

# Calendar No. 156

72D CONGRESS }  
1st Session }

SENATE

{ REPORT  
No. 146 }

## AMENDING THE TARIFF ACT OF 1930

JANUARY 26 (calendar day, JANUARY 28), 1932.—Ordered to be printed

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

### REPORT

[To accompany H. R. 6662]

The Committee on Finance to whom was referred the bill (H. R. 6662) to amend the tariff act of 1930, and for other purposes, having considered the same, and having considered a substitute for the bill, recommend that the bill do not pass.

The substitute considered by the committee is as follows:

*That section 336 of the Tariff Act of 1930 is amended to read as follows:*

*"SEC. 336. RECOMMENDATIONS FOR ADJUSTMENT OF DUTIES.—(a) Upon the request of the President of the United States, or upon its own motion, or upon application of any interested party showing good and sufficient reason therefor, the commission shall investigate and ascertain the differences in the cost of production of any domestic article and of any like or similar foreign article whether or not actually imported into the United States. If the commission finds it shown by the investigation that the duty imposed by law upon the foreign article does not equalize the differences in the cost of production of the domestic article and of the foreign article when produced in the principal competing country or countries, then the commission shall report to the President and to the Congress such increases or decreases in the duty upon the foreign article as the commission finds to be necessary in order to equalize such differences in the cost of production. Any such increased or decreased duty may include the transfer of the article from the dutiable list to the free list or from the free list to the dutiable list, a change in the form of duty, or a change in classification. The report shall be accompanied by a statement of the commission setting forth the findings of the commission with respect to the differences in cost of production, the elements of cost included in the cost of production of the respective articles as ascertained by the commission and any other matter deemed pertinent by the commission.*

*"The President, upon receipt of any such report of the commission, shall promptly transmit the report to the Congress with his recommendations, if any, with respect to the increase or decrease in duty proposed by the commission.*

*"Any bill having for its object the carrying out, in whole or in part, of the recommendations made by the commission in any such report shall not include any item not included in such report; and in the consideration of such bill, either in the House of Representatives or in the Senate, no amendment thereto shall be considered which is not germane to the items included in such report.*

*"(b) No report shall be made by the commission under this section unless the determination of the commission with respect thereto is reached after an investigation by the commission during the course of which the commission shall have held hearings*

and given reasonable public notice of such hearings, and reasonable opportunity for the parties interested to be present, produce evidence, and to be heard. The commission is authorized to adopt such reasonable rules of procedure as may be necessary to execute its functions under this section.

"(c) In ascertaining the differences in costs of production under this section, the commission shall take into consideration, in so far as it finds it pertinent and practicable—

"(1) The differences in conditions of production, including wages, costs of materials, and other items in cost of production of like or similar articles in the United States and in competing foreign countries;

"(2) Costs of transportation;

"(3) Other costs including the cost of containers and coverings of whatever nature and other charges and expenses incident to placing the article in condition, packed ready for delivery, storage costs in the principal market or markets of the United States and of the principal competing country or countries, and costs of reconditioning or repacking wherever incurred;

"(4) Differences between the domestic and foreign article in packing and containers, and in conditions in which received in the principal markets of the United States;

"(5) Invoice prices or values and/or wholesale selling prices in the principal market or markets in the principal competing country or countries, in so far as such prices or values are indicative of costs of production, provided such costs can not be satisfactorily obtained."

"(6) Advantages granted to a foreign producer by a foreign government or by a person, partnership, corporation, or association in a foreign country;

"(7) Any other advantages or disadvantages in competition which increase or decrease in a definitely determinable amount the total cost at which domestic or foreign articles may be delivered in the principal market or markets of the United States; and

"(8) DEFINITION OF COST OF TRANSPORTATION.—Costs of transportation for the purposes of this section shall be held to include, in so far as applicable, freight charges and all other charges incident to transportation, including transit insurance, costs of loading and unloading, and port charges and landing charges. These costs shall be computed from the principal producing areas (in the United States and in the principal competing country or countries) that can reasonably be expected to ship to the principal competing region or regions of the United States and shall be computed to such principal market or markets of the United States as may most nearly insure equal competitive opportunity to domestic articles and like or similar foreign articles in such region or regions.

"(d) In determining costs of production in the United States and in the principal competing country or countries for the purposes of this section, the commission shall take into consideration the costs of production only of such establishments as are economically located and efficiently operated, and shall obtain such costs for a normal and representative period.

"(e) In connection with its investigations as to differences in costs of production the commission shall inquire into the following matters and shall include in its reports pursuant to this section a summary of the facts with respect to such matters:

"(1) The efficiency and economic operation and location of the domestic industry under consideration;

"(2) The conditions of such domestic industry with respect to profits and losses, the extent to which productive capacity is utilized, and the extent of unemployment;

"(3) The extent to which adverse conditions of production may be due to foreign competition or to other specified factors;

"(4) The extent to which adverse conditions of production may be remedied by adjustments in the tariff law, taking into consideration the substitution of articles used for the same purposes as the articles under consideration, and taking into consideration any other pertinent competitive factors; and

"(5) The effects of any proposed increase or decrease in rates of duties on other domestic industries and on the export trade of the United States."

Sec. 2. All uncompleted investigations instituted prior to the approval of this act under section 336 of the tariff act of 1930 prior to its amendment by this act, including investigations in which the President has not proclaimed changes in classification or in basis of value or increases or decreases in rates of duty, shall be dismissed without prejudice; but the information and evidence secured by the commission in any such investigation may be given due consideration in any investigation instituted under the provisions of section 336 of the tariff act of 1930 as amended by this act.

**SEC. 3. CONSUMERS' COUNSEL.**—(a) There shall be an office in the legislative branch of the Government to be known as the office of the Consumers' Counsel of the United States Tariff Commission. The office shall be in charge of a counsel to be appointed by the President, by and with the advice and consent of the Senate. No person shall be eligible for appointment as counsel if such person has at any time acted in tariff matters before Congress or the United States Tariff Commission, either on his own behalf or as attorney, at law or in fact, or as legislative agent. The counsel shall be appointed for a term of four years and shall receive a salary of \$10,000 a year. The counsel shall not actively engage in any other business, vocation, or employment than that of serving as counsel.

(b) It shall be the duty of the counsel to appear in the interest of and represent the consuming public in any proceeding before the commission. In any proceeding before the commission in which the counsel has entered an appearance, the counsel shall have the right to offer any relevant testimony and argument, oral or written, and to examine and cross-examine witnesses and parties to the proceeding, and shall have the right to have subpoena or other process of the commission issue in his behalf. Whenever the counsel finds that it is in the interest of the consuming public to have the commission furnish any information at its command or conduct any investigation as to differences in costs of production or other matters within its authority, then the counsel shall so certify to the commission, specifying in the certificate the information or investigation desired. Thereupon the commission shall promptly furnish to the counsel the information or promptly conduct the investigation and place the results thereof at the disposal of the counsel.

(c) Within the limitations of such appropriations as the Congress may from time to time provide, the counsel is authorized (subject to the civil service laws and the classification act of 1923, as amended) to appoint and fix the salaries of assistants and clerks, and is authorized to make such expenditure as may be necessary for the performance of the duties vested in him.

**SEC. 4. INTERNATIONAL ECONOMIC CONFERENCE.**—That the President is respectfully requested to initiate a movement for an international economic conference with a view to (a) lowering excessive tariff duties and eliminating discriminatory and unfair trade practices, and other economic barriers affecting international trade, (b) preventing retaliatory tariff measures and economic wars, and (c) promoting fair, equal, and friendly trade and commercial relations between nations; but with the understanding that any agreement, treaty, or arrangement which changes any tariff then in existence, or in any way affects the revenue of the United States, must first be approved by the Congress of the United States.

The President be, and he is hereby, authorized and requested, at as early a date as may be convenient to proceed to negotiate with foreign governments reciprocal trade agreements under a policy of mutual tariff concessions. Such agreements shall not become operative until Congress by law shall have approved them.

