

## INTERNATIONAL SUGAR STABILIZATION ACT OF 1978

OCTOBER 15 (legislative day, OCTOBER 14), 1978.—Ordered to be printed

Mr. FOLEY, from the committee of conference,  
submitted the following

### CONFERENCE REPORT

[To accompany H.R. 13750]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 13750) to implement the International Sugar Agreement, 1977 between the United States and foreign countries, to protect the welfare of consumers of sugar and of those engaged in the domestic sugar industry, 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 House recede from its disagreement to the amendment of the Senate 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:

#### **TITLE 1—SUGAR PROGRAM**

##### *CHAPTER 1—SHORT TITLE AND DEFINITIONS*

##### **SEC. 101. SHORT TITLE:**

*This Act may be cited as the "International Sugar Stabilization Act of 1978".*

##### **SEC. 102. DEFINITIONS.**

*For purposes of this title—*

(1) *The term "person" has the same meaning as is given to such term in section 1 of title 1 of the United States Code.*

(2) *The term "Secretary" means the Secretary of Agriculture.*

(3) *The term "TSUS" means the Tariff Schedules of the United States (19 U.S.C. 1202).*

(4) *The term "United States", when used in a geographical context, means the several States, the District of Columbia, and the Commonwealth of Puerto Rico.*

## CHAPTER 2—INTERNATIONAL SUGAR AGREEMENT, 1977

**SEC. 111. DEFINITIONS.**

For purposes of this chapter—

(1) The term "Agreement" means the International Sugar Agreement, 1977, signed at New York City on December 9, 1977.

(2) The term "entry" means the entry for any purpose, and the withdrawal from warehouse for consumption, in the customs territory of the United States.

(3) The term "sugar" has the same meaning as is given to such term in paragraph (12) of Article 2 of the Agreement.

**SEC. 112. IMPLEMENTATION OF AGREEMENT.**

On and after the entering into force of the Agreement with respect to the United States, and for such period before January 1, 1983, as the Agreement remains in force, the President may, in order to carry out and enforce the provisions of the Agreement—

(1) regulate the entry of sugar by appropriate means, including, but not limited to—

(A) the imposition of limitations on the entry of sugar which is the product of foreign countries, territories, or areas not members of the International Sugar Organization, and

(B) the prohibition of the entry of any shipment or quantity of sugar not accompanied by a valid certificate of contribution or such other documentation as may be required under the Agreement;

(2) require of appropriate persons the keeping of such records, statistics, and other information, and the submission of such reports, relating to the entry, distribution, prices, and consumption of sugar and alternative sweeteners as he may from time to time prescribe; and

(3) take such other action, and issue and enforce such rules or regulations, as he may consider necessary or appropriate in order to implement the rights and obligations of the United States under the Agreement.

**SEC. 113. DELEGATION OF POWERS AND DUTIES.**

The President may exercise any power or duty conferred on him by this title through such agencies or officers of the United States as he shall designate.

**SEC. 114. CRIMINAL OFFENSES.**

Any person who—

(1) fails to keep any information, or to submit any report, required under section 112;

(2) submits any report under section 112 knowing that the report or any part thereof is false; or

(3) knowingly violates any rule or regulation issued to carry out this title;

is guilty of an offense and upon conviction thereof is punishable by a fine of not more than \$1,000.

**SEC. 115. REPORT TO CONGRESS.**

The President shall submit to Congress, on or before April 1 of each year, a report on the operation and effect of the Agreement during the immediately preceding year. The report shall contain, but not be limited to—

(1) information with respect to world and domestic sugar demand, supplies, and prices during the year concerned;

(2) projections with respect to world and domestic sugar demand, supplies and prices; and

(3) a summary of the international and domestic actions taken during the year concerned under the Agreement and under domestic legislation to protect the interests of United States consumers and producers of sugar.

### CHAPTER 3—IMPORT RESTRICTIONS ON SUGAR

#### SEC. 121. DEFINITIONS.

For purposes of this chapter—

(1) The phrase “average daily price for United States raw sugar imports” means the average of the daily market prices for sugar in pounds, raw value, in bulk, landed and delivered at Atlantic and Gulf ports, including the cost of insurance, freight, loading, unloading, and import duties.

(2) The term “entered” means entered, or withdrawn from warehouse, for consumption in the customs territory of the United States; and the term “entry” means the entry, or withdrawal from warehouse, for such consumption.

(3) The term “price objective” means the price set forth in section 122(a).

(4) The term “quantitative restriction” means the total quantity of any sugar or sugar-containing product produced in all foreign countries, territories, or areas that may be entered, without regard to source, in any sugar supply year or supply year quarter.

(5) The term “raw value” has the same meaning as is given to such term in headnote 1 to subpart A of part 10 of schedule 1 of the TSUS.

(6) The term “semiannual period” means the period beginning on October 1 and ending March 31 of any sugar supply year or on April 1 and ending on September 30 of any sugar supply year, as appropriate.

(7) The term “sugar” means any sugar, sirup, and molasses provided for in items 155.20 and 155.30 of the TSUS.

(8) The term “sugar supply year” means the 12-month period beginning on October 1 of each calendar year with each such year being designated by the year in which the beginning date occurs.

(9) The term “supply year” quarter means any of the 3-month periods beginning on October 1, January 1, April 1, or July 1 of any sugar supply year.

#### SEC. 122. PRICE OBJECTIVES AND AVERAGE DAILY PRICES.

(a) PRICE OBJECTIVES.—(1) The price objectives for sugar supply years beginning after September 30, 1978, are as follows:

(A) The price objective for the 1978 sugar supply year is 15 cents per pound, raw value.

(B) The price objective for the 1979 sugar supply year is 15.8 cents per pound, raw value.

(C) The price objective for each of the 1980, 1981, and 1982 sugar supply years is 15.8 cents per pound, raw value, plus one percent of the price objective for the immediately preceding sugar supply year.

(b) *PAYMENTS, ASSURED RETURN.*—Payments shall be made for the 1978 sugar supply year at such rate as will assure a return equivalent to 15.75 cents per pound, raw value, but in no event shall the payment exceed 0.75 cents per pound, raw value. During sugar supply years 1979 through 1982, the Secretary of Agriculture may not make payments to, or on behalf of, producers and processors of sugarcane or sugar beets under section 301 of the Agricultural Act of 1949 (7 U.S.C. 1447) or any other provision of law that authorizes payments by the Secretary of Agriculture to achieve price support levels for such commodities.

(c) *AVERAGE DAILY PRICES.*—(1) The Secretary shall determine on a continuing basis the average daily price for United States raw sugar imports and shall monitor the prices of sugar and sugar-containing products in the import trade of the United States.

(2) The Secretary shall publish the determinations made under paragraph (1) in the Federal Register on such periodic basis as he deems appropriate.

**SEC. 123. SECRETARIAL RECOMMENDATIONS REGARDING SPECIAL IMPORT DUTIES.**

(a) *SPECIAL IMPORT DUTIES.*—(1) Not later than 30 days before the beginning of each sugar supply year which commences after September 30, 1979, the Secretary shall—

(A) on the basis of best available information, estimate whether the average daily price for United States raw sugar imports during such sugar supply year will be below the price objective; and

(B) if the estimation under subparagraph (A) is in the affirmative, recommend to the President that he impose such special import duties on the entry of such sugar (including, but not limited to, refined sugar) and, if appropriate, such sugar-containing products as the Secretary determines to be necessary to assure that the average daily price for United States raw sugar imports will result in the price objective for such sugar supply year being achieved.

(2) With respect to the 1978 sugar supply year, the Secretary shall make the estimation described in paragraph (1)(A) and, if applicable, the recommendations described in paragraph (1)(B) not later than 30 days after the date of the enactment of this title.

(b) *Review and Adjustments of Duties.*—The Secretary shall review, on a supply year quarter basis, the effect of all special import duties and quotas imposed as a result of recommendations made by him under subsection (a). On the basis of such review, the Secretary may recommend to the President such adjustments with respect to the amount of any such duty, or with respect to sugar or sugar-containing products to which any such duty should be extended or removed, as the Secretary determines to be necessary to achieve the price objective for the sugar supply year concerned. The Secretary shall submit a report to the President containing the results of each review conducted under this subsection, together with any adjustment recommendation the Secretary deems appropriate, not later than the 60th day after the beginning of the supply year quarter for which the review is made.

(c) *Publication of Recommendations and Reports.*—Each recommendation made by the Secretary to the President under subsection (a), and each report prepared under subsection (b), shall be promptly published by the Secretary in the Federal Register.

**SEC. 124. QUANTITATIVE RESTRICTION ON IMPORTED SUGAR.**

(a) *Back-up Quotas.*—If, at any time during any sugar supply year, the Secretary determines that the price objective for that year will not be achieved by the special import duties imposed on the basis of any recommendation made by him under section 123(a), the Secretary shall impose a quantitative restriction on the total amount of sugar which may be entered during such period. The amount of sugar permitted entry under the quantitative restriction imposed under the preceding sentence shall be the amount the Secretary determines to be necessary to achieve, in conjunction with the special import duties imposed during the supply year concerned, the price objective for such year.

(b) *Review.*—If a quantitative restriction is in effect under this section, the Secretary shall review, from time to time, the effect of such restriction and make such adjustments in the restriction as may be required to achieve the relevant market price objective.

(c) *Global Restriction.*—A quantitative restriction imposed under subsection (a) shall be administered as a global quantitative restriction imposed in terms of raw values.

(d) *Adjustments.*—If the Secretary determines that the average daily price for United States raw sugar imports over any 20 consecutive market day period in any sugar supply year exceeds by more than 20 percent the price objective for that sugar supply year, the Secretary shall suspend any quantitative restriction in effect under this section, or make such adjustments to such quantitative restriction as may be required to achieve the price objective. If the Secretary determines that the simple average of the daily price for United States raw sugar imports for 20 consecutive market days in any sugar supply year is less than the price objective for that sugar supply year, the Secretary shall reimpose such quantitative restriction, or such portion thereof, as may be required to achieve such price objective.

**SEC. 125. IMPOSITION BY PRESIDENT OF SPECIAL IMPORT DUTIES.**

(a) *IN GENERAL.*—Upon receiving any recommendation of the Secretary under section 123 (a) or (b), the President shall promptly proclaim, under the authority of the headnotes to subpart A of part 10 of schedule 1 of the TSUS and subject to subsections (b) and (c), such special import duties with respect to such sugar and sugar-containing products as the President deems necessary to achieve the price objective for the sugar supply year concerned.

(b) *SPECIAL PROVISIONS RELATING TO PROCLAMATIONS.*—(1) Any proclamation issued by the President on the basis of any recommendation made by the Secretary under section 123(a) regarding sugar with respect to the 1978 sugar supply year shall apply with respect to articles entered on or after the date of such proclamation.

(2) *Except as provided in subsection (c)(3)—*

(A) any special import duty imposed by the President on the basis of any recommendation made by the Secretary under section 123(a) with respect to any sugar supply year after September 30, 1979, shall be proclaimed by the President not less than 30 days before the beginning of the sugar supply year in which such special import duties apply; and

(B) any adjustment made by the President to any special import duty on the basis of any recommendation made by the Secretary under

section 123(c), shall be proclaimed by the President not less than 30 days before the beginning of the supply year quarter in which such quota or adjustment, as the case may be, first takes effect.

(c) **SPECIAL RULES FOR SUGAR-CONTAINING PRODUCTS.**—(1) If any recommendation is made by the Secretary under section 123 (a) or (c) with respect to the initial imposition of any special import duty on any sugar-containing product and the President has reason to believe that such product will adversely affect, or is adversely affecting, the achievement of the price objective during the sugar supply year concerned, the President may not impose any special import duty on the sugar content of such product before—

(A) requesting the United States International Trade Commission to undertake an investigation to determine whether, and to what extent, the entry of such product is adversely affecting the achievement of the price objective; and

(B) taking into consideration the results of such investigation. The United States International Trade Commission shall submit to the President a report on any investigation requested by him under this subsection within 60 days after the date of such request.

(2) After the initial imposition of any special import duty on any sugar-containing product, no further investigation under paragraph (1) is required with respect to the adjustment of that duty pursuant to section 123(c).

(3) To the extent that the investigation requirements under paragraph (1) result in the President being unable to meet the applicable requirements under subsection (b)(2) regarding the proclamation of special import duties with respect to sugar-containing products for any sugar supply year or supply year quarter, as the case may be; the President may proclaim such duty within the applicable 30-day period referred to in subsection (b)(2) or on or after the beginning of the sugar supply year or supply year quarter concerned. Any such proclamation shall apply with respect to articles entered on or after the date of such proclamation.

#### **SEC. 126. PROHIBITED ACTS.**

(a) **CERTAIN IMPORTS AND EXPORTS.**—No person may—

(1) bring or import into the Virgin Islands in any sugar supply year for consumption in such Islands, any sugar in excess of one hundred pounds if such sugar was produced from sugarcane or sugar beets grown outside the United States; or

(2) export to any foreign country any sugar entered under any quantitative restriction imposed under section 124.

(b) **CIVIL PENALTY.**—Any person who knowingly violates, knowingly attempts to violate, or knowingly participates or aids in the violation of subsection (a) shall forfeit to the United States the sum equal to three times the market value at the time of the commission of any such act, of that quantity of sugar involved in the violation, which forfeiture shall be recoverable in a civil suit brought in the name of the United States.

#### **SEC. 127. EXEMPT ARTICLES OF SUGAR.**

This chapter does not apply with respect to any sugar or sugar-containing product—

(1) of any aggregate value not exceeding \$25 in any one shipment, if entered as samples for the taking of orders, for the personal use of the importer, or for research;

(2) entered for the production of alcohol, other than any alcohol or resulting byproduct for human food consumption;

(3) entered for the production of yeast or citric acid; or

(4) any sugar entered for the production of polyhydric alcohols, except polyhydric alcohols for use as a substitute for sugar as a sweetener in human food consumption.

#### **SEC. 128. CERTAIN EXPORTATIONS OF SUGAR.**

Sugar entered under a bond, established under rules promulgated by the Secretary, for the purpose of subsequently exporting an equivalent quantity of sugar as such, or in manufactured articles, shall not be considered to be sugar entering the United States for purposes of section 124. Sugar exported under the provisions of sections 309 and 313 of the Tariff Act of 1930 (19 U.S.C. 1309 and 1313) shall be considered to be sugar entered under this section.

#### **SEC. 129. SUSPENSION OF CHAPTER.**

If the President finds that a national economic or other emergency exists with respect to sugar, the President may by proclamation suspend the operation of this chapter, and headnote 2(b) to subpart A of part 10 of schedule 1 of the TSUS to the extent that it applies with respect to this chapter, until such time as the President finds and proclaims that such emergency no longer exists. The Secretary shall make such investigations, and prepare such reports, as the President may require for purposes of carrying out this section.

#### **SEC. 30. REGULATIONS.**

The Secretary shall issue rules and regulations as he determines to be necessary or appropriate to carry out his functions and duties under sections 121 and 128. Knowing violation of any rule issued by the Secretary under this section is punishable by a fine of not more than \$1,000 for each violation.

#### **SEC. 131. AMENDMENTS TO TSUS.**

The headnotes to subpart A of part 10 of schedule 1 of the TSUS are amended—

(1) by amending headnote 1 to read as follows: "1. For the purposes of this subpart—

"(i) the term 'degree', as used in the 'Rates of Duty' columns of this subpart, means sugar degree as determined by polariscopic test;

"(ii) the term 'total sugars' means the sum of the sucrose and reducing or invert sugars contained in any grade or type of sugars, sirups, and molasses; and

"(iii) the term 'raw value' means the equivalent of such articles in terms of ordinary commercial raw sugar testing 96 degrees by the polariscope as determined in accordance with regulations issued by the Secretary of the Treasury. The principal grades and types of sugar shall be translated into terms of raw value in the following manner:

"(A) For sugar described in item 155.20, by multiplying the number of pounds thereof by the greater of 0.93, or 1.07 less 0.0175 for each degree of polarization under 100 degrees (and fractions of a degree in proportion).

“(B) For sugar described in item 155.30, by multiplying the number of pounds of the total sugars thereof by 1.07.

“(C) The Secretary of the Treasury shall establish methods for translating sugar into terms of raw value for any special grade or type of sugar for which he determines that the raw value cannot be measured adequately under the above provisions.”;

(2) by amending headnote 2 by inserting “(a)” immediately after “2.”, and by adding at the end thereof the following:

“(b) In addition to the authority of the President under section 201 of the Trade Expansion Act of 1962 (19 U.S.C. 1821) to proclaim modifications of the rates of duty and quotas on imports of sugars, sirups, and molasses provided for in items 155.20 and 155.30, the President shall, subject to the conditions and requirements of (a)(i) and for purposes of carrying out, and subject to, chapter 3 of the International Sugar Stabilization Act of 1978, proclaim special import duties on—

“(i) imports of any such sugars, sirups, and molasses, and

“(ii) the content of any such sugars, sirups, and molasses in imported products containing such sugars, sirups, and molasses.

Any special import duty proclaimed under this subdivision on the entry of any article shall be in addition to any other duty imposed by law on such entry and may not be made the subject of any preferential concession under any law or international obligation of the United States.”; and

(3) by amending headnote 3 by striking out “For purposes of this headnote,” and all that follows thereafter.

#### CHAPTER 4—FARM LABOR PROVISIONS

##### SEC. 140. WAGE STANDARDS.

(a) *IN GENERAL.*—Beginning with the 1978 sugar supply year (as defined in section 121(7)) every producer of sugar beets and sugarcane for sugar shall pay to each person employed on the farm in the production, cultivation, and harvesting of sugar beets and sugarcane wages as follows:

(1) When employed on a time basis, the rates per hour shall be not less than the following:

Sugar supply year:	All areas except Hawaii and Puerto Rico
1978-----	\$3. 00
1979-----	3. 20
1980-----	3. 40
1981-----	3. 60
1982-----	3. 80

Hawaii and Puerto Rico: As required by labor union agreement or Federal or local law.

Rates for field equipment operators shall be not less than 10 per centum more than the above rates.

(2) When employed on a piecework basis, the rates shall be not less than the rates for the 1978 crop as published in the Federal Register of January 10, 1978 (42 F.R. 1476), increased each sugar supply year beginning October 1979 in the same proportion as the hourly rates are increased in the above table.

(b) *VIOLATION OF WAGE STANDARDS.*—Any producer who fails to pay the wages provided for in subsection (a) of this section shall be liable



to the employee or employees affected in the amount of their unpaid wages and in an additional equal amount as liquidated damages. An action to recover such liability may be maintained against any producer in any Federal or State court of competent jurisdiction by any one or more employees for and in behalf of himself or themselves and other employees similarly situated. No employee shall be a party plaintiff to any such action unless he gives his consent in writing to become such a party and such consent is filed in the court in which such action is brought. The court in such action shall, in addition to any judgment awarded to any plaintiff, allow a reasonable attorney's fee to be paid by the defendant, and costs of such action. The right provided by this subsection to bring an action by or on behalf of any employee, and the right of any employee to become a party plaintiff to any such action, shall terminate upon the filing of a complaint by the Secretary in an action under section 303 in which restraint is sought of any further delay in the payment of unpaid wages owing to such employee under subsection (a) of this section by a producer liable therefor under the provisions of this subsection.

(c) ADMINISTRATION.—(1) The Secretary is authorized to supervise the payment of the unpaid wages owing to any employee or employees under this section, and the agreement of any employee to accept such payment shall upon payment in full constitute a waiver by such employee of any right he may have under subsection (b) of this section to such unpaid wages and an additional amount as liquidated damages. Any hearing on a claim for unpaid wages shall be conducted by an attorney designated by the General Counsel of the Department of Agriculture from among the attorneys employed in the office of the General Counsel of that Department, and the decision of such attorney shall be issued promptly thereafter, to the extent possible within thirty days after the conclusion of the hearing. Within thirty days after the issuance of such decision, any person who is adversely affected by such decision may obtain a review of such decision by filing a petition with the judicial officer appointed by the Secretary pursuant to section 3105 of title 5, United States Code. Any person who is adversely affected by a decision of the judicial officer hereunder may obtain judicial review of such decision by filing a complaint, within thirty days after such decision, with the United States district court for the district in which such person resides. Upon the filing of the complaint, the court shall have jurisdiction to affirm, set aside, or modify the decision of the judicial officer, and the findings of the judicial officer as to the facts, if supported by substantial evidence, shall be final and conclusive.

(2) The Secretary may bring an action in any court of competent jurisdiction to recover the amount of the unpaid wages and an equal amount as liquidated damages. The right provided by subsection (b) to bring an action by or on behalf of any employee and of any employee to become a party plaintiff to any such action shall terminate upon the filing of a complaint by the Secretary in an action under this subsection in which a recovery is sought of unpaid wages under subsection (a) or liquidated damages provided by this subsection owing to such employee by a producer under the provisions of subsection (b), unless such action is dismissed without prejudice on motion of the Secretary. Any sums thus recovered by the Secretary on behalf of an employee pursuant to this subsection shall be held in a special deposit account and shall be paid, on order of the Secretary, to the employee or employees affected. Any such sums not paid to an employee because of inability to do so within a period of three years shall be covered into the Treasury of the United States as miscellaneous receipts.

(d) **BARRING OF ACTIONS.**—Actions for unpaid wages and liquidated damages under this section shall be forever barred unless commenced within two years after the cause of action accrued.

(e) **DISCRIMINATION PROHIBITED.**—All producers of sugar beets and sugarcane are hereby prohibited from discharging or in any other manner discriminating against any employee engaged in the production, cultivation and harvesting of sugar beets or sugarcane on the farm because such employee has made a charge, testified, assisted, or participated in any manner in an investigation, proceeding, or litigation under this section. Any person knowingly violating this subsection shall, upon conviction, be punished by a fine of not more than \$1,000 for each such violation.

(f) **EXCESSIVE CHARGES PROHIBITED.**—All producers of sugar beets and sugarcane are hereby prohibited from charging, or permitting to be charged, directly or indirectly, persons employed on the farm in the production, cultivation, or harvesting of sugar beets and sugarcane, any amount in excess of the reasonable cost for the furnishing to any such person of goods or services customarily furnished to employees engaged in the production, cultivation, or harvesting of sugar beets or sugarcane in the area. Any person knowingly violating this subsection shall, upon conviction, be punished by a fine of not more than \$1,000 for each such violation.

(g) **COMPENSATION INSURANCE.**—The Secretary shall issue such regulations as he deems necessary to assure that the producer shall furnish each person employed on the farm in the production, cultivation, and harvesting of sugar beets and sugarcane workmen's compensation insurance during the time so employed. Such insurance coverage shall be deemed adequate if it meets the requirements of the law in States in which such insurance is mandatory, or if it meets such standards as are established by law in States in which such insurance is not mandatory.

(h) **INVESTIGATIONS.**—Investigations of possible violations of provisions of this section shall be conducted by the Office of the Inspector General of the Department of Agriculture.

(i) **REGULATIONS.**—The Secretary shall issue such rules and regulations as may be necessary or appropriate to carry out the provisions of this title. Any person who knowingly violates any such rule or regulation is guilty of an offense and upon conviction thereof is punishable by a fine of not more than \$1,000.

## CHAPTER 5—MISCELLANEOUS PROVISIONS

### SEC. 151. DEFINITION.

As used in this chapter the term "sugar" has the same meaning as is given to such term in section 121(6).

### SEC. 152. JURISDICTION OF COURTS.

The several district courts of the United States are hereby vested with jurisdiction specially to enforce, and to prevent and restrain any persons from violating, the provisions of this title or of any order or regulation made or issued pursuant thereto. If and when the Attorney General shall so request, it shall be the duty of the several district attorneys of the United States, in their respective districts, to institute proceedings to enforce the remedies and to collect the penalties, fees, and forfeitures provided for in this title. The remedies provided for in this title shall be in addition to, and not exclusive of, any of the remedies or penalties existing at law or in equity.

**SEC. 153. FURNISHING OF INFORMATION TO SECRETARY.**

All persons engaged in the manufacturing, marketing or transportation or industrial use of sugar and other sweeteners, including those not derived from sugar beets or sugarcane, and having information which the Secretary deems necessary to enable him to administer the provisions of this title, shall, upon the request of the Secretary, furnish him with such information. Any person willfully failing or refusing to furnish such information or furnishing willfully any false information shall upon conviction be subject to a penalty of not more than \$2,000 for each such violation. All information required to be furnished to the Secretary under this section shall be kept confidential by all officers and employees of the Department of Agriculture.

**SEC. 154. INVESTMENTS BY OFFICIALS PROHIBITED.**

No person may, while acting in any official capacity in the administration of this title, invest or speculate in sugar, contracts relating thereto, or the stock of membership interest of any association or corporation engaged in the production or manufacturing of sugar. Any person violating this section shall upon conviction thereof be fined not more than \$10,000 or imprisoned not more than two years, or both.

**SEC. 155. SURVEYS AND INVESTIGATIONS.**

(a) **REQUIRED SURVEYS AND INVESTIGATIONS.**—Whenever the Secretary determines such action is necessary to effectuate the purposes of this title, the Secretary from time to time shall conduct such surveys and investigations as the Secretary deems necessary regarding the manufacturing, marketing, transportation, or industrial use of sugars. In carrying out the provisions of this subsection, information shall not be made public with respect to the separate operations of any person or company from whom such information has been derived.

(b) **OTHER INVESTIGATIONS, SURVEYS, AND RESEARCH.**—The Secretary may conduct surveys, investigations, and research relating to the conditions and factors affecting the methods of accomplishing most effectively the purposes of this title. Notwithstanding any provision of existing law, the Secretary may make available to the public such information as the Secretary deems necessary to carry out the provisions of this title.

**SEC. 156. 1978 CROP PRICE SUPPORT PROGRAM.**

Nothing contained in this Act shall affect the provisions of section 201(f) of the Agricultural Act of 1949 relating to the 1978 crop of sugar beets and sugarcane; except that payments may be made under section 122. Notwithstanding any other provision of law, the Secretary may waive a portion of the interest at such times and in such amounts as he determines necessary, in order to encourage the repayment of outstanding loans obtained from the Commodity Credit Corporation with respect to sugar produced from the 1977 and 1978 crops of sugar beets and sugarcane; except that such waiver authority shall be exercised in such a manner as not to affect unduly the market prices for sugar.

**SEC. 157. TERMINATION OF ACT.**

Except for chapter 2, this chapter shall cease to have force and effect as of the close of September 30, 1983.

## TITLE II—COUNTERVAILING DUTY WAIVER EXTENSION

**SEC. 201. AMENDMENT TO TARIFF ACT OF 1930.**

Subsection (d) of section 303 of the Tariff Act of 1930. (19 U.S.C.

1303) is amended by adding at the end thereof the following new paragraph:

"(4)(A) The 4-year period specified in paragraph (2) shall be extended until the date provided in subparagraph (B) if, upon the recommendation of the Special Representative for Trade Negotiations, the President determines, and notifies both Houses of Congress of his determination, on or before January 2, 1979, that—

"(i) negotiations on an agreement or agreements establishing internationally agreed rules and procedures governing the use of agricultural and industrial subsidies have been concluded,

"(ii) the Multilateral Trade Negotiations as a whole, and agreements providing for the reduction or elimination of barriers to, or other distortions of, international trade, in particular, have been substantially concluded,

"(iii) failure to extend such 4-year period would be likely to jeopardize seriously the successful conclusion of such agreements, including the agreement or agreements on subsidies, and

"(iv) the agreement or agreements on subsidies establish—

(I) new substantive rules on the use of internal and export subsidies which adequately protect United States agricultural and industrial trading interests insofar as they are adversely affected by such subsidies, and

(II) more effective provisions on notification, consultation, and dispute settlement providing for timely resolution of disputes involving the use of subsidies in international trade.

"(B) The date to which the 4-year period shall be extended under subparagraph (A) is the earliest of the following:

"(i) the date on which either House of Congress defeats on a vote of final passage, in accordance with the provisions of section 151 of the Trade Act of 1974, implementing legislation with respect to a multilateral agreement or agreements governing the use of subsidies,

"(ii) the date of enactment of such implementing legislation, or

"(iii) February 15, 1979.

"(C) If the 4-year period specified in paragraph (2) is extended under subparagraph (A), any determination made under this subsection by the Secretary of the Treasury which is in effect on January 2, 1979, shall remain in effect until the earliest of the following:

"(i) the date to which the 4-year period is extended under subparagraph (A), notwithstanding any provision to the contrary in any such determination,

"(ii) the date such determination is revoked under paragraph (3), or

"(iii) the date of adoption of a resolution of disapproval of such determination under subsection (e)(2)."

### **TITLE III—INTERNATIONAL TIN AGREEMENT**

#### **SEC. 301. CONTRIBUTIONS AND OTHER ACTIONS BY UNITED STATES.**

(a) The President, on behalf of the United States, is authorized to contribute, with or without monetary compensation, up to five thousand long tons of tin metal to the Tin Buffer Stock established under the Fifth International Tin Agreement.

(b) *Notwithstanding any other provision of law, the Administrator of General Services is authorized to transfer to the International Tin Council such amount of tin metal not exceeding five thousand long tons as may be directed by the President for the purpose set forth in subsection (a): Provided, That such amount has been determined to be excess pursuant to section 2 of the Strategic and Critical Materials Stock Piling Act.*

(c) *Any proceeds accruing to the United States as a result of liquidation of the Tin Buffer Stock or prior refund of the United States contribution to the Tin Buffer Stock shall be treated in the same manner as proceeds from the disposition of materials determined to be excess pursuant to section 2 of the Strategic and Critical Materials Stock Piling Act.*

(d) *Any amount of tin metal accruing to the United States as a result of liquidation of the Tin Buffer Stock or prior refund of the United States contribution to the Tin Buffer Stock shall be incorporated in the national stockpile and supplemental stockpile to the extent required to meet the objective for tin metal determined pursuant to section 2 of the Strategic and Critical Materials Stock Piling Act. Any tin metal not so incorporated shall be treated in the same manner as materials determined to be excess pursuant to section 2 of such Act.*

(e) *The President shall transmit to the Congress at the beginning of each fiscal year a written report detailing the activities of the Tin Buffer Stock, and such other pertinent information on its administration as will enable the Congress to evaluate the participation of the United States in the Fifth International Tin Agreement.*

(f) *The President shall transmit to the Congress, at least sixty days prior to any transfer or sale of tin metal by the United States as a participant in the Fifth International Tin Agreement, a report projecting the impact of such action on the economy of the United States and on the economic and political development of the major tin exporting nations.*

(g)(1) *The Administrator of General Services is hereby authorized to dispose of, by negotiation or otherwise, approximately thirty thousand long tons of tin now held in the national stockpile established pursuant to the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98-98h-1) and the supplemental stockpile established pursuant to section 104(b) of the Agricultural Trade Development and Assistance Act of 1954 (68 Stat. 456, as amended by 73 Stat. 607).*

(2) *The disposition authorized by subsection (a) may be made without regard to the requirements of section 3 of the Strategic and Critical Materials Stock Piling Act; except that the time and method of such disposition shall be fixed with due regard to the protection of the United States against avoidable loss and the protection of producers, processors, and consumers against avoidable disruption of their usual markets.*

(h)(1) *Any moneys received pursuant to the sales of tin from the national stockpile which are authorized by this section shall be covered into a special account which shall be established in the Treasury of the United States.*

(2) *Moneys covered into such account shall be available only for deposit, in accordance with legislation enacted after the enactment of this section, in a special fund in the Treasury established by such legislation as a depository for moneys derived from sales of excess materials*

*under the Strategic and Critical Materials Stock Piling Act. If such legislation has not been enacted within 3 years after the enactment of this section, any moneys in the special account established pursuant to this subsection and any moneys thereafter received pursuant to sales of tin under this section shall be covered into the Treasury as miscellaneous receipts.*

And the Senate agree to the same.

AL ULLMAN,  
 DAN ROSTENKOWSKI,  
 CHARLES VANIK,  
 SAM GIBBONS,  
 JAMES C. CORMAN,  
 THOMAS S. FOLEY,  
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 DANIEL K. AKAKA,

*Managers on the Part of the House.*

RUSSELL B. LONG,  
 SPARK M. MATSUNAGA,  
 LLOYD BENTSEN,

*Managers on the Part of the Senate.*

## JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 13750) to implement the International Sugar Agreement, 1977 between the United States and foreign countries, to protect the welfare of consumers of sugar and of those engaged in the domestic sugar industry, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report. The differences between the House bill and the Senate amendment and the substitute agreed to in conference are noted in the following outline, except for conforming, clarifying, and technical changes:

### (1) U.S. MARKET PRICE OBJECTIVE

The House bill establishes a U.S. domestic market price objective of 15 cents per pound for raw sugar for sugar supply year 1978 (October 1, 1978–September 30, 1979), to be adjusted in future years.

The Senate amendment establishes a U.S. domestic market price objective of 16 cents per pound for raw sugar for sugar supply year 1978, to be adjusted in future years.

The conference substitute adopts the House provision.

### (2) U.S. MARKET PRICE ADJUSTMENTS

The House bill adjusts, beginning October 1, 1979, and each sugar supply year thereafter through sugar supply year 1982, the market price objective for the previous year to reflect the percentage change in average costs of production for the two-year period preceding the year under consideration as compared to the average for the 2-year period preceding the year before the year under consideration, e.g., for sugar supply year 1979, the average of 1977 and 1978 sugar supply years would be compared with the average for the 1976 and 1977 sugar supply years. For purposes of this provision, the cost of production is limited to variable cost, machinery ownership cost, and general farm overhead cost, allocated to the crop on the basis of the proportion of the value of the total production derived from such crop.

The Senate amendment adjusts the initial 16-cent price objective beginning October 1, 1979 and at 6-month intervals thereafter through sugar supply year 1982, to maintain for any such period the same ratio between the market price objective and the simple average of the parity index and the wholesale price index for the 3 months preceding that period as existed between the price objective for sugar supply year 1978 and that average during the 12-month period preceding July 1978.

The conference substitute provides that beginning October 1, 1979, the market price objective will be 15.8 cents (a figure consistent with the President's anti-inflation guideline of 5.5 percent, announced in October 1978). For each succeeding sugar supply year through 1982, the market price objective will be increased by one percent above the market price objective of the preceding sugar supply year. The Conferees are of the view that the legislation is inadequate for the years after the 1978 sugar supply year. The conferees intend that in 1979 Congress will enact new legislation for sugar supply year 1979 and succeeding years to provide an adequate sugar program.

### (3) PRICE SUPPORT PROGRAM

A. The House bill continues in effect the current mandatory price support loan program for the 1978 crop of sugar beets and sugarcane. Payments are prohibited for that year under current law. The House bill contains no provision as to the price support program for future years. Thus, present law would remain in effect for future years. Section 301 of the Agricultural Act of 1949 gives the Secretary of Agriculture discretion to support prices of sugarcane or sugar beets by way of loans, purchases, processor payments, or other means.

The Senate amendment prohibits payments to or on behalf of producers and processors of sugarcane or sugar beets for as long as the domestic program established by the legislation remains in effect.

The conference substitute provides direct payments of up to 0.75 cents per pound, raw value, for the 1978 sugar supply in such amount as necessary to assure a total return of 15.75 cents per pound, raw value. The conference substitute prohibits payments for subsequent sugar supply years through the 1982 sugar supply year.

B. The House bill provides that to encourage repayment of outstanding loans on the 1977 and 1978 crops of sugar beets and sugarcane the Secretary may waive a portion of principal or interest due on such loans. The waiver could not, however, be exercised in such a manner as to affect unduly sugar market prices.

The Senate amendment contains no comparable provision.

The conference substitute adopts the House provision with an amendment prohibiting a waiver of any portion of the principal.

### (4) FEES AND SPECIAL DUTIES

The House bill requires the Secretary of Agriculture to recommend special import duties which the President must impose under TSUS headnote authority in an amount necessary to achieve the market price objective. Adjustments may be recommended and made on a quarterly basis. The fees may be suspended if the President finds that a national emergency exists with respect to sugar.

The Senate amendment is the same as the House bill except: (a) the Secretary would impose a fee on imports to achieve the price objective; (b) the fee to achieve the price objective would be determined on a semiannual basis; (c) the fee could not exceed 20 cents per pound; (d) imposition of the fee is required if prices of imports are less than the market price objective for 20 consecutive market days; relaxation of the fee is required if prices of imports exceed by 20 percent or more the market price objective for 20 market days.

The conference substitute adopts the House provision.



## (5) BACK-UP QUOTAS

The House bill provides for quotas only as a backup to special import duties to defend the U.S. price objective. Quotas could be recommended by the Secretary and proclaimed by the President under TSUS authority. Quotas would be adjusted quarterly. Quotas could be administered by auction of import licenses. If country-by-country quotas are allocated, the amount would be subject to past supply history and human rights consideration. Also, no quota could be allocated to any nation which imported more than 10,000 short tons of sugar in the previous year.

The Senate amendment is the same as the House bill except: (1) quotas would be imposed by the Secretary on a semiannual basis; (2) adjustments would be made when necessary—not on a quarterly basis; (3) quotas would be only on a global basis; (4) quotas would be imposed if prices of imports are less than the market price objective for 20 consecutive days; mandatory relaxation is provided for if prices of imports exceed by 20 percent or more the market price objective for 20 market days.

The conference substitute adopts the Senate provision, except that it provides that quotas may be imposed at any time during a sugar supply year when necessary to achieve the market price objective. Any import quotas must be proclaimed on a global basis and allocated on a first-come, first-served basis.

## (6) REFINED SUGAR IMPORTS

The House bill contains no special restrictions on imports of refined sugar. Refined sugar imports would be subject to the same statutory requirements as raw sugar imports.

The Senate amendment prohibits entry of refined sugar unless (1) the Secretary determines that a lack of raw sugar refining capacity in the United States has created an imminent shortage of refined sugar for consumers; or (2) the President determines a national economic or other emergency regarding sugar or liquid sugar exists.

The conference substitute adopts the House provision.

## (7) SUGAR CONTAINING PRODUCTS

The House bill treats sugar-containing products the same as sugar, except special import duties may be imposed on sugar-containing products only after an investigation by the U.S. International Trade Commission on the extent to which the entry of sugar-containing products are affecting achievement of the price objective. There is no provision specifically restricting imports of confectionery.

The Senate amendment provides for separate import limitations on sugar-containing products if the U.S. Department of Agriculture determines they may interfere with the attainment of the objectives of this act. Import limits must be imposed on sweetened chocolate, candy, and confectionery based on the larger of the quantities of average imports during the previous 3 years or 5 percent of the most recent U.S. production. (These imports may be allocated by country.)

The conference substitute adopts the House provision.

## (8) PROHIBITED ACTS

The House bill prohibits (a) entry of more than 100 pounds per year into the Virgin Islands for consumption during any calendar year of sugar produced outside the United States; and (b) the export of sugar entered under quota, except under limited circumstances. The House bill provides for a civil penalty for a knowing violation of the above prohibitions, the penalty equal to three times the market value of the sugar involved in the violation.

The Senate amendment contains the same provision except it does not provide for civil penalties.

The conference substitute adopts the House provision.

## (9) EXEMPTIONS AND EXCEPTIONS

The House bill provides that special duties and quotas do not apply to any sugar or sugar-containing product—(a) of aggregate value not exceeding \$25 in any one shipment, if entered as samples, for personal use, or for research, (b) entered for the production of alcohol (including polyhydric alcohol) not for human food consumption, or (c) entered for the production of yeast or citric acid.

The Senate amendment provides that import fees and quotas do not apply to first 10 short tons from any country in any year of refined sugar, and of liquid sugar used for religious, educational, or experimental purposes; liquid sugar in sealed containers not in excess of 4 liters each; sugar or liquid sugar for production of alcohol (not for human food consumption) and livestock feed; and sugar for production of polyhydric alcohols (not for a substitute for sugar as a sweetener).

The Conference substitute adopts the House provision with an amendment clarifying the exception for polyhydric alcohols to insure that such exception shall not apply to sugar used for production of polyhydric alcohols used as a substitute for sugar as a sweetener.

## (10) REGULATIONS

The House bill provides the Secretary authority for making necessary regulations to implement his authority under title II.

The Senate amendment provides the same authority but provides for a penalty of \$1,000 for violation of regulations.

The conference substitute adopts the House provision.

## (11) CIVIL PENALTY

The House bill relies on existing law for punishing violations except that a civil penalty is imposed in the limited cases indicated in item 8 above.

The Senate amendment provides for a penalty equal to three times the value of the quantity of sugar involved for a knowing violation of a quota or a knowing failure to pay an import fee.

The conference substitute adopts the House provision.

## (12) COUNTERVAILING DUTY WAIVER EXTENSION

The Senate amendment extends the authority of the Secretary of the Treasury to waive countervailing duties under the following conditions:

(1) The waiver authority would be extended if, before January 3, 1979, the President determines, upon the recommendation of the Special Representative for Trade Negotiations, and notifies Congress of his determination, that:

(a) Negotiations have been concluded establishing new international rules and procedures governing the use of internal and export subsidies which (i) adequately protect U.S. agricultural and industrial trading interests, and (ii) provide for effective enforcement of the substantive rules;

(b) The multilateral trade negotiations (MTN) as a whole have been substantially concluded; and

(c) Failure to extend the waiver will seriously jeopardize the conclusion of the MTN.

(2) The waiver authority would be extended to the earliest of the following dates:

(a) The date on which either House of Congress defeats on a vote of final passage the domestic implementing legislation on an agreement or agreements on subsidies;

(b) The date of enactment of such implementing bill; or

(c) February 15, 1979.

(3) Existing waivers, which would continue in effect, and any future waivers made during the period of the waiver authority extension are subject to the existing conditions in the law for granting waivers. All waivers are subject to the existing congressional override provisions under which either House of Congress by majority vote may disapprove a waiver. If an override resolution is adopted, imports covered by that resolution become subject to countervailing duties immediately.

The House bill contains no comparable provision.

The conference substitute adopts the Senate provision. The conferees expect to review the need for a further extension of the countervailing duty waiver authority beyond the February 15, 1979 expiration date provided in this legislation and, if appropriate, seek its extension.

## (13) TIN BUFFER STOCK AND TIN STRATEGIC STOCKPILE DISPOSAL

The Senate amendment authorizes the President to contribute up to 5,000 long tons of tin metal from the Strategic and Critical Materials Stockpile to the Tin Buffer Stock established under the Fifth International Tin Agreement. The Administrator of General Services is authorized to dispose of an additional 30,000 long tons of tin from the strategic stockpile. Time and method of such disposition shall be fixed to avoid loss for the United States or disruption of world markets.

Any revenues received from the disposition of tin under this section would be put into a special account in the Treasury until new stockpile

management legislation is passed by Congress. If no such legislation has been enacted within three years, the monies would revert to the Treasury as miscellaneous receipts.

The House bill contains no comparable provision.

The conference substitute adopts the Senate provision with an amendment deleting a provision that the U.S. contribution to the tin buffer stock shall not prevent unilateral disposals of tin by the United States from the national stockpile.

In administering the national defense and strategic stockpile, the GSA is required by law to avoid disruption of the raw materials markets of domestic processors and producers. The committee report on the Strategic and Critical Materials Transaction Act emphasized the necessity for the GSA to avoid market dislocation in its materials sales program. Therefore, when the GSA sells the 35,000 tons of tin, it must do so in a manner that will not disrupt the domestic tin market.

AL ULLMAN,  
DAN ROSTENKOWSKI,  
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