at the end thereof the following:*

*"(2) In each such investigation the Commission shall, to the extent practicable and without excluding other factors, ascertain for the last calendar year preceding the investigation the average invoice price on a country-of-origin basis (converted into currency of the United States in accordance with the provisions of section 522 of the Tariff Act of 1930, as amended) at which the foreign article was sold for export to the United States, and the average prices at which the like or directly competitive domestic articles were sold at wholesale in the principal markets of the United States. The Commission shall also, to the extent practicable, estimate for each article on the list the maximum increase in annual imports which may occur without causing serious injury to the domestic industry producing like or directly competitive articles. The Commission shall request the executive departments and agencies for information in their possession concerning prices and other economic data from the principal supplier foreign country of each such article."*

And the Senate agree to the same.

**Amendment numbered 22:**

That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows:

Page 5, next to the last line, of the Senate engrossed amendments, after "; and any", insert *substantial*; and the Senate agree to the same:

W. D. MILLS,  
N. J. GREGORY,  
AIME J. FORAND,

*Managers on the Part of the House:*

HARRY F. BYRD,  
ROBT. S. KERR,  
J. ALLEN FREAR, Jr.,  
EDWARD MARTIN,

*Managers on the Part of the Senate.*

## STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: Under the bill as passed the House the period during which the President is authorized to enter into foreign trade agreements under section 350 of the Tariff Act of 1930 would be extended from the close of June 30, 1958, until the close of June 30, 1963. The Senate amendment provided for a 3-year extension of such period instead of a 5-year extension. The House recedes with an amendment under which the period during which the President is authorized to enter into such agreements under such section 350 is extended for 4 years, from the close of June 30, 1958, until the close of June 30, 1962.

Amendment No. 2: Section 350 (a) (2) (B) of the Tariff Act of 1930 provides that no proclamation shall be made pursuant to section 350 (a) (1) (B) of such act increasing by more than 50 percent any rate of duty existing on January 1, 1945. Under the bill as passed the House the base date for computing permissible increases in duty was changed from January 1, 1945, to July 1, 1934. The Senate amendment also provided for a change of such base date to July 1, 1934, and in addition provided that in the case of a specific duty the proclamation by the President may convert such specific duty as it existed on July 1, 1934, to its ad valorem equivalent based on 1934 value and may increase such ad valorem rate by not more than 50 percent.

Under the conference agreement, the House accepts the substance of the Senate amendment with technical and clarifying changes.

Amendment No. 3: Under the bill as passed the House, in the case of a foreign trade agreement entered into by the President after June 30, 1958, no proclamation could be made decreasing any rate of duty below the lowest of three specified rates. The first of the alternatives specified was the rate which would result from decreasing the rate existing on July 1, 1958, by 25 percent of such rate. The Senate amendment provided for a maximum decrease under this first alternative of 15 percent of the rate existing on July 1, 1958. Under the conference agreement, the limit below which the rate of duty may not be decreased pursuant to the first of the three specified alternatives is the rate which would result from decreasing the rate existing on July 1, 1958, by 20 percent of such rate.

Amendments Nos. 4, 7, and 8: Under the bill as passed the House, any decrease in duty under a foreign trade agreement entered into after June 30, 1958, was to become initially effective in not more than five annual stages. The Senate amendments provided that any such decrease was to become initially effective in not more than three annual stages. Under the conference agreement, such a decrease is to become initially effective in not more than four annual stages.

Amendments Nos. 5 and 6: Under the bill as passed the House, in the case of any decrease in duty under the first of the 3 specified alternative limits (the limit expressed in terms of a percentage of the rate existing on July 1, 1958), no amount of decrease becoming initially effective at one time was, in general, to exceed 10 percent of the rate of duty existing on July 1, 1958. Under the Senate amendments, the maximum amount of decrease under this alternative which could become initially effective at one time was, in general, 5 percent. The Senate recedes.

Amendment No. 9: Under the bill as passed the House, in the case of any foreign trade agreement entered into after June 30, 1958, under section 350 of the Tariff Act of 1930, no part of a decrease after the first part could become initially effective after the first part had been in effect for a period or periods aggregating more than 4 years. The Senate amendment struck out this provision, but provided that, in the case of any decrease pursuant to the first of the three specified alternative limits (the limit expressed in terms of a percentage of the rate existing on July 1, 1958), no part of any decrease in duty could become initially effective after the 3-year period which begins July 1, 1958.

The House recedes with an amendment. Under the conference agreement—

(1) No part of any decrease shall become initially effective after the first part shall have been in effect for a period or periods aggregating more than 3 years; and

(2) No part of any decrease shall become initially effective after the expiration of the 4-year period which begins on July 1, 1962.

In determining when the 3-year period or the 4-year period mentioned in the preceding sentence expires, there shall be excluded any time (after any part of a decrease has become effective) during which such part of the decrease is not in effect by reason of legislation of the United States or action thereunder.

Amendment No. 10: This amendment (for which there is no comparable provision in the bill as passed the House) would have amended section 3 (b) of the Trade Agreements Extension Act of 1951 (relating to the procedure for determining peril points) to provide that—

1. Each investigation of the Tariff Commission shall (without excluding other factors) ascertain the average invoice price (converted into United States currency in accordance with sec. 522 of the Tariff Act) at which the foreign article is sold for export to the United States on a country of origin basis, and the price of like or directly competitive domestic articles when sold at wholesale in the markets of the United States during the last calendar year preceding such investigation.

2. The Tariff Commission is also to estimate the maximum increase in annual imports which may occur without causing injury to the domestic industry producing like or directly competitive articles.

3. The Tariff Commission is to request the executive departments and agencies for information in their possession concerning prices and other economic data from the principal supplier foreign country of each such article.

The conference agreement contains the substance of the Senate amendment with technical and clarifying changes, and a change making it clear that the ascertaining of prices described in paragraph 1 above, and the estimating of maximum increases described in paragraph 2 above, are to be made to the extent practicable.

Amendment No. 11: This amendment (for which there is no comparable provision in the bill as passed the House) would amend the first sentence of section 7 (e) of the Trade Agreements Extension Act of 1951, relating to the definition of the terms "domestic industry producing like or directly competitive products" and "domestic industry producing like or directly competitive articles" for purposes of such 1951 act, to include within such terms "any group of producers of the raw or processed agricultural or horticultural products from which any such products or articles are produced."

The Senate recedes.

Amendment No. 12: This amendment would amend section 7 (a) of the Trade Agreements Extension Act of 1951 (relating to escape-clause proceedings) by striking out the third paragraph thereof and inserting substitute language therefor. The substitute language provided that the Tariff Commission was not to recommend any increased duty which is more than 50 percent above the rate existing on July 1, 1934; except that in the case of a specific duty, the Tariff Commission could convert such specific duty as it existed on July 1, 1934, to its ad valorem equivalent on the basis of 1934 value as found by the Commission, and could recommend that such ad valorem rate be increased by not more than 50 percent.

The Senate recedes. In escape-clause proceedings, the Tariff Commission may recommend to the President any action which the President is authorized to put into effect under section 350. In view of amendment No. 2 the Commission could therefore recommend that the duty be increased in the manner provided in the conference agreement with respect to amendment No. 2.

Amendment No. 13: This is a clerical amendment.

The Senate recedes.

Amendment No. 14: The bill as passed the House amended section 7 (c) of the Trade Agreements Extension Act of 1951 to provide that action found and reported by the Tariff Commission in an escape-clause proceeding to be necessary to prevent or remedy serious injury is to take effect if approved by the President or, if disapproved by the President in whole or in part, upon the adoption by both Houses of the Congress (by the yeas and nays by two-thirds vote of each House) of a concurrent resolution stating, in effect, that the Senate and House of Representatives approve the action so found and reported by the Tariff Commission to be necessary. The House bill also provided a set of rules for the consideration, by the Congress, of concurrent resolutions referred to in the preceding sentence.

Senate amendment No. 14 struck out all the provisions described in the preceding paragraph.

The Senate recedes.

Amendment No. 15: This is a clerical amendment.

The Senate recedes.

Amendment No. 16: This is a technical amendment made necessary by Reorganization Plan No. 1 of 1958. Under this plan the Office of Defense Mobilization and the Federal Civil Defense Administration

were consolidated to form a new agency in the Executive Office of the President to be known as the "Office of Defense and Civilian Mobilization".

The House recesses.

Amendments Nos. 17 and 18: The bill as passed the House made a number of modifications in the existing provisions of law contained in trade agreements legislation and relating to the national security. Under the House bill the Director of the Office of Defense Mobilization is directed, under specified circumstances, to make an appropriate investigation to determine the effects on the national security of imports of an article. If, as a result of such investigation, the Director is of the opinion that the article is being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security, he shall promptly so advise the President and, if the President determines that the article is being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security, he shall take such action, and for such time, as he deems necessary to adjust the imports of such article so that such imports will not threaten to impair the national security.

Senate amendments Nos. 17 and 18 would change the provision as outlined in the preceding paragraph so that, if the President is advised by the Director that, as a result of his investigation, the Director is of the opinion that the article is being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security, the President shall take the required action unless he determines that the article is not being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security.

The House recesses.

Amendment No. 19: This amendment makes a further change in the provision of the House bill discussed under amendments Nos. 17 and 18. In the provision relating to the determination of the President with respect to national security, the phrase "as set forth in this section" is inserted immediately after "national security".

The House recesses.

Amendment No. 20: This amendment makes a further change in the provisions of the House bill discussed under amendments Nos. 17 and 18. As explained above, the House bill provided that the President, under the specified circumstances—

shall take such action, and for such time, as he deems necessary to adjust the imports of such article so that such imports will not threaten to impair the national security.

This amendment inserts the phrase "and its derivatives" after the word "article" in the language quoted in the preceding sentence.

The House recesses.

Amendment No. 21: This is a clarifying amendment related to amendment No. 19.

The House recesses.

Amendment No. 22: Section 8 (a) of the bill as passed the House added a new subsection (c) to section 2 of the act of July 1, 1954, extending the authority of the President to enter into agreements under section 350 of the Tariff Act. Subsection (c), as contained in

the House bill, provided that, for the purposes of such section 2, the Director of the Office of Defense Mobilization and the President shall, in the light of the requirements of national security and without excluding other relevant factors, give consideration to certain stated factors. Senate amendment No. 22 retains subsection (c) as passed the House, but adds a new sentence. The new sentence provides that in the administration of section 2 of such act of July 1, 1954, as amended by the bill, the Director of Defense and Civilian Mobilization (see amendment No. 16) and the President shall further recognize the close relation of the economic welfare of the Nation to our national security, and shall take into consideration the impact of foreign competition on the economic welfare of individual domestic industries; and any unemployment, decrease in revenues of government, loss of skills or investment, or other serious effects resulting from the displacement of any domestic products by excessive imports shall be considered, without excluding other factors, in determining whether such weakening of our internal economy may impair the national security.

The House recedes with an amendment which inserts "substantial" before the phrase—

unemployment, decrease in revenues of government, loss of skills or investment, or other serious effects resulting from the displacement of any domestic products by excessive imports.

Amendments Nos. 23 and 24: These are clerical amendments.

The Senate recedes.

Amendment No. 25: This amendment provided for the establishment of a bipartisan commission to be known as the Commission on International Trade Agreement Policy.

The Commission was directed to investigate and report on the international trade agreement policy of the United States and to recommend improvements in policies, measures, and practices. In addition, the Commission was required to consider and report on certain specified matters.

The Senate recedes.

Amendment No. 26: This amendment related to the subject matter of the adjustment of productive activities to the economic conditions created by national trade policy.

The Senate recedes.

W. D. MILLS,  
N. J. GREGORY,  
AIME J. FORAND,  
*Managers on the Part of the House*

