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APPROVED  
JAN 3-1975  
Ceremony + Statement issued 1/3/75  
East Room (approx. 2 pm)

THE WHITE HOUSE

WASHINGTON

January 2, 1975

ACTION

Last Day: January 4

MEMORANDUM FOR THE PRESIDENT  
FROM: KEN COLE  
SUBJECT: Enrolled Bill H.R. 10710  
Trade Act of 1974

To ARL:WES  
1/6/75

Attached for your consideration is H.R. 10710, sponsored by Representatives Ullman and Schneebeli.

The general purposes of the legislation are to:

- Provide the President with broad authority for the next five years to negotiate the reduction or elimination of tariff and non-tariff barriers to international trade;
- authorize relief for U.S. industries, workers, firms and communities injured by import competition;
- authorize the U.S. to retaliate against certain unfair trade practices of other countries;
- provide authority for granting most favored nation status to the Soviet Union and other non-market economy countries under certain conditions; and
- establish tariff preferences for certain less-developed countries.

OMB recommends approval and provides additional background information in its memorandum to you at Tab A.

Max Friedersdorf (Loen) and Phil Areeda both recommend approval.

RECOMMENDATION

That you sign H.R. 10710 (Tab B).





EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

DEC 24 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 10710 - Trade Act of 1974

In view of the unavailability of a final version of the trade bill until today and in view of the scheduling of a signing ceremony for Friday, we have not had an opportunity to prepare the customary enrolled bill memorandum on this legislation.

However, for your information, we are forwarding the attached proposed memorandum limited to a description of the basic features of H.R. 10710.

The agency recommendations for your action set out in the proposed memorandum were obtained informally by telephone. OMB and other agency views concerning specific provisions of the bill which are felt to deserve comment by you in a signing statement are being coordinated and furnished to your staff by the Office of the Special Trade Representative.

*Paul H. Davis*  
for Director

Enclosures



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

DEC 24 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 10710 - Trade Act of 1974  
Sponsor - Rep. Ullman (D) Oregon and Rep. Schneebeli  
(R) Pennsylvania

Last Day for Action

Purposes

To provide the President with broad authority for the next 5 years to negotiate the reduction or elimination of tariff and non-tariff barriers to international trade; to authorize relief for U.S. industries, workers, firms and communities injured by import competition; to authorize the U.S. to retaliate against certain unfair trade practices of other countries; to provide authority for granting most favored nation status to the Soviet Union and other non-market economy countries under certain conditions; to establish tariff preferences for certain less-developed countries; and for other purposes.

Agency Recommendations

Office of Management and Budget	Approval
Office of the Special Representative for Trade Negotiations	Approval
Department of State	Approval
Council on International Economic Policy	Approval
National Security Council	Approval
Department of the Treasury	Approval
Department of Commerce	Approval
Department of Agriculture	Approval
Department of Labor	Approval
Export-Import Bank of the United States	Approval
Tariff Commission	No Recommendation
Small Business Administration	
Council of Economic Advisers	





## Discussion

The enrolled bill, based on an Administration proposal submitted to Congress in 1973, would give the President comprehensive authority to participate in multilateral and other negotiations to achieve reductions in trade barriers. With U.S. participation authorized, a more serious phase of the Multilateral Trade Negotiations can begin in Geneva in early 1975.

The bill also provides for the granting of most favored nation status and trade credits to the Soviet Union, reflecting congressional acceptance of Executive Branch assurances that the Soviet Union will ease restrictions on Jewish emigration from the U.S.S.R.

In brief, the bill contains the following provisions:

Title I, Negotiating Authorities. Title I of the bill includes the 5-year authority for the President to enter into multilateral negotiations to reduce or eliminate tariff and non-tariff barriers to trade. It would allow tariffs of 5 percent or lower to be eliminated entirely while permitting tariffs above 5 percent to be reduced by up to 60 percent. Under H.R. 10710 Congress must approve by law any changes negotiated in non-tariff barriers.

Title I, Other Authorities. Title I also provides several trade management authorities such as authority to impose a surcharge for balance of payments purposes.

In addition, this Title makes the Special Representative for Trade Negotiations an Executive Level I (currently this is an Executive Level III position) and it replaces the existing Office of the Special Representative for Trade Negotiations created by Executive Order with the same office established by statute.

The bill also places the Tariff Commission substantially under congressional control by prohibiting executive review of its budget, it changes the Commission's name to the International Trade Commission and provides for a rotating chairmanship on an 18-month basis.

Title II, Import Relief. Title II of H.R. 10710 would significantly ease access to relief and adjustment assistance for American industries, firms, workers and communities suffering injury or threat of injury from growing import competition. Industries adversely affected by import competition would receive import relief in the form of increased U.S. duties or other import restrictions. Workers receiving liberalized adjustment assistance under the bill could get 70 percent of their previous pay for 52 weeks up to a maximum of \$170 per week. Worker adjustment assistance would cost about \$430 million annually for every 100,000 workers who are eligible. A greater number could qualify if the program is liberally administered by the Department of Labor. For firms injured by import competition, H.R. 10710 would authorize Government relief in the form of technical assistance and financial assistance including direct loans and guarantees of loans. A community determined to be a "trade impacted area" would be eligible to receive technical assistance, public works grants, direct loans and guarantees of loans.

Title III, Relief from Unfair Trade Practices. Increased authority for the U.S. to respond to unfair foreign export subsidies or foreign import restrictions on U.S. products is included in Title III. The bill would authorize the President to impose duties or other import restrictions, either selectively (i.e., against the products of a particular country) or on a non-discriminatory basis. Restrictions imposed under this authority would be subject to congressional override by concurrent resolution in certain cases. The bill would also amend U.S. laws to tighten provisions covering antidumping and countervailing duties and unfair practices involving patents.

Title IV, Trade with Communist Countries. Title IV contains the highly controversial provisions regarding trade relations with the Soviet Union and other communist countries not currently receiving most-favored nation (non-discriminatory) tariff treatment. The bill would prohibit the President from implementing any commercial agreement to grant most favored nation tariff treatment or trade credits to any

non-market economy country that imposes more than a nominal restriction on emigration unless the President reports to the Congress that such a country is not unduly denying its citizens the right to emigrate. The President could, however, waive the restrictions against implementing such agreements for a period of 18 months beginning with the date of enactment of the bill if he reports to Congress that he has received assurances from such a country that its emigration practices would be eased.

In general, subsequent twelve-month extensions of a waiver could be authorized by the President subject to an ultimate authority in either House to terminate the waiver by resolution.

Title V, Tariff Preferences. Title V establishes a generalized system of tariff preferences for developing countries. The authority under this title would allow the U.S. to honor a long-standing pledge to establish such a plan. Tariff preferences would not be authorized for certain import-sensitive products such as textiles, footwear, electronics, watches and glass. Nor would preferential treatment be accorded to communist countries (except Romania and Yugoslavia), to countries that restrict U.S. access to supplies through cartel-like arrangements (such as most OPEC nations), or to countries that do not cooperate in stopping drug traffic to the U.S. or refuse to compensate for confiscations.

Access to Supplies. The theme of improving U.S. access to supplies of raw materials runs throughout the bill. In Title I it is stated as an objective of the multilateral trade negotiations. In Title III, authority is granted for taking retaliatory steps against countries withholding raw materials, and similarly, in Title V, withholding supplies of vital commodity resources is cited as grounds for denying preferential tariff rates to a developing country.

## THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 839

Date: December 26, 1974

Time: 9:00 a.m.

FOR ACTION:

*Ross for Duval*  
~~Geoff Shepard~~ *oh*  
Max Friedersdorf *oh*  
Phil Areeda *oh*

cc (for information): Warren Hendriks  
Jerry Johas

FROM THE STAFF SECRETARY

DUE: Date: Thursday, December 26

Time: 1:00 p.m.

SUBJECT:

Enrolled Bill H.R. 10710 -Trade Act of 1974

## ACTION REQUESTED:

☐ For Necessary Action☒ For Your Recommendations☐ Prepare Agenda and Brief☐ Draft Reply☒ For Your Comments☐ Draft Remarks

## REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.  
For the President



THE WHITE HOUSE  
WASHINGTON

December 26, 1974

MEMORANDUM FOR: WARREN HENDRIKS  
FROM: *Seen Loin for*  
MAX L. FRIEDERSDORF  
SUBJECT: Action Memorandum - Log No. 839  
Enrolled Bill H.R. 10710 - Trade Act of 1974

The Office of Legislative Affairs concurs in the attached proposal and has no additional recommendations.

Attachment

## THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 839

Date: December 26, 1974

Time: 9:00 a.m.

FOR ACTION: Geoff Shepard  
Max Friedersdorf  
Phil Areeda

cc (for information): Warren Hendriks  
Jerry Jones

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## REMARKS:

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*Approval*  
*P. Areeda*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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Warren K. Hendriks  
For the President

## THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 839

Date: December 26, 1974

Time: 9:00 a.m.

FOR ACTION:

*Mike Duval*  
~~Geoff Shepard~~ *ok Ross*  
Max Friedersdorf  
Phil Areeda

cc (for information): Warren Hendriks  
Jerry Jones

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Warren K. Hendriks  
For the President



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

DEC 24 1974

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The agency recommendations for your action set out in the proposed memorandum were obtained informally by telephone. OMB and other agency views concerning specific provisions of the bill which are felt to deserve comment by you in a signing statement are being coordinated and furnished to your staff by the Office of the Special Trade Representative.

*Paul W. Deane*  
for Director

Enclosures





JANUARY 3, 1975

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

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THE WHITE HOUSE  
REMARKS OF THE PRESIDENT  
AT THE  
SIGNING CEREMONY FOR THE  
TRADE ACT OF 1974

THE EAST ROOM

2:04 P.M. EST

Mr. Vice President, distinguished members of the Cabinet, Members of the Congress, including the leadership, ladies and gentlemen:

The Trade Act of 1974, which I am signing into law today, will determine for many, many years American trade relations for the rest of the world. This is the most significant trade legislation passed by the Congress since the beginning of trade agreement programs some four decades ago.

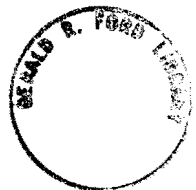
It demonstrates our deep commitment to an open world economic order and interdependence as essential conditions of mutual economic health. The act will enable Americans to work with others, to achieve expansion of the international flow of goods and services, thereby increasing economic well-being throughout the world.

It will thus help reduce international tensions caused by trade disputes. It will mean more and better jobs for American workers, with additional purchasing power for the American consumer.

There are four very basic elements to this Trade Act -- authority to negotiate further reductions and elimination of trade barriers, a mandate to work with other nations to improve the world trading system and thereby avoid impediments to vital services as well as markets, reform of U.S. laws involving injurious and unfair competition, and improvement of our economic relations with nonmarket economies and developing countries.

Our broad negotiating objectives under this act are to obtain more open and equitable market access for traded goods and services, to assure fair access to essential supplies at reasonable prices, to provide our citizens with an increased opportunity to purchase goods produced abroad, and to seek modernization of the international trading system.

MORE



Under the act, the Administration will provide greater relief for American industry suffering from increased imports and more effective adjustment assistance for workers, firms and communities.

The legislation allows us to act quickly and to effectively counter foreign import actions which unfairly place American labor and industry at a disadvantage in the world market. It authorizes the Administration, under certain conditions, to extend nondiscriminatory tariff treatment to countries whose imports do not currently receive such treatment in the United States.

This is an important part of our commercial and overall relations with Communist countries. Many of the act's provisions, in this area are very complex and may well prove difficult to implement. I will, of course, abide by the terms of the act, but I must express my reservations about the wisdom of legislative language that can only be seen as objectionable and discriminatory by other sovereign nations.

The United States now joins all other major industrial countries, through this legislation, in a system of tariff preferences for imports from developing countries.

Although I regret the rigidity and the unfairness in these provisions, especially with respect to certain oil-producing countries, I am now undertaking the first steps to implement this preference system. By this summer, most developing countries are clearly eligible, and I hope that still broader participation can be possible by that time.

As I have indicated, this act contains certain provisions to which we have some objection and others which vary somewhat from the language we might have preferred.

In the spirit of cooperation, spirit of cooperation with the Congress, I will do my best to work out any necessary accommodations. The world economy will continue under severe strain in the months ahead.

This act enables the United States to constructively and to positively meet challenges in international trade. It affords us a basis for cooperation with all trading nations. Alone, the problems of each can only multiply. Together, no difficulties are insurmountable.

It must succeed! I believe we will.

MORE

Page 3

This is one of the most important measures to come out of the 93rd Congress. I wish to thank very, very generously and from the bottom of my heart the Members of Congress and members of this Administration, as well as the public, who contributed so much to this legislation's enactment.

At this point I will sign the bill.

END (AT 2:10 P.M. EST)



Public Law 93-618  
93rd Congress, H. R. 10710  
January 3, 1975



## An Act

To promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate fair and free competition between the United States and foreign nations, to foster the economic growth of, and full employment in, the United States, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act, with the following table of contents, may be cited as the "Trade Act of 1974".

Trade Act of  
1974.  
19 USC 2101.

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88 STAT. 1978  
88 STAT. 1979

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88 STAT. 1979

88 STAT. 1980

88 STAT. 1980

88 STAT. 1981

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19 USC 2102.

SEC. 2. STATEMENT OF PURPOSES.

The purposes of this Act are, through trade agreements affording mutual benefits—

- (1) to foster the economic growth of and full employment in the United States and to strengthen economic relations between the United States and foreign countries through open and nondiscriminatory world trade;
- (2) to harmonize, reduce, and eliminate barriers to trade on a basis which assures substantially equivalent competitive opportunities for the commerce of the United States;
- (3) to establish fairness and equity in international trading relations, including reform of the General Agreement on Tariffs and Trade;
- (4) to provide adequate procedures to safeguard American industry and labor against unfair or injurious import competition, and to assist industries, firm, workers, and communities to adjust to changes in international trade flows;
- (5) to open up market opportunities for United States commerce in nonmarket economies; and
- (6) to provide fair and reasonable access to products of less developed countries in the United States market.

88 STAT. 1981  
88 STAT. 1982

**TITLE I—NEGOTIATING AND OTHER  
AUTHORITY**

**CHAPTER 1—RATES OF DUTY AND OTHER  
TRADE BARRIERS**

19 USC 2111.

SEC. 101. BASIC AUTHORITY FOR TRADE AGREEMENTS.

(a) Whenever the President determines that any existing duties or other import restrictions of any foreign country or the United States are unduly burdening and restricting the foreign trade of the United States and that the purposes of this Act will be promoted thereby, the President—

- (1) during the 5-year period beginning on the date of the enactment of this Act, may enter into trade agreements with foreign countries or instrumentalities thereof; and
  - (2) may proclaim such modification or continuance of any existing duty, such continuance of existing duty-free or excise treatment, or such additional duties, as he determines to be required or appropriate to carry out any such trade agreement.
- (b)(1) Except as provided in paragraph (2), no proclamation pursuant to subsection (a)(2) shall be made decreasing a rate of duty to a rate below 40 percent of the rate existing on January 1, 1975.
- (2) Paragraph (1) shall not apply in the case of any article for which the rate of duty existing on January 1, 1975, is not more than 5 percent ad valorem.

(c) No proclamation shall be made pursuant to subsection (a)(2) increasing any rate of duty to, or imposing a rate above, the higher of the following:

- (1) the rate which is 50 percent above the rate set forth in rate column numbered 2 of the Tariff Schedules of the United States as in effect on January 1, 1975, or
- (2) the rate which is 20 percent ad valorem above the rate existing on January 1, 1975.

19 USC 1202.

SEC. 102. NONTARIFF BARRIERS TO AND OTHER DISTORTIONS OF TRADE.

19 USC 2112.

(a) The Congress finds that barriers to (and other distortions of) international trade are reducing the growth of foreign markets for the products of United States agriculture, industry, mining, and commerce, diminishing the intended mutual benefits of reciprocal trade concessions, adversely affecting the United States economy, preventing fair and equitable access to supplies, and preventing the development of open and nondiscriminatory trade among nations. The President is urged to take all appropriate and feasible steps within his power (including the full exercise of the rights of the United States under international agreements) to harmonize, reduce, or eliminate such barriers to (and other distortions of) international trade. The President is further urged to utilize the authority granted by subsection (b) to negotiate trade agreements with other countries and instrumentalities providing on a basis of mutuality for the harmonization, reduction, or elimination of such barriers to (and other distortions of) international trade. Nothing in this subsection shall be construed as prior approval of any legislation which may be necessary to implement an agreement concerning barriers to (or other distortions of) international trade.

(b) Whenever the President determines that any barriers to (or other distortions of) international trade of any foreign country or the United States unduly burden and restrict the foreign trade of the United States or adversely affect the United States economy, or that the imposition of such barriers is likely to result in such a burden, restriction, or effect, and that the purposes of this Act will be promoted thereby, the President, during the 5-year period beginning on the date of the enactment of this Act, may enter into trade agreements with foreign countries or instrumentalities providing for the harmonization, reduction, or elimination of such barriers (or other distortions) or providing for the prohibition of or limitations on the imposition of such barriers (or other distortions).

88 STAT. 1982  
88 STAT. 1983

Trade agree-  
ments with  
foreign  
countries.

(c) Before the President enters into any trade agreement under this section providing for the harmonization, reduction, or elimination of a barrier to (or other distortion of) international trade, he shall consult with the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and with each committee of the House and the Senate and each joint committee of the Congress which has jurisdiction over legislation involving subject matters which would be affected by such trade agreement. Such consultation shall include all matters relating to the implementation of such trade agreement as provided in subsections (d) and (e). If it is proposed to implement such trade agreement, together with one or more other trade agreements entered into under this section, in a single implementing bill, such consultation shall include the desirability and feasibility of such proposed implementation.

Consultation  
with congress-  
sional commit-  
tees.

Agreement,  
bill draft,  
and state-  
ment, sub-  
mittal to  
Congress.

(d) Whenever the President enters into a trade agreement under this section providing for the harmonization, reduction, or elimination of a barrier to (or other distortion of) international trade, he shall submit such agreement, together with a draft of an implementing bill (described in section 151(b)) and a statement of any administrative action proposed to implement such agreement, to the Congress as provided in subsection (e), and such agreement shall enter into force with respect to the United States only if the provisions of subsection (e) are complied with and the implementing bill submitted by the President is enacted into law.

Conditions.

(e) Each trade agreement submitted to the Congress under this subsection shall enter into force with respect to the United States if (and only if) —

Notice to  
Congress;  
publication  
in Federal  
Register.

(1) the President, not less than 90 days before the day on which he enters into such trade agreement, notifies the House of Representatives and the Senate of his intention to enter into such an agreement, and promptly thereafter publishes notice of such intention in the Federal Register;

Copy, trans-  
mittal to  
Congress.

(2) after entering into the agreement, the President transmits a document to the House of Representatives and to the Senate containing a copy of such agreement together with —

(A) a draft of an implementing bill and a statement of any administrative action proposed to implement such agreement, and an explanation as to how the implementing bill and proposed administrative action change or affect existing law, and

(B) a statement of his reasons as to how the agreement serves the interests of United States commerce and as to why the implementing bill and proposed administrative action is required or appropriate to carry out the agreement; and

(3) the implementing bill is enacted into law.

Recommendations to  
Congress.

(f) To insure that a foreign country or instrumentality which receives benefits under a trade agreement entered into under this section is subject to the obligations imposed by such agreement, the President may recommend to Congress in the implementing bill and statement of administrative action submitted with respect to such agreement that the benefits and obligations of such agreement apply solely to the parties to such agreement, if such application is consistent with the terms of such agreement. The President may also recommend with respect to any such agreement that the benefits and obligations of such agreement not apply uniformly to all parties to such agreement, if such application is consistent with the terms of such agreement.

88 STAT. 1983  
88 STAT. 1984

Definitions.

(g) For purposes of this section —

19 USC 1401a,  
1402.

(1) the term "barrier" includes the American selling price basis of customs evaluation as defined in section 402 or 402a of the Tariff Act of 1930, as appropriate;

(2) the term "distortion" includes a subsidy; and

(3) the term "international trade" includes trade in both goods and services.

19 USC 2113.

### SEC. 103. OVERALL NEGOTIATING OBJECTIVE.

The overall United States negotiating objective under sections 101 and 102 shall be to obtain more open and equitable market access and the harmonization, reduction, or elimination of devices which distort

trade or commerce. To the maximum extent feasible, the harmonization, reduction, or elimination of agricultural trade barriers and distortions shall be undertaken in conjunction with the harmonization, reduction, or elimination of industrial trade barriers and distortions.

### SEC. 104. SECTOR NEGOTIATING OBJECTIVE.

19 USC 2114.

(a) A principal United States negotiating objective under sections 101 and 102 shall be to obtain, to the maximum extent feasible, with respect to appropriate product sectors of manufacturing, and with respect to the agricultural sector, competitive opportunities for United States exports to the developed countries of the world equivalent to the competitive opportunities afforded in United States markets to the importation of like or similar products, taking into account all barriers (including tariffs) to and other distortions of international trade affecting that sector.

(b) As a means of achieving the negotiating objective set forth in subsection (a), to the extent consistent with the objective of maximizing overall economic benefit to the United States (through maintaining and enlarging foreign markets for products of United States agriculture, industry, mining, and commerce, through the development of fair and equitable market opportunities, and through open and nondiscriminatory world trade), negotiations shall, to the extent feasible be conducted on the basis of appropriate product sectors of manufacturing.

(c) For the purposes of this section and section 135, the Special Representative for Trade Negotiations together with the Secretary of Commerce, Agriculture, or Labor, as appropriate, shall, after consultation with the Advisory Committee for Trade Negotiations established under section 135 and after consultation with interested private organizations, identify appropriate product sectors of manufacturing.

(d) If the President determines that competitive opportunities in one or more product sectors will be significantly affected by a trade agreement concluded under section 101 or 102, he shall submit to the Congress with each such agreement an analysis of the extent to which the negotiating objective set forth in subsection (a) is achieved by such agreement in each product sector or product sectors.

Analysis, sub-  
mittal to  
Congress.

### SEC. 105. BILATERAL TRADE AGREEMENTS.

19 USC 2115.

If the President determines that bilateral trade agreements will more effectively promote the economic growth of, and full employment in, the United States, then, in such cases, a negotiating objective under sections 101 and 102 shall be to enter into bilateral trade agreements. Each such trade agreement shall provide for mutually advantageous economic benefits.

### SEC. 106. AGREEMENTS WITH DEVELOPING COUNTRIES.

88 STAT. 1984  
88 STAT. 1985  
19 USC 2116.

A United States negotiating objective under sections 101 and 102 shall be to enter into trade agreements which promote the economic growth of both developing countries and the United States and the mutual expansion of market opportunities.

### SEC. 107. INTERNATIONAL SAFEGUARD PROCEDURES.

19 USC 2117.

(a) A principal United States negotiating objective under section 102 shall be to obtain internationally agreed upon rules and procedures, in the context of the harmonization, reduction, or elimination of barriers to, and other distortions of, international trade, which permit the use of temporary measures to ease adjustment to changes occurring in competitive conditions in the domestic markets of the

parties to an agreement resulting from such negotiations due to the expansion of international trade.

(b) Any agreement entered into under section 102 may include provisions establishing procedures for—

- (1) notification of affected exporting countries,
- (2) international consultations,
- (3) international review of changes in trade flows,
- (4) making adjustments in trade flows as the result of such changes, and
- (5) international mediation.

Such agreements may also include provisions which—

- (A) exclude, under specified conditions, the parties thereto from compensation obligations and retaliation, and
- (B) permit domestic public procedures through which interested parties have the right to participate.

19 USC 2118.

#### SEC. 108. ACCESS TO SUPPLIES.

(a) A principal United States negotiating objective under section 102 shall be to enter into trade agreements with foreign countries and instrumentalities to assure the United States of fair and equitable access at reasonable prices to supplies of articles of commerce which are important to the economic requirements of the United States and for which the United States does not have, or cannot easily develop, the necessary domestic productive capacity to supply its own requirements.

(b) Any agreement entered into under section 102 may include provisions which—

- (1) assure to the United States the continued availability of important articles at reasonable prices, and
- (2) provide reciprocal concessions or comparable trade obligations, or both, by the United States.

19 USC 2119.

#### SEC. 109. STAGING REQUIREMENTS AND ROUNDING AUTHORITY.

(a) Except as otherwise provided in this section, the aggregate reduction in the rate of duty on any article which is in effect on any day pursuant to a trade agreement under section 101 shall not exceed the aggregate reduction which would have been in effect on such day if—

- (1) a reduction of 3 percent ad valorem or a reduction of one-tenth of the total reduction, whichever is greater, had taken effect on the effective date of the first reduction proclaimed pursuant to section 101(a)(2) to carry out such agreement with respect to such article, and
- (2) a reduction equal to the amount applicable under paragraph (1) had taken effect at 1-year intervals after the effective date of such first reduction.

This subsection shall not apply in any case where the total reduction in the rate of duty does not exceed 10 percent of the rate before the reduction.

88 STAT. 1985  
88 STAT. 1986

(b) If the President determines that such action will simplify the computation of the amount of duty imposed with respect to an article, he may exceed the limitation provided by section 101(b) or subsection (a) of this section by not more than whichever of the following is lesser:

- (1) the difference between the limitation and the next lower whole number, or
- (2) one-half of 1 percent ad valorem.

(c) (1) No reduction in the rate of duty on any article pursuant to a trade agreement under section 101 shall take effect more than 10

Duty rate  
reduction,  
effective  
date.

years after the effective date of the first reduction proclaimed to carry out such trade agreement with respect to such article.

(2) If any part of a reduction takes effect, then any time thereafter during which such part of the reduction is not in effect by reason of legislation of the United States or action thereunder, the effect of which is to maintain or increase the rate of duty on an article, shall be excluded in determining—

- (A) the 1-year intervals referred to in subsection (a)(2), and
- (B) the expiration of the 10-year period referred to in paragraph (1) of this subsection.

## CHAPTER 2—OTHER AUTHORITY

### SEC. 121. STEPS TO BE TAKEN TOWARD GATT REVISION; AUTHORIZATION OF APPROPRIATIONS FOR GATT.

19 USC 2131.

(a) The President shall, as soon as practicable, take such action as may be necessary to bring trade agreements heretofore entered into, and the application thereof, into conformity with principles promoting the development of an open, nondiscriminatory, and fair world economic system. The action and principles referred to in the preceding sentence include, but are not limited to, the following—

(1) the revision of decisionmaking procedures in the General Agreement on Tariffs and Trade (hereinafter in this subsection referred to as "GATT") to more nearly reflect the balance of economic interests,

8 UST 1767.

(2) the revision of article XIX of the GATT into a truly international safeguard procedure which takes into account all forms of import restraints countries use in response to injurious competition or threat of such competition,

8 UST 1786.

(3) the extension of GATT articles to conditions of trade not presently covered in order to move toward more fair trade practices,

(4) the adoption of international fair labor standards and of public petition and confrontation procedures in the GATT,

(5) the revision of GATT articles with respect to the treatment of border adjustments for internal taxes to redress the disadvantage to countries relying primarily on direct rather than indirect taxes for revenue needs,

(6) the revision of the balance-of-payments provision in the GATT articles so as to recognize import surcharges as the preferred means by which industrial countries may handle balance-of-payments deficits insofar as import restraint measures are required,

(7) the improvement and strengthening of the provisions of GATT and other international agreements governing access to supplies of food, raw materials, and manufactured or semi-manufactured products, including rules and procedures governing the imposition of export controls, the denial of fair and equitable access to such supplies, and effective consultative procedures on problems of supply shortages,

88 STAT. 1986  
88 STAT. 1987

(8) the extension of the provisions of GATT or other international agreements to authorize multilateral procedures by contracting parties with respect to member or nonmember countries which deny fair and equitable access to supplies of food, raw materials, and manufactured or semi-manufactured products, and thereby substantially injure the international community,



(9) any revisions necessary to establish procedures for regular consultation among countries and instrumentalities with respect to international trade and procedures to adjudicate commercial disputes among such countries or instrumentalities,

(10) any revisions necessary to apply the principles of reciprocity and nondiscrimination, including the elimination of special preferences and reverse preferences, to all aspects of international trade,

(11) any revisions necessary to define the forms of subsidy to industries producing products for export and the forms of subsidy to attract foreign investment which are consistent with an open, nondiscriminatory, and fair system of international trade, and

(12) consistent with the provisions of section 107, any revisions necessary to establish within the GATT an international agreements on articles (including footwear), including the creation of regular and institutionalized mechanisms for the settlement of disputes, and of a surveillance body to monitor all international shipments in such articles.

(b) The President shall, to the extent feasible, enter into agreements with foreign countries or instrumentalities to establish the principles described in subsection (a) with respect to international trade between the United States and such countries or instrumentalities.

(c) If the President enters into a trade agreement which establishes rules or procedures, including those set forth in subsection (a), promoting the development of an open, nondiscriminatory, and fair world economic system and if the implementation of such agreement will change any provision of Federal law (including a material change in an administrative rule), such agreement shall take effect with respect to the United States only if the appropriate implementing legislation is enacted by the Congress unless implementation of such agreement is effected pursuant to authority delegated by Congress. Such trade agreement may be submitted to the Congress for approval in accordance with the procedures of section 151. Nothing in this section shall be construed as prior approval of any legislation necessary to implement a trade agreement entered into under this section.

(d) There are authorized to be appropriated annually such sums as may be necessary for the payment by the United States of its share of the expenses of the Contracting Parties to the General Agreement on Tariffs and Trade. This authorization does not imply approval or disapproval by the Congress of all articles of the General Agreement on Tariffs and Trade.

#### SEC. 122. BALANCE-OF-PAYMENTS AUTHORITY.

(a) Whenever fundamental international payments problems require special import measures to restrict imports—

(1) to deal with large and serious United States balance-of-payments deficits,

(2) to prevent an imminent and significant depreciation of the dollar in foreign exchange markets, or

(3) to cooperate with other countries in correcting an international balance-of-payments disequilibrium,

the President shall proclaim, for a period not exceeding 150 days (unless such period is extended by Act of Congress)—

(A) a temporary import surcharge, not to exceed 15 percent ad valorem, in the form of duties (in addition to those already imposed, if any) on articles imported into the United States;

(B) temporary limitations through the use of quotas on the importation of articles into the United States; or

(C) both a temporary import surcharge described in subparagraph (A) and temporary limitations described in subparagraph (B).

The authority delegated under subparagraph (B) (and so much of subparagraph (C) as relates to subparagraph (B)) may be exercised (i) only if international trade or monetary agreements to which the United States is a party permit the imposition of quotas as a balance-of-payments measure, and (ii) only to the extent that the fundamental imbalance cannot be dealt with effectively by a surcharge proclaimed pursuant to subparagraph (A) or (C). Any temporary import surcharge proclaimed pursuant to subparagraph (A) or (C) shall be treated as a regular customs duty.

(b) If the President determines that the imposition of import restrictions under subsection (a) will be contrary to the national interest of the United States, then he may refrain from proclaiming such restrictions and he shall—

(1) immediately inform Congress of his determination, and

(2) immediately convene the group of congressional official advisers designated under section 161(a) and consult with them as to the reasons for such determination.

(c) Whenever the President determines that fundamental international payments problems require special import measures to increase imports—

(1) to deal with large and persistent United States balance-of-trade surpluses, as determined on the basis of the cost-insurance-freight value of imports, as reported by the Bureau of the Census, or

(2) to prevent significant appreciation of the dollar in foreign exchange markets.

the President is authorized to proclaim, for a period of 150 days (unless such period is extended by Act of Congress)—

(A) a temporary reduction (of not more than 5 percent ad valorem) in the rate of duty on any article; and

(B) a temporary increase in the value or quantity of articles which may be imported under any import restriction, or a temporary suspension of any import restriction.

Import liberalizing actions proclaimed pursuant to this subsection shall be of broad and uniform application with respect to product coverage except that the President shall not proclaim measures under this subsection with respect to those articles where in his judgment such action will cause or contribute to material injury to firms or workers in any domestic industry, including agriculture, mining, fishing, or commerce, or to impairment of the national security, or will otherwise be contrary to the national interest.

(d) (1) Import restricting actions proclaimed pursuant to subsection (a) shall be applied consistently with the principle of nondiscriminatory treatment. In addition, any quota proclaimed pursuant to subparagraph (B) of subsection (a) shall be applied on a basis which aims at a distribution of trade with the United States approaching as closely as possible that which various foreign countries might have expected to obtain in the absence of such restrictions.

Ante, p. 1985.  
8 UST 1767.

Trade agree-  
ment estab-  
lishing rules  
or proce-  
dures.

Submittal to  
Congress.  
Post, p. 2001.

Appropriation.

19 USC 2132.

Import re-  
strictions.

Import in-  
creases.

(2) Notwithstanding paragraph (1), if the President determines that the purposes of this section will best be served by action against one or more countries having large or persistent balance-of-payments surpluses, he may exempt all other countries from such action.

(3) After such time when there enters into force for the United States new rules regarding the application of surcharges as part of a reform of internationally agreed balance-of-payments adjustment procedures, the exemption authority contained in paragraph (2) shall be applied consistently with such new international rules.

(4) It is the sense of Congress that the President seek modifications in international agreements aimed at allowing the use of surcharges in place of quantitative restrictions (and providing rules to govern the use of such surcharges) as a balance-of-payments adjustment measure within the context of arrangements for an equitable sharing of balance-of-payments adjustment responsibility among deficit and surplus countries.

(e) Import restricting actions proclaimed pursuant to subsection (a) shall be of broad and uniform application with respect to product coverage except where the President determines, consistently with the purposes of this section, that certain articles should not be subject to import restricting actions because of the needs of the United States economy. Such exceptions shall be limited to the unavailability of domestic supply at reasonable prices, the necessary importation of raw materials, avoiding serious dislocations in the supply of imported goods, and other similar factors. In addition, uniform exceptions may be made where import restricting actions will be unnecessary or ineffective in carrying out the purposes of this section, such as with respect to articles already subject to import restrictions, goods in transit, or goods under binding contract. Neither the authorization of import restricting actions nor the determination of exceptions with respect to product coverage shall be made for the purpose of protecting individual domestic industries from import competition.

(f) Any quantitative limitation proclaimed pursuant to subparagraph (B) or (C) of subsection (a) on the quantity or value, or both, of an article—

(1) shall permit the importation of a quantity or value which is not less than the quantity or value of such article imported into the United States from the foreign countries to which such limitation applies during the most recent period which the President determines is representative of imports of such article, and

(2) shall take into account any increase since the end of such representative period in domestic consumption of such article and like or similar articles of domestic manufacture or production.

(g) The President may at any time, consistent with the provisions of this section, suspend, modify, or terminate, in whole or in part, any proclamation under this section either during the initial 150-day period of effectiveness or as extended by subsequent Act of Congress.

(h) No provision of law authorizing the termination of tariff concessions shall be used to impose a surcharge on imports into the United States.

#### SEC. 123. COMPENSATION AUTHORITY.

(a) Whenever any action has been taken under section 203 to increase or impose any duty or other import restriction, the President—

(1) may enter into trade agreements with foreign countries or instrumentalities for the purpose of granting new concessions as

compensation in order to maintain the general level of reciprocal and mutually advantageous concessions; and

(2) may proclaim such modification or continuance of any existing duty, or such continuance of existing duty-free or excise treatment, as he determines to be required or appropriate to carry out any such agreement.

(b)(1) No proclamation shall be made pursuant to subsection (a) decreasing any rate of duty to a rate which is less than 70 percent of the existing rate of duty.

(2) Where the rate of duty in effect at any time is an intermediate stage under section 109, the proclamation made pursuant to subsection (a) may provide for the reduction of each rate of duty at each such stage proclaimed under section 101 by not more than 30 percent of such rate of duty, and may provide for a final rate of duty which is not less than 70 percent of the rate of duty proclaimed as the final stage under section 101.

(3) If the President determines that such action will simplify the computation of the amount of duty imposed with respect to an article, he may exceed the limitations provided by paragraphs (1) and (2) of this subsection by not more than the lesser of—

(A) the difference between such limitation and the next lower whole number, or

(B) one-half of 1 percent ad valorem.

(4) Any concessions granted under subsection (a)(1) shall be reduced and terminated according to substantially the same time schedule for reduction applicable to the relevant import relief under section 203 (h).

(c) Before entering into any trade agreement under this section with any foreign country or instrumentality, the President shall consider whether such country or instrumentality has violated trade concessions of benefit to the United States and such violation has not been adequately offset by the action of the United States or by such country or instrumentality.

(d) Notwithstanding the provisions of subsection (a), the authority delegated under section 101 shall be used for the purpose of granting new concessions as compensation within the meaning of this section until such authority terminates.

#### SEC. 124. TWO-YEAR RESIDUAL AUTHORITY TO NEGOTIATE DUTIES. 19 USC 2134.

(a) Whenever the President determines that any existing duties or other import restrictions of any foreign country or the United States are unduly burdening and restricting the foreign trade of the United States and that the purposes of this Act will be promoted thereby, the President—

(1) may enter into trade agreements with foreign countries or instrumentalities thereof, and

(2) may proclaim such modification or continuance of any existing duty, such continuance of existing duty-free or excise treatment, or such additional duties, as he determines to be required or appropriate to carry out any such trade agreement.

(b) Agreements entered into under this section in any 1-year period shall not provide for the reduction of duties, or the continuance of duty-free or excise treatment, for articles which account for more than 2 percent of the value of United States imports for the most recent 12-month period for which import statistics are available.

Quantitative  
limitation  
requirements.

Post, p. 2017.

19 USC 2133.

Post, p. 2015.

(c) (1) No proclamation shall be made pursuant to subsection (a) decreasing any rate of duty to a rate which is less than 80 percent of the existing rate of duty.

(2) No proclamation shall be made pursuant to subsection (a) decreasing or increasing any rate of duty to a rate which is lower or higher than the corresponding rate which would have resulted if the maximum authority granted by section 101 with respect to such article had been exercised.

(3) Where the rate of duty in effect at any time is an intermediate stage under section 109, the proclamation made pursuant to subsection (a) may provide for the reduction of each rate of duty at each such stage proclaimed under section 101 by not more than 20 percent of such rate of duty, and, subject to the limitation in paragraph (2), may provide for a final rate of duty which is not less than 80 percent of the rate of duty proclaimed as the final stage under section 101.

(4) If the President determines that such action will simplify the computation of the amount of duty imposed with respect to an article, he may exceed the limitations provided by paragraphs (1) and (2) of this subsection by not more than the lesser of—

(A) the difference between such limitation and the next lower whole number, or

(B) one-half of 1 percent ad valorem.

(d) Agreements may be entered into under this section only during the 2-year period which immediately follows the close of the period during which agreements may be entered into under section 101.

#### SEC. 125. TERMINATION AND WITHDRAWAL AUTHORITY.

(a) Every trade agreement entered into under this Act shall be subject to termination, in whole or in part, or withdrawal, upon due notice, at the end of a period specified in the agreement. Such period shall be not more than 3 years from the date on which the agreement becomes effective. If the agreement is not terminated or withdrawn from at the end of the period so specified, it shall be subject to termination or withdrawal thereafter upon not more than 6 months' notice.

(b) The President may at any time terminate, in whole or in part, any proclamation made under this Act.

(c) Whenever the United States, acting in pursuance of any of its rights or obligations under any trade agreement entered into pursuant to this Act, section 201 of the Trade Expansion Act of 1962, or section 350 of the Tariff Act of 1930, withdraws, suspends, or modifies any obligation with respect to the trade of any foreign country or instrumentality thereof, the President is authorized to proclaim increased duties or other import restrictions, to the extent, at such times, and for such periods as he deems necessary or appropriate, in order to exercise the rights or fulfill the obligations of the United States. No proclamation shall be made under this subsection increasing any existing duty to a rate more than 50 percent above the rate set forth in rate column numbered 2 of the Tariff Schedules of the United States, as in effect on January 1, 1975, or 20 percent ad valorem above the rate existing on January 1, 1975, whichever is higher.

(d) Whenever any foreign country or instrumentality withdraws, suspends, or modifies the application of trade agreement obligations of benefit to the United States without granting adequate compensation therefor, the President, in pursuance of rights granted to the United States under any trade agreement and to the extent necessary to protect United States economic interests (including United States balance of payments), may—

(1) withdraw, suspend, or modify the application of substantially equivalent trade agreement obligations of benefit to such foreign country or instrumentality, and

(2) proclaim under subsection (c) such increased duties or other import restrictions as are appropriate to effect adequate compensation from such foreign country or instrumentality.

(e) Duties or other import restrictions required or appropriate to carry out any trade agreement entered into pursuant to this Act, section 201 of the Trade Expansion Act of 1962, or section 350 of the Tariff Act of 1930 shall not be affected by any termination, in whole or in part, of such agreement or by the withdrawal of the United States from such agreement and shall remain in effect after the date of such termination or withdrawal for 1 year, unless the President by proclamation provides that such rates shall be restored to the level at which they would be but for the agreement. Within 60 days after the date of any such termination or withdrawal, the President shall transmit to the Congress his recommendations as to the appropriate rates of duty for all articles which were affected by the termination or withdrawal or would have been so affected but for the preceding sentence.

(f) Before taking any action pursuant to subsection (b), (c), or (d), the President shall provide for a public hearing during the course of which interested persons shall be given a reasonable opportunity to be present, to produce evidence, and to be heard, unless he determines that such prior hearings will be contrary to the national interest because of the need for expeditious action, in which case he shall provide for a public hearing promptly after such action.

#### SEC. 126. RECIPROCAL NONDISCRIMINATORY TREATMENT.

(a) Except as otherwise provided in this Act or in any other provision of law, any duty or other import restriction or duty-free treatment proclaimed in carrying out any trade agreement under this title shall apply to products of all foreign countries, whether imported directly or indirectly.

(b) The President shall determine, after the conclusion of all negotiations entered into under this Act or at the end of the 5-year period beginning on the date of enactment of this Act, whichever is earlier, whether any major industrial country has failed to make concessions under trade agreements entered into under this Act which provide competitive opportunities for the commerce of the United States in such country substantially equivalent to the competitive opportunities, provided by concessions made by the United States under trade agreements entered into under this Act, for the commerce of such country in the United States.

(c) If the President determines under subsection (b) that a major industrial country has not made concessions under trade agreements entered into under this Act which provide substantially equivalent competitive opportunities for the commerce of the United States, he shall, either generally with respect to such country or by article produced by such country, in order to restore equivalence of competitive opportunities, recommend to the Congress—

(1) legislation providing for the termination or denial of the benefits of concessions of trade agreements entered into under this Act made with respect to rates of duty or other import restrictions by the United States; and

(2) that any legislation necessary to carry out any trade agreement under section 102 shall not apply to such country.

19 USC 1821.

19 USC 1351.

Presidential recommendations, transmittal to Congress.

Hearing.

19 USC 2136.

Recommendations to Congress.

19 USC 2135.

19 USC 1821.

19 USC 1351.

19 USC 1202.

"Major industrial country."

(d) For purposes of this section, "major industrial country" means Canada, the European Economic Community, the individual member countries of such Community, Japan, and any other foreign country designated by the President for purposes of this subsection.

**SEC. 127. RESERVATION OF ARTICLES FOR NATIONAL SECURITY OR OTHER REASONS.**

19 USC 2137.

(a) No proclamation shall be made pursuant to the provisions of this Act reducing or eliminating the duty or other import restriction on any article if the President determines that such reduction or elimination would threaten to impair the national security.

19 USC 2137.  
Post, p. 2015.

(b) While there is in effect with respect to any article any action taken under section 203 of this Act, or section 232 or 351 of the Trade Expansion Act of 1962 (19 U.S.C. 1862 or 1981), the President shall reserve such article from negotiations under this title (and from any action under section 122(c)) contemplating reduction or elimination of—

Ante, p. 1987.

- (A) any duty on such article,
- (B) any import restriction imposed under such section, or
- (C) any other import restriction, the removal of which will be likely to undermine the effect of the import restrictions referred to in subparagraph (B).

In addition, the President shall also so reserve any other article which he determines to be appropriate, taking into consideration information and advice available pursuant to and with respect to the matters covered by sections 131, 132, and 133, where applicable.

Annual report  
to Congress.  
19 USC 1863.  
19 USC 1862.  
19 USC 1862.

(c) The President shall submit to the Congress an annual report on section 232 of the Trade Expansion Act of 1962. Within 60 days after he takes any action under such section 232, the President shall report to the Congress the action taken and the reasons therefor.

(d) Section 232 of the Trade Expansion Act of 1962 is amended—

(1) by striking out "Director of the Office of Emergency Planning (hereinafter in this section referred to as the 'Director') in the first sentence of subsection (b) and inserting in lieu thereof "Secretary of the Treasury (hereinafter referred to as the 'Secretary')";

(2) by striking out "advice from other appropriate departments and agencies" in the first sentence of subsection (b) and inserting in lieu thereof "advice from, and shall consult with, the Secretary of Defense, the Secretary of Commerce, and other appropriate officers of the United States";

Hearings.

(3) by striking out the last sentence of subsection (b) and inserting in lieu thereof the following: "The Secretary shall, if it is appropriate and after reasonable notice, hold public hearings or otherwise afford interested parties an opportunity to present information and advice relevant to such investigation. The Secretary shall report the findings of his investigation under this subsection with respect to the effect of the importation of such article in such quantities or under such circumstances upon the national security and, based on such findings, his recommendation for action or inaction under this section to the President within one year after receiving an application from an interested party or otherwise beginning an investigation under this subsection. If the Secretary finds that such 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 so advise the President and the President shall take such action, and for

Report to  
President.

such time, as he deems necessary to adjust the imports of such article and its derivatives so that such imports will not threaten to impair the national security, unless the President 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." and

(4) by striking out "Director" each place it appears in subsections (c) and (d) and inserting in lieu thereof "Secretary".

**CHAPTER 3—HEARINGS AND ADVICE  
CONCERNING NEGOTIATIONS**

**SEC. 131. INTERNATIONAL TRADE COMMISSION ADVICE.**

19 USC 2151.

(a) In connection with any proposed trade agreement under chapter 1 or section 123 or 124, the President shall from time to time publish and furnish the International Trade Commission (hereafter in this section referred to as the "Commission") with lists of articles which may be considered for modification or continuance of United States duties, continuance of United States duty-free or excise treatment, or additional duties. In the case of any article with respect to which consideration may be given to reducing or increasing the rate of duty, the list shall specify the provision of this title pursuant to which such consideration may be given.

Lists of  
articles for  
modification  
of U.S. duties.

(b) Within 6 months after receipt of such a list or, in the case of a list submitted in connection with a trade agreement authorized under section 123, within 90 days after receipt of such list, the Commission shall advise the President with respect to each article of its judgment as to the probable economic effect of modifications of duties on industries producing like or directly competitive articles and on consumers, so as to assist the President in making an informed judgment as to the impact which might be caused by such modifications on United States manufacturing, agriculture, mining, fishing, labor, and consumers. Such advice may include in the case of any article the advice of the Commission as to whether any reduction in the rate of duty should take place over a longer period than the minimum periods provided by section 109(a).

(c) In addition, in order to assist the President in his determination of whether to enter into any agreement under section 102, the Commission shall make such investigations and reports as may be requested by the President, including, where feasible, advice as to the probable economic effects of modifications of any barrier to (or other distortion of) international trade on domestic industries and purchasers and on prices and quantities of articles in the United States.

Investigations  
and reports.

(d) In preparing its advice to the President under this section, the Commission shall, to the extent practicable—

Functions.

(1) investigate conditions, causes, and effects relating to competition between the foreign industries producing the articles in question and the domestic industries producing the like or directly competitive articles;

(2) analyze the production, trade, and consumption of each like or directly competitive article, taking into consideration employment, profit levels, and use of productive facilities with respect to the domestic industries concerned, and such other economic factors in such industries as it considers relevant, including prices, wages, sales, inventories, patterns of demand, capital

investment, obsolescence of equipment, and diversification of production;

(3) describe the probable nature and extent of any significant change in employment, profit levels, and use of productive facilities, and such other conditions as it deems relevant in the domestic industries concerned which it believes such modifications would cause; and

(4) make special studies (including studies of real wages paid in foreign supplying countries), whenever deemed to be warranted, of particular proposed modifications affecting United States manufacturing, agriculture, mining, fishing, labor, and consumers, utilizing to the fullest extent practicable United States Government facilities abroad and appropriate personnel of the United States.

Hearings. (e) In preparing its advice to the President under this section, the Commission shall, after reasonable notice, hold public hearings.

19 USC 2152. **SEC. 132. ADVICE FROM DEPARTMENTS AND OTHER SOURCES.**

Before any trade agreement is entered into under chapter 1 or section 123 or 124, the President shall seek information and advice with respect to such agreement from the Departments of Agriculture, Commerce, Defense, Interior, Labor, State and the Treasury, from the Special Representative for Trade Negotiations, and from such other sources as he may deem appropriate.

19 USC 2153. **SEC. 133. PUBLIC HEARINGS.**

(a) In connection with any proposed trade agreement under chapter 1 or section 123 or 124, the President shall afford an opportunity for any interested person to present his views concerning any article on a list published pursuant to section 131, any article which should be so listed, any concession which should be sought by the United States, or any other matter relevant to such proposed trade agreement. For this purpose, the President shall designate an agency or an interagency committee which shall, after reasonable notice, hold public hearings and prescribe regulations governing the conduct of such hearings.

(b) The organization holding such hearings shall furnish the President with a summary thereof.

Summary to President.

19 USC 2154.

**SEC. 134. PREREQUISITES FOR OFFERS.**

In any negotiations seeking an agreement under chapter 1 or section 123 or 124, the President may make an offer for the modification or continuance of any United States duty, import restrictions, or barriers to (or other distortions of) international trade, the continuance of United States duty-free or excise treatment, or the imposition of additional duties, import restriction, or other barrier to (or other distortion of) international trade, with respect to any article only after he has received a summary of the hearings at which an opportunity to be heard with respect to such article has been afforded under section 133. In addition, the President may make an offer for the modification or continuance of any United States duty, the continuance of United States duty-free or excise treatment, or the imposition of additional duties, with respect to any article included in a list published and furnished under section 131(a), only after he has received advice concerning such article from the International Trade Commission under section 131(b), or after the expiration of the 6-month or 90-day period provided for in that section, as appropriate, whichever first occurs.

**SEC. 135. ADVICE FROM PRIVATE SECTOR.**

(a) The President, in accordance with the provisions of this section, shall seek information and advice from representative elements of the private sector with respect to negotiating objectives and bargaining positions before entering into a trade agreement referred to in section 101 or 102.

(b)(1) The President shall establish an Advisory Committee for Trade Negotiations to provide overall policy advice on any trade agreement referred to in section 101 or 102. The Committee shall be composed of not more than 45 individuals, and shall include representatives of government, labor, industry, agriculture, small business, service industries, retailers, consumer interests, and the general public.

Advisory Committee for Trade Negotiations. Establishment; membership.

(2) The Committee shall meet at the call of the Special Representative for Trade Negotiations, who shall be the Chairman. The Committee shall terminate upon submission of its report required under subsection (e) (2). Members of the Committee shall be appointed by the President for a period of 2 years and may be reappointed for one or more additional periods.

Termination.

(3) The Special Representative for Trade Negotiations shall make available to the Committee such staff, information, personnel, and administrative services and assistance as it may reasonably require to carry out its activities.

(c)(1) The President may, on his own initiative or at the request of organizations representing industry, labor, or agriculture, establish general policy advisory committees for industry, labor, and agriculture, respectively, to provide general policy advice on any trade agreement referred to in section 101 or 102. Such committees shall, insofar as practicable, be representative of all industry, labor, or agricultural interests (including small business interests), respectively, and shall be organized by the President acting through the Special Representative for Trade Negotiations and the Secretaries of Commerce, Labor, and Agriculture, as appropriate.

General policy advisory committees. Establishment.

(2) The President shall, on his own initiative or at the request of organizations in a particular sector, establish such industry, labor, or agricultural sector advisory committees as he determines to be necessary for any trade negotiations referred to in section 101 or 102. Such committees shall, so far as practicable, be representative of all industry, labor, or agricultural interests including small business interests in the sector concerned. In organizing such committees the President, acting through the Special Representative for Trade Negotiations and the Secretary of Commerce, Labor, or Agriculture, as appropriate, (A) shall consult with interested private organizations, and (B) shall take into account such factors as patterns of actual and potential competition between United States industry and agriculture and foreign enterprise in international trade, the character of the nontariff barriers and other distortions affecting such competition, the necessity for reasonable limits on the number of such product sector advisory committees, the necessity that each committee be reasonably limited in size, and that the product lines covered by each committee be reasonably related.

Sector advisory committees. Establishment.

(d) Committees established pursuant to subsection (c) shall meet at the call of the Special Representative for Trade Negotiations, before and during any trade negotiations, to provide the following:

Meetings.

(1) policy advice on negotiations;

(2) technical advice and information on negotiations on particular products both domestic and foreign; and



Reports to President, Congress, and Special Representative for Trade Negotiations.

Report to Congress.

5 USC app. 1.

Privileged or confidential information.

(3) advice on other factors relevant to positions of the United States in trade negotiations.

(e) (1) The Advisory Committee for Trade Negotiations, each appropriate policy advisory committee, and each sector advisory committee, if the sector which such committee represents is affected, shall meet at the conclusion of negotiations for each trade agreement entered into under this Act, to provide to the President, to Congress, and to the Special Representative for Trade Negotiations a report on such agreement. The report of the Advisory Committee for Trade Negotiations and each appropriate policy advisory committee shall include an advisory opinion as to whether and to what extent the agreement promotes the economic interests of the United States and the report of the appropriate sector committee shall include an advisory opinion as to whether the agreement provides for equity and reciprocity within the sector.

(2) The Advisory Committee for Trade Negotiations, each policy advisory committee, and each sector advisory committee shall issue a report to the Congress as soon as is practical after the end of the period which ends 5 years after the date of enactment of this Act. The report of the Advisory Committee for Trade Negotiations and each policy advisory committee shall include an advisory opinion as to whether and to what extent trade agreements entered into under this Act, taken as a whole, serve the economic interests of the United States. The report of each sector advisory committee shall include an advisory opinion on the degree to which trade agreements entered into under this Act which affect the sector represented by each such committee, taken as a whole, provide for equity and reciprocity within that sector.

(f) The provisions of the Federal Advisory Committee Act (Public Law 92-463) shall apply—

(1) to the Advisory Committee for Trade Negotiations established pursuant to subsection (b); and

(2) to all other advisory committees which may be established pursuant to subsection (c); except that the meetings of advisory groups established under subsection (c) shall be exempt from the requirements of subsections (a) and (b) of section 10 and section 11 of the Federal Advisory Committee Act (relating to open meetings, public notice, public participation, and public availability of documents), whenever and to the extent it is determined by the President or his designee that such meetings will be concerned with matters the disclosure of which would seriously compromise the Government's negotiating objectives or bargaining positions on the negotiation of any trade agreement.

(g) (1) (A) Trade secrets and commercial or financial information which is privileged or confidential, submitted in confidence by the private sector to officers or employees of the United States in connection with trade negotiations, shall not be disclosed to any person other than to—

(i) officers and employees of the United States designated by the Special Representative for Trade Negotiations, and

(ii) members of the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate who are accredited as official advisers under section 161

(a) or are designated by the chairman of either such committee under section 161(b)(2), and members of the staff of either such committee designated by the chairman under section 161(b)(2), for use in connection with negotiation of a trade agreement referred to in section 101 or 102.

Other confidential information and advice.

Rules governing information disclosure.

Staff, information, personnel, services and assistance to advisory committees. Procedures for consultation.

Post, p. 2009. Report.

(B) Information, other than that described in paragraph (A), and advice submitted in confidence by the private sector to officers or employees of the United States, to the Advisory Committee for Trade Negotiations or to any advisory committee established under subsection (c), in connection with trade negotiations, shall not be disclosed to any person other than—

(i) the individuals described in subparagraph (A), and

(ii) the appropriate advisory committees established under this section.

(2) Information submitted in confidence by officers or employees of the United States to the Advisory Committee for Trade Negotiations, or to any advisory committee established under subsection (c), shall not be disclosed other than in accordance with rules issued by the Special Representative for Trade Negotiations and the Secretary of Commerce, Labor or Agriculture, as appropriate, after consultation with the relevant advisory committees established under subsection (c). Such rules shall define the categories of information which require restricted or confidential handling by such committee considering the extent to which public disclosure of such information can reasonably be expected to prejudice United States negotiating objectives. Such rules shall, to the maximum extent feasible, permit meaningful consultations by advisory committee members with persons affected by proposed trade agreements.

(h) The Special Representative for Trade Negotiations, and the Secretary of Commerce, Labor, or Agriculture, as appropriate, shall provide such staff, information, personnel, and administrative services and assistance to advisory committees established pursuant to subsection (c) as such committees may reasonably require to carry out their activities.

(i) It shall be the responsibility of the Special Representative for Trade Negotiations, in conjunction with the Secretary of Commerce, Labor, or Agriculture, as appropriate, to adopt procedures for consultation with and obtaining information and advice from the advisory committees established pursuant to subsection (c) on a continuing and timely basis, both during preparation for negotiations and actual negotiations. Such consultation shall include the provision of information to each advisory committee as to (1) significant issues and developments arising in preparation for or in the course of such negotiations, and (2) overall negotiating objectives and positions of the United States and other parties to the negotiations. The Special Representative for Trade Negotiations shall not be bound by the advice or recommendations of such advisory committees but the Special Representative for Trade Negotiations shall inform the advisory committees of failures to accept such advice or recommendations, and the President shall include in his statement to the Congress, required by section 163, a report by the Special Representative for Trade Negotiations on consultation with such committees, issues involved in such consultation, and the reasons for not accepting advice or recommendations.

(j) In addition to any advisory committee established pursuant to this section, the President shall provide adequate, timely and continuing opportunity for the submission on an informal and, if such information is submitted under the provisions of subsection (g), confidential basis by private organizations or groups, representing labor, industry, agriculture, small business, service industries, consumer interests, and others, of statistics, data, and other trade information, as well as policy recommendations, pertinent to the negotiation of any trade agreement referred to in section 101 or 102.

(k) Nothing contained in this section shall be construed to authorize or permit any individual to participate directly in any negotiation of any trade agreement referred to in section 101 or 102.

## CHAPTER 4—OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS

### SEC. 141. OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS.

Establishment.  
19 USC 2171.

Special Representative  
for Trade  
Negotiations.  
19 USC 2171.

Deputy Special Rep-  
resentatives  
for Trade  
Negotiations.

(a) There is established within the Executive Office of the President the Office of the Special Representative for Trade Negotiations (hereinafter in this section referred to as the "Office").

(b) (1) The Office shall be headed by the Special Representative for Trade Negotiations who shall be appointed by the President, by and with the advice and consent of the Senate. As an exercise of the rulemaking power of the Senate, any nomination of the Special Representative for Trade Negotiations submitted to the Senate for confirmation, and referred to a committee, shall be referred to the Committee on Finance. The Special Representative for Trade Negotiations shall hold office at the pleasure of the President, and shall be entitled to receive the same allowances as a chief of mission, and shall have the rank of Ambassador Extraordinary and Plenipotentiary.

(2) There shall be in the Office two Deputy Special Representatives for Trade Negotiations who shall be appointed by the President, by and with the advice and consent of the Senate. As an exercise of the rulemaking power of the Senate, any nomination of a Deputy Special Representative submitted to the Senate for confirmation, and referred to a committee, shall be referred to the Committee on Finance. Each Deputy Special Representative for Trade Negotiations shall hold office at the pleasure of the President and shall have the rank of Ambassador.

(3) (A) Section 5312 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(13) Special Representative for Trade Negotiations."

(B) Section 5314 of such title is amended by adding at the end thereof the following new paragraph:

"(60) Deputy Special Representatives for Trade Negotiations (2)."

(c) (1) The Special Representative for Trade Negotiations shall—

(A) be the chief representative of the United States for each trade negotiation under this title or section 301;

(B) report directly to the President and the Congress, and be responsible to the President and the Congress for the administration of trade agreements programs under this Act, the Trade Expansion Act of 1962, and section 350 of the Tariff Act of 1930;

(C) advise the President and Congress with respect to nontariff barriers to international trade, international commodity agreements, and other matters which are related to the trade agreements programs;

(D) be responsible for making reports to Congress with respect to the matter set forth in subparagraphs (A) and (B);

(E) be chairman of the interagency trade organization established pursuant to section 242(a) of the Trade Expansion Act of 1962; and

(F) be responsible for such other functions as the President may direct.

Functions.  
19 USC 2171.  
Post, p. 2041.  
Report to  
President  
and Congress.  
19 USC 1801  
note.  
19 USC 1351.

Reports to  
Congress.

19 USC 1872.

(2) Each Deputy Special Representative for Trade Negotiation shall have as his principal function the conduct of trade negotiations under this Act and shall have such other functions as the Special Representative for Trade Negotiations may direct.

(d) The Special Representative for Trade Negotiations may, for the purpose of carrying out his functions under this section—

(1) subject to the civil service and classification laws, select, appoint, employ, and fix the compensation of such officers and employees as are necessary and prescribe their authority and duties;

(2) employ experts and consultants in accordance with section 3109 of title 5, United States Code, and compensate individuals so employed for each day (including traveltime) at rates not in excess of the maximum rate of pay for grade GS-18 as provided in section 5332 of title 5, United States Code, and while such experts and consultants are so serving away from their homes or regular place of business, to pay such employees travel expenses and per diem in lieu of subsistence at rates authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently;

(3) promulgate such rules and regulations as may be necessary to carry out the functions vested in him;

(4) utilize, with their consent, the services, personnel, and facilities of other Federal agencies;

(5) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of the work of the Office and on such terms as the Special Representative for Trade Negotiations may deem appropriate, with any agency or instrumentality of the United States, or with any public or private person, firm, association, corporation, or institution;

(6) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)); and

(7) adopt an official seal, which shall be judicially noticed.

(e) The Special Representative for Trade Negotiations shall, to the extent he deems it necessary for the proper administration and execution of the trade agreements programs of the United States, draw upon the resources of, and consult with, Federal agencies in connection with the performance of his functions.

(f) There are authorized to be appropriated to the Office of Special Representative for Trade Negotiations such amounts as may be necessary for the purpose of carrying out its functions for fiscal year 1976 and each fiscal year thereafter any part of which is within the 5-year period beginning on the date of the enactment of this Act.

(g) (1) The Office of Special Representative for Trade Negotiations established under Executive Order No. 11075 of January 15, 1963, as amended, is abolished.

(2) The assets, liabilities, contracts, property, and records and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, or available to such Office are transferred to the Office of Special Representative for Trade Negotiations established under subsection (a) of this section.

(h) (1) Any individual who holds the position of Special Representative for Trade Negotiations or a position as Deputy Special Representative for Trade Negotiations on the day before the date of

Experts and  
consultants.

5 USC 5332  
note.

Rules and  
regulations.

Contracts,  
leases, or  
cooperative  
agreements.

Official  
seal.  
Consultation  
with Federal  
agencies.

Appropriation.

Office of  
Special Rep-  
resentatives  
for Trade Ne-  
gotiations,  
abolishment.  
19 USC 1801.  
note.  
Transfer of  
funds.

Transfer of  
personnel.

19 USC 1801  
note.

19 USC 2191.

enactment of this Act and who has been appointed by and with the advice and consent of the Senate may continue to hold such position without regard to the first sentence of paragraph (1) of subsection (b), or the first sentence of paragraph (2) of subsection (b), as the case may be.

(2) All personnel who on the day before the date of the enactment of this Act are employed by the Office of the Special Representative for Trade Negotiations established by Executive Order No. 11075 of January 15, 1963, as amended, are hereby transferred to the Office.

## CHAPTER 5—CONGRESSIONAL PROCEDURES WITH RESPECT TO PRESIDENTIAL ACTIONS

### SEC. 151. BILLS IMPLEMENTING TRADE AGREEMENTS ON NONTARIFF BARRIERS AND RESOLUTIONS APPROVING COMMERCIAL AGREEMENTS WITH COMMUNIST COUNTRIES.

(a) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—This section and sections 152 and 153 are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of implementing bills described in subsection (b)(1), implementing revenue bills described in subsection (b)(2), approval resolutions described in subsection (b)(3), and resolutions described in subsections 152(a) and 153(a); and they supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(b) DEFINITIONS.—For purposes of this section—

(1) The term “implementing bill” means only a bill of either House of Congress which is introduced as provided in subsection (c) with respect to one or more trade agreements submitted to the House of Representatives and the Senate under section 102 and which contains—

(A) a provision approving such trade agreement or agreements,

(B) a provision approving the statement of administrative action (if any) proposed to implement such trade agreement or agreements, and

(C) if changes in existing laws or new statutory authority is required to implement such trade agreement or agreements, provisions, necessary or appropriate to implement such trade agreement or agreements, either repealing or amending existing laws or providing new statutory authority.

(2) The term “implementing revenue bill” means an implementing bill which contains one or more revenue measures by reason of which it must originate in the House of Representatives.

(3) The term “approval resolution” means only a concurrent resolution of the two Houses of the Congress, the matter after the resolving clause of which is as follows: “That the Congress

approves the extension of nondiscriminatory treatment with respect to the products of \_\_\_\_\_ transmitted by the President to the Congress on \_\_\_\_\_,” the first blank space being filled with the name of the country involved and the second blank space being filled with the appropriate date.

(c) INTRODUCTION AND REFERRAL.—

(1) On the day on which a trade agreement is submitted to the House of Representatives and the Senate under section 102, the implementing bill submitted by the President with respect to such trade agreement shall be introduced (by request) in the House by the majority leader of the House, for himself and the minority leader of the House, or by Members of the House designated by the majority leader and minority leader of the House; and shall be introduced (by request) in the Senate by the majority leader of the Senate, for himself and the minority leader of the Senate, or by Members of the Senate designated by the majority leader and minority leader of the Senate. If either House is not in session on the day on which such a trade agreement is submitted, the implementing bill shall be introduced in that House, as provided in the preceding sentence, on the first day thereafter on which that House is in session. Such bills shall be referred by the Presiding Officers of the respective Houses to the appropriate committee, or, in the case of a bill containing provisions within the jurisdiction of two or more committees, jointly to such committees for consideration of those provisions within their respective jurisdictions.

(2) On the day on which a bilateral commercial agreement, entered into under title IV of this Act after the date of the enactment of this Act, is transmitted to the House of Representatives and the Senate, an approval resolution with respect to such agreement shall be introduced (by request) in the House by the majority leader of the House, for himself and the minority leader of the House, or by Members of the House designated by the majority leader and minority leader of the House; and shall be introduced (by request) in the Senate by the majority leader of the Senate, for himself and the minority leader of the Senate, or by Members of the Senate designated by the majority leader and minority leader of the Senate. If either House is not in session on the day on which such an agreement is transmitted, the approval resolution with respect to such agreement shall be introduced in that House, as provided in the preceding sentence, on the first day thereafter on which that House is in session. The approval resolution introduced in the House shall be referred to the Committee on Ways and Means and the approval resolution introduced in the Senate shall be referred to the Committee on Finance.

(d) AMENDMENTS PROHIBITED.—No amendment to an implementing bill or approval resolution shall be in order in either the House of Representatives or the Senate; and no motion to suspend the application of this subsection shall be in order in either House, nor shall it be in order in either House for the Presiding Officer to entertain a request to suspend the application of this subsection by unanimous consent.

(e) PERIOD FOR COMMITTEE AND FLOOR CONSIDERATION.—

(1) Except as provided in paragraph (2), if the committee or committees of either House to which an implementing bill or approval resolution has been referred have not reported it at the

Trade agree-  
ment.  
Ante, p. 1982.

Bilateral  
commercial  
agreement.  
Post, p. 2056.



close of the 45th day after its introduction, such committee or committees shall be automatically discharged from further consideration of the bill or resolution and it shall be placed on the appropriate calendar. A vote on final passage of the bill or resolution shall be taken in each House on or before the close of the 15th day after the bill or resolution is reported by the committee or committees of that House to which it was referred, or after such committee or committees have been discharged from further consideration of the bill or resolution. If prior to the passage by one House of an implementing bill or approval resolution of that House, that House receives the same implementing bill or approval resolution from the other House, then—

(A) the procedure in that House shall be the same as if no implementing bill or approval resolution had been received from the other House; but

(B) the vote on final passage shall be on the implementing bill or approval resolution of the other House.

(2) The provisions of paragraph (1) shall not apply in the Senate to an implementing revenue bill. An implementing revenue bill received from the House shall be referred to the appropriate committee or committees of the Senate. If such committee or committees have not reported such bill at the close of the 15th day after its receipt by the Senate (or, if later, before the close of the 45th day after the corresponding implementing revenue bill was introduced in the Senate), such committee or committees shall be automatically discharged from further consideration of such bill and it shall be placed on the calendar. A vote on final passage of such bill shall be taken in the Senate on or before the close of the 15th day after such bill is reported by the committee or committees of the Senate to which it was referred, or after such committee or committees have been discharged from further consideration of such bill.

(3) For purposes of paragraphs (1) and (2), in computing a number of days in either House, there shall be excluded any day on which that House is not in session.

(f) FLOOR CONSIDERATION IN THE HOUSE.—

(1) A motion in the House of Representatives to proceed to the consideration of an implementing bill or approval resolution shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) Debate in the House of Representatives on an implementing bill or approval resolution shall be limited to not more than 20 hours, which shall be divided equally between those favoring and those opposing the bill or resolution. A motion further to limit debate shall not be debatable. It shall not be in order to move to recommit an implementing bill or approval resolution or to move to reconsider the vote by which an implementing bill or approval resolution is agreed to or disagreed to.

(3) Motions to postpone, made in the House of Representatives with respect to the consideration of an implementing bill or approval resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

(4) All appeals from the decisions of the Chair relating to the application of the Rules of the House of Representatives to the

Implementing  
revenue  
bills.

procedure relating to an implementing bill or approval resolution shall be decided without debate.

(5) Except to the extent specifically provided in the preceding provisions of this subsection, consideration of an implementing bill or approval resolution shall be governed by the Rules of the House of Representatives applicable to other bills and resolutions in similar circumstances.

(g) FLOOR CONSIDERATION IN THE SENATE.—

(1) A motion in the Senate to proceed to the consideration of an implementing bill or approval resolution shall be privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) Debate in the Senate on an implementing bill or approval resolution, and all debatable motions and appeals in connection therewith, shall be limited to not more than 20 hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(3) Debate in the Senate on any debatable motion or appeal in connection with an implementing bill or approval resolution shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the mover and the manager of the bill or resolution, except that in the event the manager of the bill or resolution is in favor of any such motion or appeal, the time in opposition thereto, shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from time under their control on the passage of an implementing bill or approval resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal.

(4) A motion in the Senate to further limit debate is not debatable. A motion to recommit an implementing bill or approval resolution is not in order.

SEC. 152. RESOLUTIONS DISAPPROVING CERTAIN ACTIONS.

19 USC 2192.

(a) CONTENTS OF RESOLUTIONS.—

(1) For purposes of this section, the term "resolution" means only—

(A) a concurrent resolution of the two Houses of the Congress, the matter after the resolving clause of which is as follows: "That the Congress does not approve \_\_\_\_\_ transmitted to the Congress on \_\_\_\_\_", the first blank space being filled in accordance with paragraph (2) and the second blank space being filled with the appropriate date; and

(B) a resolution of either House of the Congress, the matter after the resolving clause of which is as follows: "That the \_\_\_\_\_ does not approve \_\_\_\_\_ transmitted to the Congress on \_\_\_\_\_", with the first blank space being filled with the name of the resolving House, the second blank space being filled in accordance with paragraph (3), and the third blank space being filled with the appropriate date.

(2) The first blank space referred to in paragraph (1)(A) shall be filled as follows:

(A) in the case of a resolution referred to in section 203(c), with the phrase "the action taken by, or the determination of, the President under section 203 of the Trade Act of 1974"; and

Post, p. 2015.

(B) in the case of a resolution referred to in section 302(b), with the phrase "the action taken by the President under section 301 of the Trade Act of 1974".

(3) The second blank space referred to in paragraph (1)(B) shall be filled as follows:

(A) in the case of a resolution referred to in section 303(e) of the Tariff Act of 1930, with the phrase "the determination of the Secretary of the Treasury under section 303(d) of the Tariff Act of 1930";

(B) in the case of a resolution referred to in section 407(c)(2), with the phrase "the extension of nondiscriminatory treatment with respect to the products of \_\_\_\_\_" (with this blank space being filled with the name of the country involved); and

(C) in the case of a resolution referred to in section 407(c)(3), with the phrase "the report of the President submitted under section \_\_\_\_\_ of the Trade Act of 1974 with respect to \_\_\_\_\_" (with the first blank space being filled with "402(b)" or "409(b)", as appropriate, and the second blank space being filled with the name of the country involved).

(b) REFERENCE TO COMMITTEES.—All resolutions introduced in the House of Representatives shall be referred to the Committee on Ways and Means and all resolutions introduced in the Senate shall be referred to the Committee on Finance.

(c) DISCHARGE OF COMMITTEES.—

(1) If the committee of either House to which a resolution has been referred has not reported it at the end of 30 days after its introduction, not counting any day which is excluded under section 153(b), it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution introduced with respect to the same matter, except no motion to discharge shall be in order after the committee has reported a resolution with respect to the same matter.

(2) A motion to discharge under paragraph (1) may be made only by an individual favoring the resolution, and is highly privileged in the House and privileged in the Senate; and debate thereon shall be limited to not more than 1 hour, the time to be divided in the House equally between those favoring and those opposing the resolution, and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader or their designees. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(d) FLOOR CONSIDERATION IN THE HOUSE.—

(1) A motion in the House of Representatives to proceed to the consideration of a resolution shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) Debate in the House of Representatives on a resolution shall be limited to not more than 20 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. No

amendment to, or motion to recommit, the resolution shall be in order. It shall not be in order to move to reconsider the vote by which a resolution is agreed to or disagreed to.

(3) Motions to postpone, made in the House of Representatives with respect to the consideration of a resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

(4) All appeals from the decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to a resolution shall be decided without debate.

(5) Except to the extent specifically provided in the preceding provisions of this subsection, consideration of a resolution in the House of Representatives shall be governed by the Rules of the House of Representatives applicable to other resolutions in similar circumstances.

(e) FLOOR CONSIDERATION IN THE SENATE.—

(1) A motion in the Senate to proceed to the consideration of a resolution shall be privileged. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) Debate in the Senate on a resolution, and all debatable motions and appeals in connection therewith, shall be limited to not more than 20 hours, to be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(3) Debate in the Senate on any debatable motion or appeal in connection with a resolution shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the mover and the manager of the resolution, except that in the event the manager of the resolution is in favor of any such motion or appeal, the time in opposition thereto, shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from time under their control on the passage of a resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal.

(4) A motion in the Senate to further limit debate on a resolution, debatable motion, or appeal is not debatable. No amendment to, or motion to recommit, a resolution is in order in the Senate.

(f) SPECIAL RULE FOR CONCURRENT RESOLUTIONS.—In the case of a resolution described in subsection (a)(1), if prior to the passage by one House of a resolution of that House, that House receives a resolution with respect to the same matter from the other House, then—

(1) the procedure in that House shall be the same as if no resolution had been received from the other House; but

(2) the vote on final passage shall be on the resolution of the other House.

SEC. 153. RESOLUTIONS RELATING TO EXTENSION OF WAIVER AUTHORITY UNDER SECTION 402. 19 USC 2193.

(a) CONTENTS OF RESOLUTIONS.—For purposes of this section, the term "resolution" means only— "Resolution."

(1) a concurrent resolution of the two Houses of the Congress, the matter after the resolving clause of which is as follows:

"That the Congress approves the extension of the authority contained in section 402(c)(1) of the Trade Act of 1974 recommended

by the President to the Congress on \_\_\_\_\_, except with respect to \_\_\_\_\_, with the first blank space being filled with the appropriate date and the second blank space being filled with the names of those countries, if any, with respect to which such extension of authority is not approved, and with the except clause being omitted if there is no such country; and

(2) a resolution of either House of the Congress, the matter after the resolving clause of which is as follows: "That the \_\_\_\_\_ does not approve the extension of the authority contained in section 402(c) of the Trade Act of 1974 recommended by the President to the Congress on \_\_\_\_\_ with respect to \_\_\_\_\_, with the first blank space being filled with the name of the resolving House, the second blank space being filled with the appropriate date, and the third blank space being filled with the names of those countries, if any, with respect to which such extension of authority is not approved, and with the with-respect-to clause being omitted if the extension of the authority is not approved with respect to any country.

(b) APPLICATION OF RULES OF SECTION 152; EXCEPTIONS.—

(1) Except as provided in this section, the provisions of section 152 shall apply to resolutions described in subsection (a).

(2) In applying section 152(c)(1), all calendar days shall be counted, and, in the case of a resolution related to section 402(d)(4), 20 calendar days shall be substituted for 30 days.

(3) That part of section 152(d)(2) which provides that no amendment is in order shall not apply to any amendment to a resolution which is limited to striking out or inserting the names of one or more countries or to striking out or inserting an except clause, in the case of a resolution described in subsection (a)(1), or a with-respect-to clause, in the case of a resolution described in subsection (a)(2). Debate in the House of Representatives on any amendment to a resolution shall be limited to not more than 1 hour which shall be equally divided between those favoring and those opposing the amendment. A motion in the House to further limit debate on an amendment to a resolution is not debatable.

(4) That part of section 152(e)(4) which provides that no amendment is in order shall not apply to any amendment to a resolution which is limited to striking out or inserting the names of one or more countries or to striking out or inserting an except clause, in the case of a resolution described in subsection (a)(1), or a with-respect-to clause, in the case of a resolution described in subsection (a)(2). The time limit on a debate on a resolution in the Senate under section 152(e)(2) shall include all amendments to a resolution. Debate in the Senate on any amendment to a resolution shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the mover and the manager of the resolution, except that in the event the manager of the resolution is in favor of any such amendment, the time in opposition thereto shall be controlled by the minority leader or his designee. The majority leader and minority leader may, from time under their control on the passage of a resolution, allot additional time to any Senator during the consideration of any amendment. A motion in the Senate to further limit debate on an amendment to a resolution is not debatable.

(c) CONSIDERATION OF SECOND RESOLUTION NOT IN ORDER.—It shall not be in order in either the House of Representatives or the Senate

Post, p. 2056.

to consider a resolution with respect to a recommendation of the President under section 402(d) (other than a resolution described in subsection (a)(1) received from the other House), if that House has adopted a resolution with respect to the same recommendation.

SEC. 154. SPECIAL RULES RELATING TO CONGRESSIONAL PROCEDURES.

(a) Whenever, pursuant to section 102(e), 203(b), 302(a), 402(d), or 407 (a) or (b), or section 303(e) of the Tariff Act of 1930, a document is required to be transmitted to the Congress, copies of such document shall be delivered to both Houses of Congress on the same day and shall be delivered to the Clerk of the House of Representatives if the House is not in session and to the Secretary of the Senate if the Senate is not in session.

(b) For purposes of sections 203(c), 302(b), 407(c)(2), and 407(c)(3), the 90-day period referred to in such sections shall be computed by excluding—

(1) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die, and

(2) any Saturday and Sunday, not excluded under paragraph (1), when either House is not in session.

CHAPTER 6—CONGRESSIONAL LIAISON AND REPORTS

SEC. 161. CONGRESSIONAL DELEGATES TO NEGOTIATIONS.

(a) At the beginning of each regular session of Congress, the Speaker of the House of Representatives, upon the recommendation of the chairman of the Committee on Ways and Means, shall select five members (not more than three of whom are members of the same political party) of such committee, and the President pro tempore of the Senate, upon the recommendation of the chairman of the Committee on Finance, shall select five members (not more than three of whom are members of the same political party) of such committee, who shall be accredited by the President as official advisers to the United States delegations to international conferences, meetings, and negotiation sessions relating to trade agreements.

(b) (1) The Special Representative for Trade Negotiation shall keep each official adviser currently informed on United States negotiating objectives, the status of negotiations in progress, and the nature of any changes in domestic law or the administration thereof which may be recommended to Congress to carry out any trade agreement.

(2) The chairmen of the Committee on Ways and Means and the Committee on Finance may designate members (in addition to the official advisors under subsection (a)) and staff members of their respective committees who shall have access to the information provided to official advisers under paragraph (1).

SEC. 162. TRANSMISSION OF AGREEMENTS TO CONGRESS.

(a) As soon as practicable after a trade agreement entered into under chapter 1 or section 123 or 124 has entered into force with respect to the United States, the President shall, if he has not previously done so, transmit a copy of such trade agreement to each House of the Congress together with a statement, in the light of the advice of the International Trade Commission under section 131(b), if any,

Post, p. 2056.

19 USC 2194.

Ante, p. 1982;  
Post, p. 2015,  
2043, 2063.

19 USC 2211.

19 USC 2212.

Summary of  
information.

"Member."

19 USC 2213.  
Presidential  
report to  
Congress.

and of other relevant considerations, of his reasons for entering into the agreement.

(b) The President shall transmit to each Member of the Congress a summary of the information required to be transmitted to each House under subsection (a). For purposes of this subsection, the term "Member" includes any Delegate or Resident Commissioner.

#### SEC. 163. REPORTS.

(a) The President shall submit to the Congress an annual report on the trade agreements program and on import relief and adjustment assistance for workers, firms, and communities under this Act. Such report shall include information regarding new negotiations; changes made in duties and nontariff barriers and other distortions of trade of the United States; reciprocal concessions obtained; changes in trade agreements (including the incorporation therein of actions taken for import relief and compensation provided therefor); extension or withdrawal of nondiscriminatory treatment by the United States with respect to the products of a foreign country; extension, modification, withdrawal, suspension, or limitation of preferential treatment to exports of developing countries; the results of action taken to obtain removal of foreign trade restrictions (including discriminatory restrictions) against United States exports and the removal of foreign practices which discriminate against United States service industries (including transportation and tourism) and investment; and the measures being taken to seek the removal of other significant foreign import restrictions; and other information relating to the trade agreements program and to the agreements entered into thereunder. Such report shall also include information regarding the number of applications filed for adjustment assistance for workers, firms, and communities, the number of such applications which were approved, and the extent to which adjustment assistance has been provided under such approved applications.

(b) The International Trade Commission shall submit to the Congress, at least once a year, a factual report on the operation of the trade agreements program.

### CHAPTER 7—UNITED STATES INTERNATIONAL TRADE COMMISSION

#### SEC. 171. CHANGE OF NAME OF TARIFF COMMISSION.

(a) The United States Tariff Commission (established by section 330 of the Tariff Act of 1930) is renamed as the United States International Trade Commission.

(b) Any reference in any law of the United States, or in any order, rule, regulation, or other document, to the United States Tariff Commission (or the Tariff Commission) shall be considered to refer to the United States International Trade Commission.

#### SEC. 172. ORGANIZATION OF THE COMMISSION.

(a) Subsections (a) and (b) of section 330 of the Tariff Act of 1930 (19 U.S.C. 1330) are amended to read as follows:

"(a) **MEMBERSHIP.**—The United States International Trade Commission (referred to in this title as the "Commission") shall be composed of six commissioners who shall be appointed by the President, by and with the advice and consent of the Senate. No person shall be eligible for appointment as a commissioner unless he is a citizen of the United States, and, in the judgment of the President, is possessed

of qualifications requisite for developing expert knowledge of international trade problems and efficiency in administering the duties and functions of the Commission. A person who has served as a commissioner for more than 5 years (excluding service as a commissioner before the date of the enactment of the Trade Act of 1974) shall not be eligible for reappointment as a commissioner. Not more than three of the commissioners shall be members of the same political party, and in making appointments members of different political parties shall be appointed alternately as nearly as may be practicable.

"(b) **TERMS OF OFFICE.**—The terms of office of the commissioners holding office on the date of the enactment of the Trade Act of 1974 which (but for this sentence) would expire on June 16, 1975, June 16, 1976, June 16, 1977, June 16, 1978, June 16, 1979, and June 16, 1980, shall expire on December 16, 1976, June 16, 1978, December 16, 1979, June 16, 1981, December 16, 1982, and June 16, 1984, respectively. The term of office of each commissioner appointed after such date shall expire 9 years from the date of the expiration of the term for which his predecessor was appointed, except that any commissioner appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term."

(b) Subsection (c) of such section is amended—

(1) by striking out "The" in the first sentence and inserting in lieu thereof "(1) Except as provided in paragraph (2), the"; and

(2) by adding at the end thereof the following new paragraph:

"(2) Effective on and after June 17, 1975, the commissioner whose term is first to expire and who has at least 18 months remaining in his term shall serve as chairman during the last 18 months of his term (or, in the case of a commissioner appointed to fill a vacancy occurring during such 18-month period, during the remainder of his term), and the commissioner whose term is second to expire and who has at least 36 months remaining in his term shall serve as vice chairman during the same 18-month period (or, in the case of a commissioner appointed to fill a vacancy occurring during such 18-month period, during the remainder of such 18-month period)."

(c) (1) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(61) Chairman, United States International Trade Commission."

(2) Section 5315 of such title is amended by striking out paragraph (24) and inserting in lieu thereof the following:

"(24) Members, United States International Trade Commission."

(3) Section 5316 of such title is amended by striking out paragraph (93).

#### SEC. 173. VOTING RECORD OF COMMISSIONERS.

Section 332(g) of the Tariff Act of 1930 (31 U.S.C. 1332(g)) is amended—

(1) by striking out "and" before "a summary", and

(2) by inserting before the period at the end "and a list of all votes taken by the commission during the year, showing those commissioners voting in the affirmative and the negative on each vote and those commissioners not voting on each vote and the reasons for not voting".

ITC report  
to Congress.

19 USC 2231.

19 USC 1330.

19 USC 1332.

**SEC. 174. REPRESENTATION IN COURT PROCEEDINGS.**

Section 333(c) of the Tariff Act of 1930 (19 U.S.C. 1333(c)) is amended—

(1) by striking out "Upon application of the Attorney General of the United States, at" in subsection (c) and inserting in lieu thereof "At", and

(2) by adding at the end thereof the following new subsection:

"(g) REPRESENTATION IN COURT PROCEEDINGS.—The Commission shall be represented in all judicial proceedings by attorneys who are employees of the commission or, at the request of the commission, by the Attorney General of the United States."

**SEC. 175. INDEPENDENT BUDGET AND AUTHORIZATION OF APPROPRIATIONS.**

(a) (1) Effective with respect to the fiscal year beginning October 1, 1976, for purposes of the Budget and Accounting Act, 1921 (31 U.S.C. 1 et seq.), estimated expenditures and proposed appropriations for the United States International Trade Commission shall be transmitted to the President on or before October 15 of the year preceding the beginning of each fiscal year and shall be included by him in the Budget without revision, and the Commission shall not be considered to be a department or establishment for purposes of such Act.

(2) Section 3679 of the Revised Statutes (31 U.S.C. 665) is amended by inserting "the United States International Trade Commission," before "or the District of Columbia" each place it appears in subsections (d) and (g).

(b) Section 330 of the Tariff Act of 1930 (19 U.S.C. 1330) is amended by adding at the end thereof the following new subsection:

"(e) AUTHORIZATION OF APPROPRIATIONS.—For the fiscal year beginning October 1, 1976, and each fiscal year thereafter, there are authorized to be appropriated to the Commission only such sums as may hereafter be provided by law."

(c) (1) Paragraph (2) is enacted as an exercise of the rulemaking power of the Senate and with full recognition of the constitutional right of the Senate to change its rules at any time.

(2) Paragraph 6(a) of rule XVI of the Standing Rules of the Senate is amended by adding at the end of the table contained therein the following:

"Committee on Finance ----- For the International Trade Commission."

## **TITLE II—RELIEF FROM INJURY CAUSED BY IMPORT COMPETITION**

### **CHAPTER 1—IMPORT RELIEF**

**SEC. 201. INVESTIGATION BY INTERNATIONAL TRADE COMMISSION.**

(a) (1) A petition for eligibility for import relief for the purpose of facilitating orderly adjustment to import competition may be filed with the International Trade Commission (hereinafter in this chapter referred to as the "Commission") by an entity, including a trade association, firm, certified or recognized union, or group of workers, which is representative of an industry. The petition shall include a statement describing the specific purposes for which import relief is being sought, which may include such objectives as facilitating the orderly transfer

of resources to alternative uses and other means of adjustment to new conditions of competition.

(2) Whenever a petition is filed under this subsection, the Commission shall transmit a copy thereof to the Special Representative for Trade Negotiations and the agencies directly concerned.

(b) (1) Upon the request of the President or the Special Representative for Trade Negotiations, upon resolution of either the Committee on Ways and Means of the House of Representatives or the Committee on Finance of the Senate, upon its own motion, or upon the filing of a petition under subsection (a) (1), the Commission shall promptly make an investigation to determine whether an article is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article.

(2) In making its determinations under paragraph (1), the Commission shall take into account all economic factors which it considers relevant, including (but not limited to)—

(A) with respect to serious injury, the significant idling of productive facilities in the industry, the inability of a significant number of firms to operate at a reasonable level of profit, and significant unemployment or underemployment within the industry;

(B) with respect to threat of serious injury, a decline in sales, a higher and growing inventory, and a downward trend in production, profits, wages, or employment (or increasing underemployment) in the domestic industry concerned; and

(C) with respect to substantial cause, an increase in imports (either actual or relative to domestic production) and a decline in the proportion of the domestic market supplied by domestic producers.

(3) For purposes of paragraph (1), in determining the domestic industry producing an article like or directly competitive with an imported article, the Commission—

(A) may, in the case of a domestic producer which also imports, treat as part of such domestic industry only its domestic production,

(B) may, in the case of a domestic producer which produces more than one article, treat as part of such domestic industry only that portion or subdivision of the producer which produces the like or directly competitive article, and

(C) may, in the case of one or more domestic producers, who produce a like or directly competitive article in a major geographic area of the United States and whose production facilities in such area for such article constitute a substantial portion of the domestic industry in the United States and primarily serve the market in such area, and where the imports are concentrated in such area, treat as such domestic industry only that segment of the production located in such area.

(4) For purposes of this section, the term "substantial cause" means a cause which is important and not less than any other cause.

(5) In the course of any proceeding under this subsection, the Commission shall, for the purpose of assisting the President in making his determinations under sections 202 and 203, investigate and report on efforts made by firms and workers in the industry to compete more effectively with imports.

Investigation.

Economic factors.

"Substantial cause."

Estimated expenditures and proposed appropriations, transmittal to President.  
19 USC 2232.

19 USC 2251.  
Filing of petition with ITC.



Increased  
imports.

19 USC 160-  
171.  
19 USC 1303,  
1337.  
Notification.  
Hearings.

Report to  
President.

Transcript  
of hearings  
and briefs,  
transmittal  
to President.

Publication  
in Federal  
Register.

Investigations,  
continuation.  
19 USC 1901.

(6) In the course of any proceeding under this subsection, the Commission shall investigate any factors which in its judgment may be contributing to increased imports of the article under investigation; and, whenever in the course of its investigation the Commission has reason to believe that the increased imports are attributable in part to circumstances which come within the purview of the Antidumping Act, 1921, section 303 or 337 of the Tariff Act of 1930, or other remedial provisions of law, the Commission shall promptly notify the appropriate agency so that such action may be taken as is otherwise authorized by such provisions of law.

(c) In the course of any proceeding under subsection (b), the Commission shall, after reasonable notice, hold public hearings and shall afford interested parties an opportunity to be present, to present evidence, and to be heard at such hearings.

(d) (1) The Commission shall report to the President its findings under subsection (b), and the basis therefor and shall include in each report any dissenting or separate views. If the Commission finds with respect to any article, as a result of its investigation, the serious injury or threat thereof described in subsection (b), it shall—

(A) find the amount of the increase in, or imposition of, any duty or import restriction on such article which is necessary to prevent or remedy such injury, or

(B) if it determines that adjustment assistance under chapters 2, 3, and 4 can effectively remedy such injury, recommend the provision of such assistance,

and shall include such findings or recommendation in its report to the President. The Commission shall furnish to the President a transcript of the hearings and any briefs which were submitted in connection with each investigation.

(2) The report of the Commission of its determination under subsection (b) shall be made at the earliest practicable time, but not later than 6 months after the date on which the petition is filed (or the date on which the request or resolution is received or the motion is adopted, as the case may be). Upon making such report to the President, the Commission shall also promptly make public such report (with the exception of information which the Commission determines to be confidential) and shall cause a summary thereof to be published in the Federal Register.

(e) Except for good cause determined by the Commission to exist, no investigation for the purposes of this section shall be made with respect to the same subject matter as a previous investigation under this section, unless 1 year has elapsed since the Commission made its report to the President of the results of such previous investigation.

(f) (1) Any investigation by the Commission under section 301(b) of the Trade Expansion Act of 1962 (as in effect before the date of the enactment of this Act) which is in progress immediately before such date of enactment shall be continued under this section in the same manner as if the investigation had been instituted originally under the provisions of this section. For purposes of subsection (d) (2), the petition for any investigation to which the preceding sentence applies shall be treated as having been filed, or the request or resolution as having been received or the motion having been adopted, as the case may be, on the date of the enactment of this Act.

(2) If, on the date of the enactment of this Act, the President has not taken any action with respect to any report of the Commission containing an affirmative determination resulting from an investiga-

tion under section 301(b) of the Trade Expansion Act of 1962 (as in effect before the date of the enactment of this Act), such report shall be treated by the President as a report received by him under this section on the date of the enactment of this Act.

#### SEC. 202. PRESIDENTIAL ACTION AFTER INVESTIGATIONS.

(a) After receiving a report from the Commission containing an affirmative finding under section 201(b) that increased imports have been a substantial cause of serious injury or the threat thereof with respect to an industry, the President—

(1) (A) shall provide import relief for such industry pursuant to section 203, unless he determines that provision of such relief is not in the national economic interest of the United States, and

(B) shall evaluate the extent to which adjustment assistance has been made available (or can be made available) under chapters 2, 3, and 4 of this title to the workers and firms in such industry and to the communities in which such workers and firms are located, and, after such evaluation, may direct the Secretary of Labor and the Secretary of Commerce that expeditious consideration be given to the petitions for adjustment assistance; or

(2) if the Commission, under section 201(d), recommends the provision of adjustment assistance, shall direct the Secretaries of Labor and Commerce as described in paragraph (1) (B).

(b) Within 60 days (30 days in the case of a supplemental report under subsection (d)) after receiving a report from the Commission containing an affirmative finding under section 201(b) (or a finding under section 201(b) which he considers to be an affirmative finding, by reason of section 330(d) of the Tariff Act of 1930, within such 60-day (or 30-day) period), the President shall—

(1) determine what method and amount of import relief he will provide, or determine that the provision of such relief is not in the national economic interest of the United States, and whether he will direct expeditious consideration of adjustment assistance petitions, and publish in the Federal Register that he has made such determination; or

(2) if such report recommends the provision of adjustment assistance, publish in the Federal Register his order to the Secretary of Labor and Secretary of Commerce for expeditious consideration of petitions.

(c) In determining whether to provide import relief and what method and amount of import relief he will provide pursuant to section 203, the President shall take into account, in addition to such other considerations as he may deem relevant—

(1) information and advice from the Secretary of Labor on the extent to which workers in the industry have applied for, are receiving, or are likely to receive adjustment assistance under chapter 2 or benefits from other manpower programs;

(2) information and advice from the Secretary of Commerce on the extent to which firms in the industry have applied for, are receiving, or are likely to receive adjustment assistance under chapters 3 and 4;

(3) the probable effectiveness of import relief as a means to promote adjustment, the efforts being made or to be implemented by the industry concerned to adjust to import competition, and other considerations relative to the position of the industry in the Nation's economy;

19 USC 1901.

19 USC 2252.

Ante, pp. 1986,  
1994, 1999.

19 USC 1330.

Publication  
in Federal  
Register.  
Publication  
in Federal  
Register.Additional con-  
siderations.

(4) the effect of import relief on consumers (including the price and availability of the imported article and the like or directly competitive article produced in the United States) and on competition in the domestic markets for such articles;

(5) the effect of import relief on the international economic interests of the United States;

(6) the impact on United States industries and firms as a consequence of any possible modification of duties or other import restrictions which may result from international obligations with respect to compensation;

(7) the geographic concentration of imported products marketed in the United States;

(8) the extent to which the United States market is the focal point for exports of such article by reason of restraints on exports of such article to, or on imports of such article into, third country markets; and

(9) the economic and social costs which would be incurred by taxpayers, communities, and workers, if import relief were or were not provided.

Request for  
additional  
information.

(d) The President may, within 15 days after the date on which he receives an affirmative finding of the Commission under section 201(b) with respect to an industry, request additional information from the Commission. The Commission shall, as soon as practicable but in no event more than 30 days after the date on which it receives the President's request, furnish additional information with respect to such industry in a supplemental report.

19 USC 2253.

#### SEC. 203. IMPORT RELIEF.

(a) If the President determines to provide import relief under section 202(a)(1), he shall, to the extent that and for such time (not to exceed 5 years) as he determines necessary taking into account the considerations specified in section 202(c) to prevent or remedy serious injury or the threat thereof to the industry in question and to facilitate the orderly adjustment to new competitive conditions by the industry in question—

(1) proclaim an increase in, or imposition of, any duty on the article causing or threatening to cause serious injury to such industry;

(2) proclaim a tariff-rate quota on such article;

(3) proclaim a modification of, or imposition of, any quantitative restriction on the import into the United States of such article;

(4) negotiate orderly marketing agreements with foreign countries limiting the export from foreign countries and the import into the United States of such articles; or

(5) take any combination of such actions.

Documents,  
transmittal  
to Congress.

(b) (1) On the day on which the President proclaims import relief under this section or announces his intention to negotiate one or more orderly marketing agreements, the President shall transmit to Congress a document setting forth the action he is taking under this section. If the action taken by the President differs from the action recommended to him by the Commission under section 201(b)(1)(A), he shall state the reason for such difference.

(2) On the day on which the President determines that the provision of import relief is not in the national economic interest of the United States, the President shall transmit to Congress a document setting forth such determination and the reasons why, in terms of the

national economic interest, he is not providing import relief and also what other steps he is taking, beyond adjustment assistance programs immediately available to help the industry to overcome serious injury and the workers to find productive employment.

(c) (1) If the President reports under subsection (b) that he is taking action which differs from the action recommended by the Commission under section 201(b)(1)(A), or that he will not provide import relief, the action recommended by the Commission shall take effect (as provided in paragraph (2)) upon the adoption by both Houses of Congress (within the 90-day period following the date on which the document referred to in subsection (b) is transmitted to the Congress), by an affirmative vote of a majority of the Members of each House present and voting, of a concurrent resolution disapproving the action taken by the President or his determination not to provide import relief under section 202(a)(1)(A).

(2) If the contingency set forth in paragraph (1) occurs, the President shall (within 30 days after the adoption of such resolution) proclaim the increase in, or imposition of, any duty or other import restriction on the article which was recommended by the Commission under section 201(b).

(d) (1) No proclamation pursuant to subsection (a) or (c) shall be made increasing a rate of duty to (or imposing) a rate which is more than 50 percent ad valorem above the rate (if any) existing at the time of the proclamation.

(2) Any quantitative restriction proclaimed pursuant to subsection (a) or (c) and any orderly marketing agreement negotiated pursuant to subsection (a) shall permit the importation of a quantity or value of the article which is not less than the quantity or value of such article imported into the United States during the most recent period which the President determines is representative of imports of such article.

Quantitative  
restriction.

(e) (1) Import relief under this section shall be proclaimed and take effect within 15 days after the import relief determination date unless the President announces on such date his intention to negotiate one or more orderly marketing agreements under subsection (a)(4) or (5) in which case import relief shall be proclaimed and take effect within 90 days after the import relief determination date.

(2) If the President provides import relief under subsection (a)(1), (2), (3), or (5), he may, after such relief takes effect, negotiate orderly marketing agreements with foreign countries, and may, after such agreements take effect, suspend or terminate, in whole or in part, such import relief.

Marketing  
agreements.

(3) If the President negotiates an orderly marketing agreement under subsection (a)(4) or (5) and such agreement does not continue to be effective, he may, consistent with the limitations contained in subsection (h), provide import relief under subsection (a)(1), (2), (3), or (5).

(4) For purposes of this subsection, the term "import relief determination date" means the date of the President's determination under section 202(b).

"Import re-  
lief deter-  
mination date."

(f) (1) For purposes of subsections (a) and (c), the suspension of item 806.30 or 807.00 of the Tariff Schedules of the United States with respect to an article shall be treated as an increase in duty.

19 USC 1202.

(2) For purposes of subsections (a) and (c), the suspension of the designation of any article as an eligible article for purposes of title V shall be treated as an increase in duty.

Post, p. 2066.

(3) No proclamation providing for a suspension referred to in paragraph (1) with respect to any article shall be made under subsection (a) or (c) unless the Commission, in addition to making an affirmative determination with respect to such article under section 201(b), determines in the course of its investigation under section 201(b) that the serious injury (or threat thereof) substantially caused by imports to the domestic industry producing a like or directly competitive article results from the application of item 806.30 or item 807.00.

(4) No proclamation which provides solely for a suspension referred to in paragraph (2) with respect to any article shall be made under subsection (a) or (c) unless the Commission, in addition to making an affirmative determination with respect to such article under section 201(b), determines in the course of its investigation under section 201(b) that the serious injury (or threat thereof) substantially caused by imports to the domestic industry producing a like or directly competitive article results from the designation of the article as an eligible article for the purposes of title V.

(g)(1) The President shall by regulations provide for the efficient and fair administration of any quantitative restriction proclaimed pursuant to subsection (a)(3) or (c).

(2) In order to carry out an agreement concluded under subsection (a)(4), (a)(5), or (e)(2), the President is authorized to prescribe regulations governing the entry or withdrawal from warehouse of articles covered by such agreement. In addition, in order to carry out any agreement concluded under subsection (a)(4), (a)(5), or (e)(2) with one or more countries accounting for a major part of United States imports of the article covered by such agreements, including imports into a major geographic area of the United States, the President is authorized to issue regulations governing the entry or withdrawal from warehouse of like articles which are the product of countries not parties to such agreement.

(3) Regulations prescribed under this subsection shall, to the extent practicable and consistent with efficient and fair administration, insure against inequitable sharing of imports by a relatively small number of the larger importers.

(h)(1) Any import relief provided pursuant to this section shall, unless renewed pursuant to paragraph (3), terminate no later than the close of the day which is 5 years after the day on which import relief with respect to the article in question first took effect pursuant to this section.

(2) To the extent feasible, any import relief provided pursuant to this section for a period of more than 3 years shall be phased down during the period of such relief, with the first reduction of relief taking effect no later than the close of the day which is 3 years after the day on which such relief first took effect.

(3) Any import relief provided pursuant to this section or section 351 or 352 of the Trade Expansion Act of 1962 may be extended by the President, at a level of relief no greater than the level in effect immediately before such extension, for one 3-year period if the President determines, after taking into account the advice received from the Commission under subsection (i)(2) and after taking into account the considerations described in section 202(c), that such extension is in the national interest.

Post, p. 2066.  
Regulations.

Import re-  
lief, ter-  
mination.

19 USC 1981,  
1982.

Ante, p. 2014.

(4) Any import relief provided pursuant to this section may be reduced or terminated by the President when he determines, after taking into account the advice received from the Commission under subsection (i)(2) and after seeking advice of the Secretary of Commerce and the Secretary of Labor, that such reduction or termination is in the national interest.

(5) For purposes of this subsection and subsection (i), the import relief provided in the case of an orderly marketing agreement shall be the level of relief contemplated by such agreement.

(i)(1) So long as any import relief provided pursuant to this section or section 351 or 352 of the Trade Expansion Act of 1962 remains in effect, the Commission shall keep under review developments with respect to the industry concerned (including the progress and specific efforts made by the firms in the industry concerned to adjust to import competition) and upon request of the President shall make reports to the President concerning such developments.

(2) Upon request of the President or upon its own motion, the Commission shall advise the President of its judgment as to the probable economic effect on the industry concerned of the extension, reduction, or termination of the import relief provided pursuant to this section.

(3) Upon petition on behalf of the industry concerned, filed with the Commission not earlier than the date which is 9 months, and not later than the date which is 6 months, before the date any import relief provided pursuant to this section or section 351 or 352 of the Trade Expansion Act of 1962 is to terminate by reason of the expiration of the initial period therefor, the Commission shall advise the President of its judgment as to the probable economic effect on such industry of such termination.

(4) In advising the President under paragraph (2) or (3) as to the probable economic effect on the industry concerned, the Commission shall take into account all economic factors which it considers relevant, including the considerations set forth in section 202(c) and the progress and specific efforts made by the industry concerned to adjust to import competition.

(5) Advice by the Commission under paragraph (2) or (3) shall be given on the basis of an investigation during the course of which the Commission shall hold a hearing at which interested persons shall be given a reasonable opportunity to be present, to produce evidence, and to be heard.

(j) No investigation for the purposes of section 201 shall be made with respect to an article which has received import relief under this section unless 2 years have elapsed since the last day on which import relief was provided with respect to such article pursuant to this section.

(k)(1) Actions by the President pursuant to this section may be taken without regard to the provisions of section 126(a) of this Act but only after consideration of the relation of such actions to the international obligations of the United States.

(2) If the Commission treats as the domestic industry production located in a major geographic area of the United States under section 201(b)(3)(C), then the President shall take into account the geographic concentration of domestic production and of imports in that area in providing import relief, if any, which may include actions authorized under paragraph (1).

Review of  
developments,  
reports to  
President.  
19 USC 1981,  
1982.

Hearing.

Ante, p. 1992.

Geographic  
concentration  
of domestic  
production.



## CHAPTER 2—ADJUSTMENT ASSISTANCE FOR WORKERS

### Subchapter A—Petitions and Determinations

19 USC 2271.

#### SEC. 221. PETITIONS.

(a) A petition for a certification of eligibility to apply for adjustment assistance under this chapter may be filed with the Secretary of Labor (hereinafter in this chapter referred to as the "Secretary") by a group of workers or by their certified or recognized union or other duly authorized representative. Upon receipt of the petition, the Secretary shall promptly publish notice in the Federal Register that he has received the petition and initiated an investigation.

Publication  
in Federal  
Register.  
Hearing.

(b) If the petitioner, or any other person found by the Secretary to have a substantial interest in the proceedings, submits not later than 10 days after the date of the Secretary's publication under subsection (a) a request for a hearing, the Secretary shall provide for a public hearing and afford such interested persons an opportunity to be present, to produce evidence, and to be heard.

19 USC 2272.

#### SEC. 222. GROUP ELIGIBILITY REQUIREMENTS.

The Secretary shall certify a group of workers as eligible to apply for adjustment assistance under this chapter if he determines—

(1) that a significant number or proportion of the workers in such workers' firm or an appropriate subdivision of the firm have become totally or partially separated, or are threatened to become totally or partially separated,

(2) that sales or production, or both, of such firm or subdivision have decreased absolutely, and

(3) that increases of imports of articles like or directly competitive with articles produced by such workers' firm or an appropriate subdivision thereof contributed importantly to such total or partial separation, or threat thereof, and to such decline in sales or production.

"Contributed  
importantly."

For purposes of paragraph (3), the term "contributed importantly" means a cause which is important but not necessarily more important than any other cause.

19 USC 2273.

#### SEC. 223. DETERMINATIONS BY SECRETARY OF LABOR.

Certification  
of eligibility.

(a) As soon as possible after the date on which a petition is filed under section 221, but in any event not later than 60 days after that date, the Secretary shall determine whether the petitioning group meets the requirements of section 222 and shall issue a certification of eligibility to apply for assistance under this chapter covering workers in any group which meets such requirements. Each certification shall specify the date on which the total or partial separation began or threatened to begin.

(b) A certification under this section shall not apply to any worker whose last total or partial separation from the firm or appropriate subdivision of the firm before his application under section 231 occurred—

(1) more than one year before the date of the petition on which such certification was granted, or

(2) more than 6 months before the effective date of this chapter.

(c) Upon reaching his determination on a petition, the Secretary shall promptly publish a summary of the determination in the Federal Register together with his reasons for making such determination.

(d) Whenever the Secretary determines, with respect to any certification of eligibility of the workers of a firm or subdivision of the firm, that total or partial separations from such firm or subdivision are no longer attributable to the conditions specified in section 222, he shall terminate such certification and promptly have notice of such termination published in the Federal Register together with his reasons for making such determination. Such termination shall apply only with respect to total or partial separations occurring after the termination date specified by the Secretary.

Publication  
in Federal  
Register.

Publication  
in Federal  
Register.

#### SEC. 224. STUDY BY SECRETARY OF LABOR WHEN INTERNATIONAL TRADE COMMISSION BEGINS INVESTIGATION; ACTION WHERE THERE IS AFFIRMATIVE FINDING.

19 USC 2274.

(a) Whenever the International Trade Commission (hereafter referred to in this chapter as the "Commission") begins an investigation under section 201 with respect to an industry, the Commission shall immediately notify the Secretary of such investigation, and the Secretary shall immediately begin a study of—

(1) the number of workers in the domestic industry producing the like or directly competitive article who have been or are likely to be certified as eligible for adjustment assistance, and

(2) the extent to which the adjustment of such workers to the import competition may be facilitated through the use of existing programs.

(b) The report of the Secretary of the study under subsection (a) shall be made to the President not later than 15 days after the day on which the Commission makes its report under section 201. Upon making his report to the President, the Secretary shall also promptly make it public (with the exception of information which the Secretary determines to be confidential) and shall have a summary of it published in the Federal Register.

Report to  
President.  
Publication  
in Federal  
Register.

(c) Whenever the Commission makes an affirmative finding under section 201(b) that increased imports are a substantial cause of serious injury or threat thereof with respect to an industry, the Secretary shall make available, to the extent feasible, full information to the workers in such industry about programs which may facilitate the adjustment to import competition of such workers, and he shall provide assistance in the preparation and processing of petitions and applications of such workers for program benefits.

### Subchapter B—Program Benefits

#### PART I—TRADE READJUSTMENT ALLOWANCES

##### SEC. 231. QUALIFYING REQUIREMENTS FOR WORKERS.

19 USC 2291.

Payment of a trade readjustment allowance shall be made to an adversely affected worker covered by a certification under subchapter A who files an application for such allowance for any week of unemployment which begins after the date specified in such certification pursuant to section 223(a), if the following conditions are met:

(1) Such worker's last total or partial separation before his application under this chapter, occurred—

(A) on or after the date, as specified in the certification under which he is covered, on which total or partial separation began or threatened to begin in the adversely affected employment, and

(B) before the expiration of the 2-year period beginning on the date on which the determination under section 223 was made, and

(C) before the termination date (if any) determined pursuant to section 223(d); and

(2) Such worker had, in the 52 weeks immediately preceding such total or partial separation, at least 26 weeks of employment at wages of \$30 or more a week in adversely affected employment with a single firm or subdivision of a firm, or, if data with respect to weeks of employment are not available, equivalent amounts of employment computed under regulations prescribed by the Secretary.

19 USC 2292.

#### SEC. 232. WEEKLY AMOUNTS.

(a) Subject to the other provisions of this section, the trade readjustment allowance payable to an adversely affected worker for a week of unemployment shall be—

(1) 70 percent of his average weekly wage (but not in excess of the average weekly manufacturing wage), reduced by

(2) 50 percent of the amount of the remuneration for services performed during such week.

(b) Any adversely affected worker who is entitled to trade readjustment allowances and who is undergoing training approved by the Secretary, including on-the-job training, shall receive for each week in which he is undergoing any such training, a trade readjustment allowance in an amount (computed for such week) equal to the amount computed under subsection (a) or (if greater) the amount of any weekly allowance for such training to which he would be entitled under any other Federal law for the training of workers, if he applied for such allowance. Such trade readjustment allowance shall be paid in lieu of any training allowance to which the worker would be entitled under such other Federal law.

(c) The amount of trade readjustment allowance payable to an adversely affected worker under subsection (a) for any week shall be reduced by any amount of unemployment insurance which he receives, or which he would receive if he applied for such insurance, with respect to such week; but, if the appropriate State or Federal agency finally determines that the worker was not entitled to unemployment insurance with respect to such week, the reduction shall not apply with respect to such week.

(d) If unemployment insurance, or a training allowance under any Federal law, is paid to an adversely affected worker for any week of unemployment with respect to which he would be entitled (determined without regard to subsection (c) or (e) or to any disqualification under section 236(c)) to a trade readjustment allowance if he applied for such allowance, each such week shall be deducted from the total number of weeks of trade readjustment allowance otherwise payable to him under section 233(a) when he applies for a trade readjustment allowance and is determined to be entitled to such allowance. If the unemployment insurance or the training allowance paid to such worker for any week of unemployment is less than the amount of the trade readjustment allowance to which he would be entitled if he applied for such allowance, he shall receive, when he applies for a

trade readjustment allowance and is determined to be entitled to such allowance, a trade readjustment allowance for such week equal to such difference.

(e) Whenever, with respect to any week of unemployment, the total amount payable to an adversely affected worker as remuneration for services performed during such week, as unemployment insurance, as a training allowance referred to in subsection (d), and as a trade readjustment allowance exceeds 80 percent of his average weekly wage (or, if lesser, 130 percent of the average weekly manufacturing wage), then his trade readjustment allowance for such week shall be reduced by the amount of such excess.

(f) The amount of any weekly payment to be made under this section which is not a whole dollar amount shall be rounded upward to the next higher whole dollar amount.

#### SEC. 233. TIME LIMITATIONS ON TRADE READJUSTMENT ALLOWANCES.

19 USC 2293.

(a) Payment of trade readjustment allowances shall not be made to an adversely affected worker for more than 52 weeks, except that, in accordance with regulations prescribed by the Secretary—

(1) such payments may be made for not more than 26 additional weeks to an adversely affected worker to assist him to complete training approved by the Secretary, or

(2) such payments shall be made for not more than 26 additional weeks to an adversely affected worker who had reached his 60th birthday on or before the date of total or partial separation.

In no case may an adversely affected worker be paid trade readjustment allowances for more than 78 weeks.

(b) (1) Except for a payment made for an additional week under subsection (a) (1) or (a) (2), a trade readjustment allowance may not be paid for a week of unemployment beginning more than 2 years after the beginning of the appropriate week.

(2) A trade readjustment allowance may not be paid for an additional week specified in subsection (a) (1) if the adversely affected worker who would receive such allowance did not make a bona fide application to a training program approved by the Secretary within 180 days after the end of the appropriate week or the date of his first certification of eligibility to apply for adjustment assistance issued by the Secretary, whichever is later.

(3) A trade readjustment allowance may not be paid for an additional week specified in subsection (a) if such additional week begins more than 3 years after the beginning of the appropriate week.

(4) For purposes of this subsection, the appropriate week—

(A) for a totally separated worker is the week of his most recent total separation, and

(B) for a partially separated worker is the first week for which he receives a trade readjustment allowance following his most recent partial separation.

#### SEC. 234. APPLICATION OF STATE LAWS.

19 USC 2294.

Except where inconsistent with the provisions of this chapter and subject to such regulations as the Secretary may prescribe, the availability and disqualification provisions of the State law—

(1) under which an adversely affected worker is entitled to unemployment insurance (whether or not he has filed a claim for such insurance), or

(2) if he is not so entitled to unemployment insurance, of the State in which he was totally or partially separated, shall apply to any such worker who files a claim for trade readjustment allowances. The State law so determined with respect to a separation of a worker shall remain applicable, for purposes of the preceding sentence, with respect to such separation until such worker becomes entitled to unemployment insurance under another State law (whether or not he has filed a claim for such insurance).

## PART II—TRAINING AND RELATED SERVICES

### SEC. 235. EMPLOYMENT SERVICES.

The Secretary shall make every reasonable effort to secure for adversely affected workers covered by a certification under subchapter A of this chapter counseling, testing, and placement services, and supportive and other services, provided for under any other Federal law. The Secretary shall, whenever appropriate, procure such services through agreements with cooperating State agencies.

### SEC. 236. TRAINING.

(a) If the Secretary determines that there is no suitable employment available for an adversely affected worker covered by a certification under subchapter A of this chapter, but that suitable employment (which may include technical and professional employment) would be available if the worker received appropriate training, he may approve such training. Insofar as possible, the Secretary shall provide or assure the provision of such training on the job.

(b) The Secretary may, where appropriate, authorize supplemental assistance necessary to defray transportation and subsistence expenses for separate maintenance when training is provided in facilities which are not within commuting distance of a worker's regular place of residence. The Secretary shall not authorize payments for subsistence exceeding \$15 per day; nor shall he authorize payments for transportation expenses exceeding 12 cents per mile.

(c) Any adversely affected worker who, without good cause, refuses to accept or continue, or fails to make satisfactory progress in, suitable training to which he has been referred by the Secretary shall not thereafter be entitled to payments under this chapter until he enters or resumes the training to which he has been so referred.

## PART III—JOB SEARCH AND RELOCATION ALLOWANCES

### SEC. 237. JOB SEARCH ALLOWANCES.

(a) Any adversely affected worker covered by a certification under subchapter A of this chapter who has been totally separated may file an application with the Secretary for a job search allowance. Such allowance, if granted, shall provide reimbursement to the worker of 80 percent of the cost of his necessary job search expenses as prescribed by regulations of the Secretary; except that such reimbursement may not exceed \$500 for any worker.

(b) A job search allowance may be granted only—

(1) to assist an adversely affected worker in securing a job within the United States;

(2) where the Secretary determines that such worker cannot reasonably be expected to secure suitable employment in the commuting area in which he resides; and

(3) where the worker has filed an application for such allowance with the Secretary no later than 1 year after the date of his last total separation before his application under this chapter or (in the case of a worker who has been referred to training by the Secretary) within a reasonable period of time after the conclusion of such training period.

### SEC. 238. RELOCATION ALLOWANCES.

(a) Any adversely affected worker covered by a certification under subchapter A of this chapter who has been totally separated may file an application with the Secretary for a relocation allowance, subject to the terms and conditions of this section.

(b) A relocation allowance may be granted only to assist an adversely affected worker in relocating within the United States and only if the Secretary determines that such worker cannot reasonably be expected to secure suitable employment in the commuting area in which he resides and that such worker—

(1) has obtained suitable employment affording a reasonable expectation of long-term duration in the area in which he wishes to relocate, or

(2) has obtained a bona fide offer of such employment.

(c) A relocation allowance shall not be granted to such worker unless—

(1) for the week in which the application for such allowance is filed, he is entitled to a trade readjustment allowance (determined without regard to section 232 (c) and (e)) or would be so entitled (determined without regard to whether he filed application therefor) but for the fact that he has obtained the employment referred to in subsection (b) (1), and

(2) such relocation occurs within a reasonable period after the filing of such application or (in the case of a worker who has been referred to training by the Secretary) within a reasonable period after the conclusion of such training.

Under regulations prescribed by the Secretary, a relocation allowance shall not be granted to more than one member of the family with respect to the same relocation.

(d) For the purposes of this section, the term "relocation allowance" means—

(1) 80 percent of the reasonable and necessary expenses, as specified in regulations prescribed by the Secretary, incurred in transporting a worker and his family, if any, and household effects, and

(2) a lump sum equivalent to three times the worker's average weekly wage, up to a maximum payment of \$500.

## Subchapter C—General Provisions

### SEC. 239. AGREEMENTS WITH STATES.

(a) The Secretary is authorized on behalf of the United States to enter into an agreement with any State, or with any State agency (referred to in this subchapter as "cooperating States" and "cooperating States agencies" respectively). Under such an agreement, the cooperating State agency (1) as agent of the United States, will receive applications for, and will provide, payments on the basis provided in this chapter, (2) where appropriate, will afford adversely affected workers who apply for payments under this chapter testing, counsel-

19 USC 2298.

Ante, p. 2019.

Conditions.

"Relocation allowance."

19 USC 2311.

19 USC 2295.

Ante, p. 2019.

19 USC 2296.

Supplemental assistance.

Limitations.

19 USC 2297.

Limitation.

Conditions.

Terms and conditions.

Unemployment insurance.

Entitlement to benefits, review.

26 USC 3302.

Ante, p. 2024.

19 USC 2312.  
Hearing.

Ante, p. 2020.

Judicial review.

19 USC 2313.

ing, referral to training, and placement services, and (3) will otherwise cooperate with the Secretary and with other State and Federal agencies in providing payments and services under this chapter.

(b) Each agreement under this subchapter shall provide the terms and conditions upon which the agreement may be amended, suspended, or terminated.

(c) Each agreement under this subchapter shall provide that unemployment insurance otherwise payable to any adversely affected worker will not be denied or reduced for any week by reason of any right to payments under this chapter.

(d) A determination by a cooperating State agency with respect to entitlement to program benefits under an agreement is subject to review in the same manner and to the same extent as determinations under the applicable State law and only in that manner and to that extent.

(e) Section 3302(c) of the Internal Revenue Code of 1954 (relating to credits against Federal unemployment tax) is amended by inserting after paragraph (3) the following new paragraph:

"(4) If the Secretary of Labor determines that a State, or State agency, has not—

"(A) entered into the agreement described in section 239 of the Trade Act of 1974, with the Secretary of Labor before July 1, 1975, or

"(B) fulfilled its commitments under an agreement with the Secretary of Labor as described in section 239 of the Trade Act of 1974,

then, in the case of a taxpayer subject to the unemployment compensation law of such State, the total credits (after applying subsections (a) and (b) and paragraphs (1), (2), and (3) of this section) otherwise allowable under this section for a year during which such State or agency does not enter into or fulfill such an agreement shall be reduced by 15 percent of the tax imposed with respect to wages paid by such taxpayer during such year which are attributable to such State."

#### SEC. 240. ADMINISTRATION ABSENT STATE AGREEMENT.

(a) In any State where there is no agreement in force between a State or its agency under section 239, the Secretary shall arrange under regulations prescribed by him for performance of all necessary functions under subchapter B of this chapter, including provision for a fair hearing for any worker whose application for payments is denied.

(b) A final determination under subsection (a) with respect to entitlement to program benefits under subchapter B of this chapter is subject to review by the courts in the same manner and to the same extent as is provided by section 205(g) of the Social Security Act (42 U.S.C. sec. 405(g)).

#### SEC. 241. PAYMENTS TO STATES.

(a) The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each cooperating State the sums necessary to enable such State as agent of the United States to make payments provided for by this chapter. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment to the State from the Adjustment Assistance Trust Fund established in section 245 in accordance with such certification.

(b) All money paid a State under this section shall be used solely for the purposes for which it is paid; and money so paid which is not used for such purposes shall be returned, at the time specified in the agreement under this subchapter, to the Secretary of the Treasury and credited to Adjustment Assistance Trust Fund.

(c) Any agreement under this subchapter may require any officer or employee of the State certifying payments or disbursing funds under the agreement or otherwise participating in the performance of the agreement, to give a surety bond to the United States in such amount as the Secretary may deem necessary, and may provide for the payment of the cost of such bond from funds for carrying out the purposes of this chapter.

Surety bond to U.S.

#### SEC. 242. LIABILITIES OF CERTIFYING AND DISBURSING OFFICERS.

19 USC 2314.

(a) No person designated by the Secretary, or designated pursuant to an agreement under this subchapter, as a certifying officer, shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment certified by him under this chapter.

(b) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him under this chapter if it was based upon a voucher signed by a certifying officer designated as provided in subsection (a).

#### SEC. 243. RECOVERY OF OVERPAYMENTS.

19 USC 2315.

(a) If a cooperating State agency or the Secretary, or a court of competent jurisdiction finds that any person—

(1) has made or has caused to be made by another, a false statement or representation of a material fact knowing it to be false, or has knowingly failed or caused another to fail to disclose a material fact; and

(2) as a result of such action has received any payment under this chapter to which he was not entitled,

such person shall be liable to repay such amount to the State agency or the Secretary as the case may be, or either may recover such amount by deductions from any sums payable to such person under this chapter. Any such finding by a State agency or the Secretary may be made only after an opportunity for a fair hearing.

(b) Any amount repaid to a State agency under this section shall be deposited into the fund from which payment was made. Any amount repaid to the Secretary under this section shall be returned to the Secretary of the Treasury and credited to the Adjustment Assistance Trust Fund.

#### SEC. 244. PENALTIES.

19 USC 2316.

Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, for the purpose of obtaining or increasing for himself or for any other person any payment authorized to be furnished under this chapter or pursuant to an agreement under section 239 shall be fined not more than \$1,000 or imprisoned for not more than one year, or both.

#### SEC. 245. CREATION OF TRUST FUND; AUTHORIZATION OF APPROPRIATIONS OUT OF CUSTOMS RECEIPTS.

19 USC 2317.

(a) There is hereby established on the books of the Treasury of the United States a trust fund to be known as the "Adjustment Assistance Trust Fund" (referred to in this section as the "Trust Fund").

Adjustment Assistance Trust Fund. Establishment.



Report to Congress.

Appropriations.

19 USC 2318.

Eligible applicants.

19 USC 1902.

19 USC 1941.

Ante, p. 2020.

19 USC 1901.

19 USC 1801 note.

19 USC 1931.

The Trust Fund shall consist of such amounts as may be deposited in it pursuant to the authorization contained in subsection (b). Amounts in the Trust Fund may be used only to carry out the provisions of this chapter (including administrative costs). The Secretary of the Treasury shall be the trustee of the Trust Fund and shall report to the Congress not later than March 1 of each year on the operation and status of the Trust Fund during the preceding fiscal year.

(b) (1) There are hereby authorized to be appropriated to the Trust Fund, out of amounts in the general fund of the Treasury attributable to the collections of customs duties not otherwise appropriated, for each fiscal year ending after the date of the enactment of this Act, such sums as may be necessary to carry out the provisions of this chapter (including administrative costs).

(2) There are authorized to be appropriated to the Trust Fund, for purposes of training (including administrative costs) under section 236 such sums as may be necessary.

#### SEC. 246. TRANSITIONAL PROVISIONS.

(a) Where a group of workers has been certified as eligible to apply for adjustment assistance under section 302(b) (2) or (c) of the Trade Expansion Act of 1962, any worker who has not had an application for trade readjustment allowances under section 322 of that Act denied before the effective date of this chapter may apply under section 231 of this Act as if the group certification under which he claims coverage had been made under subchapter A of this chapter.

(b) In any case where a group of workers or their certified or recognized union or other duly authorized representative has filed a petition under section 301(a) (2) of the Trade Expansion Act of 1962, more than 4 months before the effective date of this chapter and

(1) the Commission has not rejected such petition before the effective date of this chapter, and

(2) the President or his delegate has not issued a certification under section 302(c) of that Act to the petitioning group before the effective date of this chapter,

such group or representative thereof may file a new petition under section 221 of this Act, not later than 90 days after the effective date of this chapter. For purposes of section 223(b) (1), the date on which such group or representative filed the petition under the Trade Expansion Act of 1962 shall apply. Section 223(b) (2) shall not apply to workers covered by a certification issued pursuant to a petition meeting the requirements of this subsection.

(c) A group of workers may file a petition under section 221 covering weeks of unemployment (as defined in the Trade Expansion Act of 1962) beginning before the effective date of this chapter, or covering such weeks and also weeks of unemployment beginning on or after the effective date of this chapter.

(d) Any worker receiving payments pursuant to this section shall be entitled—

(1) for weeks of unemployment (as defined in the Trade Expansion Act of 1962) beginning before the effective date of this chapter, to the rights and privileges provided in chapter 3 of title III of such Act, and

(2) for weeks of unemployment beginning on or after the effective date of this chapter, to the rights and privileges provided in this chapter, except that the total number of weeks of unemployment, as defined in the Trade Expansion Act of 1962, for which trade readjustment allowances were payable under that

Act shall be deducted from the total number of weeks of unemployment for which an adversely affected worker is eligible for trade readjustment allowances under this chapter.

(e) The Commission shall make available to the Secretary on request data it has acquired in investigations under section 301 of the Trade Expansion Act of 1962 concluded within the 2-year period ending on the effective date of this chapter which did not result in Presidential action under section 302(a) (3) or 302(c) of that Act.

#### SEC. 247. DEFINITIONS.

For purposes of this chapter—

(1) The term "adversely affected employment" means employment in a firm or appropriate subdivision of a firm, if workers of such firm or subdivision are eligible to apply for adjustment assistance under this chapter.

(2) The term "adversely affected worker" means an individual who, because of lack of work in adversely affected employment—

(A) has been totally or partially separated from such employment, or

(B) has been totally separated from employment with the firm in a subdivision of which such adversely affected employment exists.

(3) The term "average weekly manufacturing wage" means the national gross average weekly earnings of production workers in manufacturing industries for the latest calendar year (as officially published annually by the Bureau of Labor Statistics of the Department of Labor) most recently published before the period for which the assistance under this chapter is furnished.

(4) The term "average weekly wage" means one-thirteenth of the total wages paid to an individual in the high quarter. For purposes of this computation, the high quarter shall be that quarter in which the individual's total wages were highest among the first 4 of the last 5 completed calendar quarters immediately before the quarter in which occurs the week with respect to which the computation is made. Such week shall be the week in which total separation occurred, or, in cases where partial separation is claimed, an appropriate week, as defined in regulations prescribed by the Secretary.

(5) The term "average weekly hours" means the average hours worked by the individual (excluding overtime) in the employment from which he has been or claims to have been separated in the 52 weeks (excluding weeks during which the individual was sick or on vacation) preceding the week specified in the last sentence of paragraph (4).

(6) The term "partial separation" means, with respect to an individual who has not been totally separated, that he has had—

(A) his hours of work reduced to 80 percent or less of his average weekly hours in adversely affected employment, and

(B) his wages reduced to 80 percent or less of his average weekly wage in such adversely affected employment.

(7) The term "remuneration" means wages and net earnings derived from services performed as a self-employed individual.

(8) The term "State" includes the District of Columbia and the Commonwealth of Puerto Rico; and the term "United States" when used in the geographical sense includes such Commonwealth.

(9) The term "State agency" means the agency of the State which administers the State law.

Data, availability.

19 USC 1901.

19 USC 1902.

19 USC 2319.

26 USC 3304.

(10) The term "State law" means the unemployment insurance law of the State approved by the Secretary of Labor under section 3304 of the Internal Revenue Code of 1954.

(11) The term "total separation" means the layoff or severance of an individual from employment with a firm in which, or in a subdivision of which, adversely affected employment exists.

5 USC 8501.

45 USC 367.

(12) The term "unemployment insurance" means the unemployment insurance payable to an individual under any State law or Federal unemployment insurance law, including chapter 85 of title 5, United States Code, and the Railroad Unemployment Insurance Act.

(13) The term "week" means a week as defined in the applicable State law.

(14) The term "week of unemployment" means with respect to an individual any week for which his remuneration for services performed during such week is less than 80 percent of his average weekly wage and in which, because of lack of work—

(A) if he has been totally separated, he worked less than the full-time week (excluding overtime) in his current occupation, or

(B) if he has been partially separated, he worked 80 percent or less of his average weekly hours.

19 USC 2320.

#### SEC. 248. REGULATIONS.

The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this chapter.

19 USC 2321.

#### SEC. 249. SUBPENA POWER.

(a) The Secretary may require by subpoena the attendance of witnesses and the production of evidence necessary for him to make a determination under the provisions of this chapter.

(b) If a person refuses to obey a subpoena issued under subsection (a), a United States district court within the jurisdiction of which the relevant proceeding under this chapter is conducted may, upon petition by the Secretary, issue an order requiring compliance with such subpoena.

19 USC 2322.

#### SEC. 250. JUDICIAL REVIEW.

(a) A worker, group of workers, certified or recognized union, or an authorized representative of such worker or group, aggrieved by a final determination by the Secretary under the provisions of section 223 may, within 60 days after notice of such determination, file a petition for review of such determination with the United States court of appeals for the circuit in which such worker or group is located or in the United States Court of Appeals for the District of Columbia Circuit. The clerk of such court shall send a copy of such petition to the Secretary. Upon receiving such petition, the Secretary shall promptly certify and file in such court the record on which he based such determination.

(b) The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(c) The court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

## CHAPTER 3—ADJUSTMENT ASSISTANCE FOR FIRMS

### SEC. 251. PETITIONS AND DETERMINATIONS.

19 USC 2341.

(a) A petition for a certification of eligibility to apply for adjustment assistance under this chapter may be filed with the Secretary of Commerce (hereinafter in this chapter referred to as the "Secretary") by a firm or its representative. Upon receipt of the petition, the Secretary shall promptly publish notice in the Federal Register that he has received the petition and initiated an investigation.

Publication  
in Federal  
Register.

(b) If the petitioner, or any other person, organization, or group found by the Secretary to have a substantial interest in the proceedings, submits not later than 10 days after the date of the Secretary's publication under subsection (a) a request for a hearing, the Secretary shall provide for a public hearing and afford such interested persons an opportunity to be present, to produce evidence, and to be heard.

(c) The Secretary shall certify a firm as eligible to apply for adjustment assistance under this chapter if he determines—

(1) that a significant number or proportion of the workers in such firm have become totally or partially separated, or are threatened to become totally or partially separated,

(2) that sales or production, or both, of such firm have decreased absolutely, and

(3) that increases of imports of articles like or directly competitive with articles produced by such firm contributed importantly to such total or partial separation, or threat thereof, and to such decline in sales or production.

For purposes of paragraph (3), the term "contributed importantly" means a cause which is important but not necessarily more important than any other cause.

"Contributed  
importantly."

(d) A determination shall be made by the Secretary as soon as possible after the date on which the petition is filed under this section, but in any event not later than 60 days after that date.

### SEC. 252. APPROVAL OF ADJUSTMENT PROPOSALS.

19 USC 2342.

(a) A firm certified under section 251 as eligible to apply for adjustment assistance may, at any time within 2 years after the date of such certification, file an application with the Secretary for adjustment assistance under this chapter. Such application shall include a proposal for the economic adjustment of such firm.

Filing of ap-  
plication.

(b) (1) Adjustment assistance under this chapter consists of technical assistance and financial assistance, which may be furnished singly or in combination. The Secretary shall approve a firm's application for adjustment assistance only if he determines—

Approval  
conditions.

(A) that the firm has no reasonable access to financing through the private capital market, and

(B) that the firm's adjustment proposal—

(i) is reasonably calculated materially to contribute to the economic adjustment of the firm,

Technical assistance.

Termination; publication in Federal Register.

19 USC 2343.

Terms and conditions.

19 USC 2344.

Terms and conditions.

Direct loans, restriction.

19 USC 2345.

(ii) gives adequate consideration to the interests of the workers of such firm, and  
(iii) demonstrates that the firm will make all reasonable efforts to use its own resources for economic development.

(2) The Secretary shall make a determination as soon as possible after the date on which an application is filed under this section, but in no event later than 60 days after such date.

(c) In order to assist a firm which has been certified as eligible to apply for adjustment assistance under this chapter in preparing a viable adjustment proposal, the Secretary may furnish technical assistance to such firm.

(d) Whenever the Secretary determines that any firm no longer requires assistance under this chapter, he shall terminate the certification of eligibility of such firm and promptly have notice of such termination published in the Federal Register. Such termination shall take effect on the termination date specified by the Secretary.

#### SEC. 253. TECHNICAL ASSISTANCE.

(a) The technical assistance furnished under this chapter shall consist of—

- (1) assistance to the firm in developing a proposal for its economic adjustment,
- (2) assistance in the implementation of such a proposal, or
- (3) both.

(b) The Secretary may provide to a firm certified under section 251, on such terms and conditions as he determines to be appropriate, such technical assistance as in his judgment will carry out the purposes of this chapter with respect to such firm.

(c) The Secretary shall furnish technical assistance under this chapter through existing agencies and through private individuals, firms, and institutions. In the case of assistance furnished through private individuals, firms, and institutions (including private consulting services), the Secretary may share the cost thereof (but not more than 75 percent of such cost may be borne by the United States).

#### SEC. 254. FINANCIAL ASSISTANCE.

(a) The Secretary may provide to a firm, on such terms and conditions as he determines to be appropriate, such financial assistance in the form of direct loans or guarantees of loans as in his judgment will materially contribute to the economic adjustment of the firm. The assumption of an outstanding indebtedness of the firm, with or without recourse, shall be considered to be the making of a loan for purposes of this section.

(b) Loans or guarantees of loans shall be made under this chapter only for the purpose of making funds available to the firm—

- (1) for acquisition, construction, installation, modernization, development, conversion, or expansion of land, plant, buildings, equipment, facilities, or machinery, or
- (2) to supply such working capital as may be necessary to enable the firm to implement its adjustment proposal.

(c) To the extent that loan funds can be obtained from private sources (with or without a guarantee) at the rate provided in the first sentence of section 255(b), no direct loan shall be provided to a firm under this chapter.

#### SEC. 255. CONDITIONS FOR FINANCIAL ASSISTANCE.

(a) No financial assistance shall be provided under this chapter unless the Secretary determines—

(1) that the funds required are not available from the firm's own resources; and

(2) that there is reasonable assurance of repayment of the loan.

(b) The rate of interest on loans which are guaranteed under this chapter shall be no higher than the maximum interest per annum that a participating financial institution may establish on guaranteed loans made pursuant to section 7(a) of the Small Business Act (15 U.S.C. 636(a)). The rate of interest on direct loans made under this chapter shall be (i) a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity that are comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 percent, plus (ii) an amount adequate in the judgment of the Secretary to cover administrative costs and probable losses under the program.

(c) The Secretary shall make no loan or guarantee of a loan having a maturity in excess of 25 years, including renewals and extensions. Such limitation on maturities shall not, however, apply—

- (1) to securities or obligations received by the Secretary as claimant in bankruptcy or equitable reorganization, or as creditor in other proceedings attendant upon insolvency of the obligor, or
- (2) to an extension or renewal for an additional period not exceeding 10 years, if the Secretary determines that such extension or renewal is reasonably necessary for the orderly liquidation of the loan.

(d) In making guarantees of loans, and in making direct loans, the Secretary shall give priority to firms which are small within the meaning of the Small Business Act (and regulations promulgated thereunder).

(e) No loan shall be guaranteed by the Secretary in an amount which exceeds 90 percent of the balance of the loan outstanding.

(f) The Secretary shall maintain operating reserves with respect to anticipated claims under guarantees made under this chapter. Such reserves shall be considered to constitute obligations for purposes of section 1311 of the Supplemental Appropriation Act, 1955 (31 U.S.C. 200).

(g) The Secretary may charge a fee to a lender which makes a loan guaranteed under this chapter in such amount as is necessary to cover the cost of administration of such guarantee.

(h) (1) The aggregate amount of loans made to any firm which are guaranteed under this chapter and which are outstanding at any time shall not exceed \$3,000,000.

(2) The aggregate amount of direct loans made to any firm under this chapter which are outstanding at any time shall not exceed \$1,000,000.

#### SEC. 256. DELEGATION OF FUNCTIONS TO SMALL BUSINESS ADMINISTRATION; AUTHORIZATION OF APPROPRIATIONS.

(a) In the case of any firm which is small (within the meaning of the Small Business Act and regulations promulgated thereunder), the Secretary may delegate all of his functions under this chapter (other than the functions under sections 251 and 252(d) with respect to the certification of eligibility and section 264) to the Administrator of the Small Business Administration.

(b) There are hereby authorized to be appropriated to the Secretary such sums as may be necessary from time to time to carry out his

Interest rate.

Maturities, limitation.

Priority.

15 USC 631 note.

Operating reserves.

Fee.

Limitations.

19 USC 2346.

functions under this chapter in connection with furnishing adjustment assistance to firms, which sums are authorized to be appropriated to remain available until expended.

19 USC 1912. (c) The unexpended balances of appropriations authorized by section 312(d) of the Trade Expansion Act of 1962 are transferred to the Secretary to carry out his functions under this chapter.

19 USC 2347. **SEC. 257. ADMINISTRATION OF FINANCIAL ASSISTANCE.**

(a) In making and administering guarantees and loans under section 254, the Secretary may—

(1) require security for any such guarantee or loan, and enforce, waive, or subordinate such security;

(2) assign or sell at public or private sale, or otherwise dispose of, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with such guarantees or loans, and collect, compromise, and obtain deficiency judgments with respect to all obligations assigned to or held by him in connection with such guarantees or loans until such time as such obligations may be referred to the Attorney General for suit or collection;

(3) renovate, improve, modernize, complete, insure, rent, sell, or otherwise deal with, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any real or personal property conveyed to or otherwise acquired by him in connection with such guarantees or loans;

(4) acquire, hold, transfer, release, or convey any real or personal property or any interest therein whenever deemed necessary or appropriate, and execute all legal documents for such purposes; and

(5) exercise all such other powers and take all such other acts as may be necessary or incidental to the carrying out of functions pursuant to section 254.

(b) Any mortgage acquired as security under subsection (a) shall be recorded under applicable State law.

(c) All repayments of loans, payments of interest, and other receipts arising out of transactions entered into by the Secretary pursuant to this chapter, shall be available for financing functions performed under this chapter, including administrative expenses in connection with such functions.

19 USC 2348.

Recordkeeping.

**SEC. 258. PROTECTIVE PROVISIONS.**

(a) Each recipient of adjustment assistance under this chapter shall keep records which fully disclose the amount and disposition by such recipient of the proceeds, if any, of such adjustment assistance, and which will facilitate an effective audit. The recipient shall also keep such other records as the Secretary may prescribe.

GAO audit.

(b) The Secretary and the Comptroller General of the United States shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient pertaining to adjustment assistance under this chapter.

(c) No adjustment assistance under this chapter shall be extended to any firm unless the owners, partners, or officers certify to the Secretary—

(1) the names of any attorneys, agents, and other persons engaged by or on behalf of the firm for the purpose of expediting applications for such adjustment assistance; and

(2) the fees paid or to be paid to any such person.

(d) No financial assistance shall be provided to any firm under this chapter unless the owners, partners, or officers shall execute an agreement binding them and the firm for a period of 2 years after such financial assistance is provided, to refrain from employing, tendering any office or employment to, or retaining for professional services any person who, on the date such assistance or any part thereof was provided, or within 1 year prior thereto, shall have served as an officer, attorney, agent, or employee occupying a position or engaging in activities which the Secretary shall have determined involve discretion with respect to the provision of such financial assistance.

**SEC. 259. PENALTIES.**

Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, or whoever willfully overvalues any security, for the purpose of influencing in any way a determination under this chapter, or for the purpose of obtaining money, property, or anything of value under this chapter, shall be fined not more than \$5,000 or imprisoned for not more than 2 years, or both.

**SEC. 260. SUITS.**

In providing technical and financial assistance under this chapter the Secretary may sue and be sued in any court of record of a State having general jurisdiction or in any United States district court, and jurisdiction is conferred upon such district court to determine such controversies without regard to the amount in controversy; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against him or his property. Nothing in this section shall be construed to except the activities pursuant to sections 253 and 254 from the application of sections 516, 547, and 2679 of title 28 of the United States Code.

**SEC. 261. DEFINITIONS.**

For purposes of this chapter, the term "firm" includes an individual proprietorship, partnership, joint venture, association, corporation (including a development corporation), business trust, cooperative, trustee in bankruptcy, and receiver under decree of any court. A firm, together with any predecessor or successor firm, or any affiliated firm controlled or substantially beneficially owned by substantially the same persons, may be considered a single firm where necessary to prevent unjustifiable benefits.

**SEC. 262. REGULATIONS.**

The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this chapter.

**SEC. 263. TRANSITIONAL PROVISIONS.**

(a) In any case where a firm or its representative has filed a petition with the International Trade Commission (hereafter in this chapter referred to as the "Commission") under section 301(a)(2) of the Trade Expansion Act of 1962, and the Commission has not made its determination under section 301(c) of that Act before the effective date of this chapter, such firm may reapply under the provisions of section 251 of this Act. In order to assist the Secretary in making his determination under such section 251 with respect to such firm, the Commission shall make available to the Secretary, on request, data it has acquired with respect to its investigation.



19 USC 1902.  
19 USC 1901.

(b) If, on the effective date of this chapter, the President (or his delegate) has not taken action under section 302(c) of the Trade Expansion Act of 1962 with respect to a report of the Commission containing an affirmative finding under section 301(c) of that Act or a report with respect to which an equal number of Commissioners are evenly divided, the Secretary may treat such report as a certification of eligibility made under section 251 of this Act on the effective date of this chapter.

19 USC 1902.

(c) Any certification of eligibility of a firm under section 302(c) of the Trade Expansion Act of 1962 made before the effective date of this chapter shall be treated as a certification of eligibility made under section 251 of this Act on the date of the enactment of this Act; except that any firm whose adjustment proposal was certified under section 311 of the Trade Expansion Act of 1962 before the effective date of this chapter may receive adjustment assistance at the level set forth in such certified proposal.

19 USC 1911.

19 USC 2354.

**SEC. 264. STUDY BY SECRETARY OF COMMERCE WHEN INTERNATIONAL TRADE COMMISSION BEGINS INVESTIGATION; ACTION WHERE THERE IS AFFIRMATIVE FINDING.**

(a) Whenever the Commission begins an investigation under section 201 with respect to an industry, the Commission shall immediately notify the Secretary of such investigation, and the Secretary shall immediately begin a study of—

(1) the number of firms in the domestic industry producing the like or directly competitive article which have been or are likely to be certified as eligible for adjustment assistance, and

(2) the extent to which the orderly adjustment of such firms to the import competition may be facilitated through the use of existing programs.

Report to  
President.  
Ante, p. 2011.  
Publication  
in Federal  
Register.

(b) The report of the Secretary of the study under subsection (a) shall be made to the President not later than 15 days after the day on which the Commission makes its report under section 201. Upon making its report to the President, the Secretary shall also promptly make it public (with the exception of information which the Secretary determines to be confidential) and shall have a summary of it published in the Federal Register.

(c) Whenever the Commission makes an affirmative finding under section 201(b) that increased imports are a substantial cause of serious injury or threat thereof with respect to an industry, the Secretary shall make available, to the extent feasible, full information to the firms in such industry about programs which may facilitate the orderly adjustment to import competition of such firms, and he shall provide assistance in the preparation and processing of petitions and applications of such firms for program benefits.

**CHAPTER 4—ADJUSTMENT ASSISTANCE FOR COMMUNITIES**

19 USC 2371.

**SEC. 271. PETITIONS AND DETERMINATIONS.**

(a) A petition for certification of eligibility for adjustment assistance under this chapter may be filed with the Secretary of Commerce (hereinafter in this chapter referred to as the "Secretary") by a political subdivision of a State (hereinafter in this chapter referred to as a "community"), by a group of such communities, or by the Governor of a State on behalf of such communities. Upon receipt of the petition, the

Secretary shall promptly publish notice in the Federal Register that he has received the petition and initiated an investigation.

(b) If the petitioner, or any other person found by the Secretary to have a substantial interest in the proceedings, submits not later than 10 days after the Secretary's publication of notice under subsection (a) a request for a hearing the Secretary shall provide for a public hearing and afford such interested persons an opportunity to be present, to produce evidence, and to be heard.

(c) The Secretary shall certify a community as eligible for adjustment assistance under this chapter if he determines—

(1) that a significant number or proportion of the workers in the trade impacted area in which such community is located have become totally or partially separated, or are threatened to become totally or partially separated,

(2) that sales or production, or both, of firms, or subdivisions of firms, located in the trade impacted area specified in paragraph (1) have decreased absolutely, and

(3) that increases of imports of articles like or directly competitive with articles produced by firms, or subdivisions of firms, located in the trade impacted area specified in paragraph (1) or that the transfer of firms or subdivisions of firms located in such area to foreign countries have contributed importantly to the total or partial separations, or threats thereof, described in paragraph (1) and to the decline in sales or production described in paragraph (2).

For purposes of paragraph (3), the term "contributed importantly" means a cause which is important but not necessarily more important than any other cause.

"Contributed  
importantly."

(d) As soon as possible after the date on which a petition is filed under this section, but in any event not later than 60 days after that date, the Secretary shall determine whether the petitioning community, or group of communities, meets the requirements of subsection (c) and shall issue a certification of eligibility for assistance under this chapter covering any community located in the same trade impacted area in which the petitioner is located which meets such requirements.

(e) The Secretary, after consulting the Secretary of Labor, shall establish the size and boundaries of each trade impacted area, considering the criteria in subsection (c) and, to the extent they are relevant, the factors specified as criteria for redevelopment areas under section 401 of the Public Works and Economic Development Act of 1965.

(f) If the Secretary determines that a community requires no additional assistance under this chapter, he shall terminate the certification of eligibility of such community and promptly have notice of such termination published in the Federal Register. Such termination shall take effect on the termination date specified by the Secretary.

**SEC. 272. TRADE IMPACTED AREA COUNCILS.**

(a) Within 60 days after a community is certified under section 271, the Secretary shall send his representatives to the trade impacted area in which such community is located to inform officials of communities and other residents of such area about benefits available to them under this Act and to assist such officials and residents in establishing a Trade Impacted Area Council for Adjustment Assistance (hereinafter in this chapter referred to as the "Council") for such area.

(b) (1) The Secretary shall establish, subject to the last sentence of

Publication  
in Federal  
Register.  
Hearing.

42 USC 3161.

Certification  
of eligibility,  
termination;  
publication  
in Federal  
Register.  
19 USC 2372.

Trade Im-  
pacted Area  
Council for  
Adjustment  
Assistance.  
Establishment.

this paragraph, a Council for each trade impacted area in which one or more communities are certified under section 271. Such Council shall—

(A) develop a proposal for an adjustment assistance plan for the economic rejuvenation of certified communities in its trade impacted area, and

(B) coordinate community action under the adjustment assistance plan, as approved by the Secretary.

If an appropriate entity for purposes of performing the functions specified in subparagraphs (A) and (B) already exists in such area, then the Secretary may designate such entity as the Council for such area.

(2) Such Council shall include representatives of certified communities, industry, labor, and the general public located in the trade impacted area covered by the Council.

(c) Upon application by a Council established under subsection (b), the Secretary is authorized to make grants to such Council for maintaining an appropriate professional and clerical staff. No grant shall be made to a Council to maintain staff after the period which ends 2 years after the date on which such Council is established or designated.

(d) A Council established under this section may file an application with the Secretary for adjustment assistance under this chapter. Such application shall include the Council's proposal for an adjustment assistance plan for the communities in its trade impacted area.

19 USC 2373.

#### SEC. 273. PROGRAM BENEFITS.

(a) Adjustment assistance under this chapter consists of—

(1) all forms of assistance, other than loan guarantees, which are provided to a redevelopment area under the Public Works and Economic Development Act of 1965, and

(2) the loan guarantee program described in subsection (d).

42 USC 3121 note.

(b) No adjustment assistance may be extended to any community or person in a trade impacted area under this chapter unless the Secretary approves the adjustment assistance plan submitted to him under section 272(d).

(c) For purposes of the Public Works and Economic Development Act of 1965—

(1) a trade impacted area for which an adjustment assistance plan has been approved under section 272(d) shall be treated as a redevelopment area, except that—

(A) no loan guarantees may be made to any person under such Act; and

(B) no loan or grant may be made to any recipient in such an area after September 30, 1980, and

(2) approval of an adjustment assistance plan submitted under section 272(d) shall be treated as approval of an overall economic development program under section 202(b)(10) of such Act.

42 USC 3142.

(d) The Secretary is authorized to guarantee loans for—

(1) the acquisition, construction, installation, modernization, development, conversion, or expansion of land, plant, buildings, equipment, facilities, or machinery, and

(2) working capital,

made to private borrowers by private lending institutions in connection with projects in trade impacted areas subject to the same terms and conditions to which loan guarantees are subject under section 202 of the Public Works and Economic Development Act of 1965, including record and audit requirements and penalties, except that—

(1) no new loan guarantee may be made under this subsection after September 30, 1982,

(2) a loan guarantee may be made for the entire amount of the outstanding unpaid balance of such loan, and

(3) no more than 20 percent of the amount of loan guarantees made under this subsection by the United States may be made in one State.

(e) The Governor of the State, the authorized representative of the community, or the Governor of the State and the authorized representative of the community, in which an applicant for a loan guarantee under subsection (b) is located may enter into an agreement with the Secretary which provides that such State or such community, or that such State and such community, will pay not to exceed one-half of the amount of any liability which arises on a loan guarantee made under subsection (d) if the State in which the applicant for such guarantee is located has established by law a program approved by the Secretary for the purposes of this section.

(f) (1) When considering whether to guarantee a loan to a corporation which is otherwise qualified for the purposes of subsection (d), the Secretary shall give preference to a corporation which agrees with respect to such loan to fulfill the following requirements—

(A) 25 percent of the principal amount of the loan is paid by the lender to a qualified trust established under an employee stock ownership plan established and maintained by the recipient corporation, by a parent or subsidiary of such corporation, or by several corporations including the recipient corporation,

(B) the employee stock ownership plan meets the requirements of this subsection, and

(C) the agreement among the recipient corporation, the lender, and the qualified trust relating to the loan meets the requirements of this section.

(2) An employee stock ownership plan does not meet the requirements of this subsection unless the governing instrument of the plan provides that—

(A) the amount of the loan paid under paragraph (1)(A) to the qualified trust will be used to purchase qualified employer securities,

(B) the qualified trust will repay to the lender the amount of such loan, together with the interest thereon, out of amounts contributed to the trust by the recipient corporation, and

(C) from time to time, as the qualified trust repays such amount, the trust will allocate qualified employer securities among the individual accounts of participants and their beneficiaries in accordance with the provisions of paragraph (4).

(3) The agreement among the recipient corporation, the lender, and the qualified trust does not meet the requirements of this subsection unless—

(A) it is unconditionally enforceable by any party against the others, jointly and severally,

(B) it provides that the liability of the qualified trust to repay loan amounts paid to the qualified trust may not, at any time, exceed an amount equal to the amount of contributions required under paragraph (2)(B) which are actually received by such trust,

(C) it provides that amounts received by the recipient corporation from the qualified trust for qualified employer securities purchased for the purpose of this subsection will be used exclu-

sively by the recipient corporation for those purposes for which it may use that portion of the loan paid directly to it by the lender,

(D) it provides that the recipient corporation may not reduce the amount of its equity capital during the one year period beginning on the date on which the qualified trust purchases qualified employer securities for purposes of this subsection, and

(E) it provides that the recipient corporation will make contributions to the qualified trust of not less than such amounts as are necessary for such trust to meet its obligation to make repayments of principal and interest on the amount of the loan received by the trust without regard to whether such contributions are deductible by the corporation under section 404 of the Internal Revenue Code of 1954 and without regard to any other amounts the recipient corporation is obligated under law to contribute to or under the employee stock ownership plan.

(4) At the close of each plan year, an employee stock ownership plan shall allocate to the accounts of participating employees that portion of the qualified employer securities the cost of which bears substantially the same ratio to the cost of all the qualified employer securities purchased under paragraph (2)(A) of this subsection as the amount of the loan principal and interest repaid by the qualified trust during that year bears to the total amount of the loan principal and interest payable by such trust during the term of such loan. Qualified employer securities allocated to the individual account of a participant during one plan year must bear substantially the same proportion to the amount of all such securities allocated to all participants in the plan as the amount of compensation paid to such participant bears to the total amount of compensation paid to all such participants during that year.

#### Definitions.

(5) For purposes of this subsection, the term—

(A) "employee stock ownership plan" means a plan described in section 407(d)(6) of the Employee Retirement Income Security Act of 1974, section 4975(e)(7) of the Internal Revenue Code of 1954, and in section 102(5) of the Regional Rail Reorganization Act of 1973, which meets the requirements of title I of the Employee Retirement Income Security Act of 1974 and of part I of subchapter D of chapter 1 of such Code,

(B) "qualified trust" means a trust established under an employee stock ownership plan and meeting the requirements of title I of the Employee Retirement Income Security Act of 1974 and of part I of subchapter D of chapter 1 of such Code,

(C) "qualified employer securities" means common stock issued by the recipient corporation or by a parent or subsidiary of such corporation with voting power and dividend rights no less favorable than the voting power and dividend rights on other common stock issued by the issuing corporation and with voting power being exercised by the participants in the employee stock ownership plan after it is allocated to their plan accounts, and

(D) "equity capital" means, with respect to the recipient corporation, the sum of its money and other property (in an amount equal to the adjusted basis of such property but disregarding adjustments made on account of depreciation or amortization made during the period described in paragraph (3)(D)), less the amount of its indebtedness.

(g) The United States share of loan guarantees made under subsection (d) on loans which are outstanding at any time may not exceed \$500,000,000.

Loan guaran-  
tees, limi-  
tation.

Ante, p. 880.

Ante, p. 971.

45 USC 702.

Ante, p. 832.

26 USC 401.

## SEC. 274. COMMUNITY ADJUSTMENT ASSISTANCE FUND AND AUTHORIZATION OF APPROPRIATIONS.

(a) There is established on the books of the Treasury of the United States a revolving fund to be known as the Community Adjustment Assistance Fund. The fund shall consist of such amounts as may be deposited in it pursuant to the authorization in subsection (b) and any collections, repayments of loans, or other receipts received under the program established in section 273(a). Amounts in the fund may be used only to carry out the provisions of sections 272 and 273(b), including administrative costs. Amounts appropriated to the fund shall be available to the Secretary without fiscal year limitation. Upon liquidation of all remaining obligations, any balances remaining in the fund after September 30, 1980, shall be transferred to the general fund of the Treasury.

(b) There are authorized to be appropriated to the Community Adjustment Assistance Fund, for the purpose of carrying out the provisions of sections 272 and 273(a), \$100,000,000 for the fiscal year ending June 30, 1975, and such sums as may be necessary for the succeeding 7 fiscal years.

(c) There are authorized to be appropriated to the Secretary such sums as may be necessary for carrying out the loan guarantee program under section 273(d).

## CHAPTER 5—MISCELLANEOUS PROVISIONS

### SEC. 280. GENERAL ACCOUNTING OFFICE REPORT.

(a) The Comptroller General of the United States shall conduct a study of the adjustment assistance programs established under chapters 2, 3, and 4 of this title and shall report the results of such study to the Congress no later than January 31, 1980. Such report shall include an evaluation of—

(1) the effectiveness of such programs in aiding workers, firms, and communities to adjust to changed economic conditions resulting from changes in the patterns of international trade; and

(2) the coordination of the administration of such programs and other Government programs which provide unemployment compensation and relief to depressed areas.

(b) In carrying out his responsibilities under this section, the Comptroller General shall, to the extent practical, avail himself of the assistance of the Departments of Labor and Commerce. The Secretaries of Labor and Commerce shall make available to the Comptroller General any assistance necessary for an effective evaluation of the adjustment assistance programs established under this title.

### SEC. 281. COORDINATION.

There is established the Adjustment Assistance Coordinating Committee to consist of a Deputy Special Trade Representative as Chairman, and the officials charged with adjustment assistance responsibilities of the Departments of Labor and Commerce and the Small Business Administration. It shall be the function of the Committee to coordinate the adjustment assistance policies, studies, and programs of the various agencies involved and to promote the efficient and effective delivery of adjustment assistance benefits.

### SEC. 282. TRADE MONITORING SYSTEM.

The Secretary of Commerce and the Secretary of Labor shall establish and maintain a program to monitor imports of articles into the United States which will reflect changes in the volume of such imports, the relation of such imports to changes in domestic production, changes

19 USC 2374.

Establishment.

Transfer of  
funds.

Appropriations.

19 USC 2391.

Study, report  
to Congress.

Contents.

19 USC 2392.

Adjustment  
Assistance  
Coordinating  
Committee.  
Establishment.

19 USC 2393.

Establishment.

Summary to  
Adjustment  
Assistance  
Coordinating  
Committee,  
International  
Trade Com-  
mission, and  
Congress.  
19 USC 2394.

in employment within domestic industries producing articles like or directly competitive with such imports, and the extent to which such changes in production and employment are concentrated in specific geographic regions of the United States. A summary of the information gathered under this section shall be published regularly and provided to the Adjustment Assistance Coordinating Committee, the International Trade Commission, and to the Congress.

#### SEC. 283. FIRMS RELOCATING IN FOREIGN COUNTRIES.

Before moving productive facilities from the United States to a foreign country, every firm should—

- (1) provide notice of the move to its employees who are likely to be totally or partially separated as a result of the move at least 60 days before the date of such move, and
- (2) provide notice of the move to the Secretary of Labor and the Secretary of Commerce on the same day it notifies employees under paragraph (1).
- (b) It is the sense of the Congress that every such firm should—
  - (1) apply for and use all adjustment assistance for which it is eligible under this title,
  - (2) offer employment opportunities in the United States, if any exist, to its employees who are totally or partially separated workers as a result of the move, and
  - (3) assist in relocating employees to other locations in the United States where employment opportunities exist.

#### SEC. 284. EFFECTIVE DATE.

Chapters 2, 3, and 4 of this title shall become effective on the 90th day following the date of enactment of this Act and shall terminate on September 30, 1982.

### TITLE III—RELIEF FROM UNFAIR TRADE PRACTICES

#### CHAPTER 1—FOREIGN IMPORT RESTRICTIONS AND EXPORT SUBSIDIES

#### SEC. 301. RESPONSES TO CERTAIN TRADE PRACTICES OF FOREIGN GOVERNMENTS.

(a) Whenever the President determines that a foreign country or instrumentality—

- (1) maintains unjustifiable or unreasonable tariff or other import restrictions which impair the value of trade commitments made to the United States or which burden, restrict, or discriminate against United States commerce,
- (2) engages in discriminatory or other acts or policies which are unjustifiable or unreasonable and which burden or restrict United States commerce,
- (3) provides subsidies (or other incentives having the effect of subsidies) on its exports of one or more products to the United States or to other foreign markets which have the effect of substantially reducing sales of the competitive United States product or products in the United States or in those other foreign markets, or
- (4) imposes unjustifiable or unreasonable restrictions on access to supplies of food, raw materials, or manufactured or semimanufactured products which burden or restrict United States commerce,

19 USC 2271  
note.  
Ante, pp. 2019,  
2030, 2035.  
Termination  
date.

19 USC 2411.

the President shall take all appropriate and feasible steps within his power to obtain the elimination of such restrictions or subsidies, and he—

- (A) may suspend, withdraw, or prevent the application of, or may refrain from proclaiming, benefits of trade agreement concessions to carry out a trade agreement with such country or instrumentality; and
- (B) may impose duties or other import restrictions on the products of such foreign country or instrumentality, and may impose fees or restrictions on the services of such foreign country or instrumentality, for such time as he deems appropriate.

For purposes of this subsection, the term "commerce" includes services associated with the international trade. "Commerce."

(b) In determining what action to take under subsection (a), the President shall consider the relationship of such action to the purposes of this Act. Action shall be taken under subsection (a) against the foreign country or instrumentality involved, except that, subject to the provisions of section 302, any such action may be taken on a non-discriminatory treatment basis.

(c) The President in making a determination under this section, may take action under subsection (a) (3) with respect to the exports of a product to the United States by a foreign country or instrumentality if—

- (1) the Secretary of the Treasury has found that such country or instrumentality provides subsidies (or other incentives having the effect of subsidies) on such exports;
- (2) the International Trade Commission has found that such exports to the United States have the effect of substantially reducing sales of the competitive United States product or products in the United States; and
- (3) the President finds that the Antidumping Act, 1921, and section 303 of the Tariff Act of 1930 are inadequate to deter such practices.

19 USC 160.  
19 USC 1303.

(d)(1) The President shall provide an opportunity for the presentation of views concerning the restrictions, acts, policies, or practices referred to in paragraphs (1), (2), (3), and (4) of subsection (a).

(2) Upon complaint filed by any interested party with the Special Representative for Trade Negotiations alleging any such restriction, act, policy, or practice, the Special Representative shall conduct a review of the alleged restriction, act, policy, or practice, and, at the request of the complainant, shall conduct public hearings thereon. The Special Representative shall have a copy of each complaint filed under this paragraph published in the Federal Register. The Special Representative shall issue regulations concerning the filing of complaints and the conduct of reviews and hearings under this paragraph and shall submit a report to the House of Representatives and the Senate semi-annually summarizing the reviews and hearings conducted by it under this paragraph during the preceding 6-month period.

Complaints,  
review.

Hearings.  
Publication  
in Federal  
Register.  
Report to  
Congress.

(e) Before the President takes any action under subsection (a) with respect to the import treatment of any product or the treatment of any service—

- (1) he shall provide an opportunity for the presentation of views concerning the taking of action with respect to such product or service,
- (2) upon request by any interested person, he shall provide for appropriate public hearings with respect to the taking of action with respect to such product or service, and

(3) he may request the International Trade Commission for its views as to the probable impact on the economy of the United States of the taking of action with respect to such product or service.

If the President determines that, because of the need for expeditious action under subsection (a), compliance with paragraphs (1) and (2) would be contrary to the national interest, then such paragraphs shall not apply with respect to such action, but he shall thereafter promptly provide an opportunity for the presentation of views concerning the action taken and, upon request by any interested person, shall provide for appropriate public hearings with respect to the action taken. The President shall provide for the issuance of regulations concerning the filing of requests for, and the conduct of, hearings under this subsection.

19 USC 2412.

#### SEC. 302. PROCEDURE FOR CONGRESSIONAL DISAPPROVAL OF CERTAIN ACTIONS TAKEN UNDER SECTION 301.

(a) Whenever the President takes any action under subparagraph (A) or (B) of section 301(a) with respect to any country or instrumentality other than the country or instrumentality whose restriction, act, policy, or practice was the cause for taking such action, he shall promptly transmit to the House of Representatives and to the Senate a document setting forth the action which he has so taken, together with his reasons therefor.

(b) If, before the close of the 90-day period beginning on the day on which the document referred to in subsection (a) is delivered to the House of Representatives and to the Senate, the two Houses adopt, by an affirmative vote of a majority of those present and voting in each House, a concurrent resolution of disapproval under the procedures set forth in section 152, then such action under section 301(a) shall have no force and effect beginning with the day after the date of the adoption of such concurrent resolution of disapproval, except with respect to the country or instrumentality whose restriction, act, policy, or practice was the cause for taking such action.

Ante, p. 2004.

## CHAPTER 2—ANTIDUMPING DUTIES

### SEC. 321. AMENDMENTS TO THE ANTIDUMPING ACT OF 1921.

(a) Section 201 of the Antidumping Act, 1921 (19 U.S.C. 160), is amended—

(1) by striking out "United States Tariff Commission" in subsection (a) and inserting in lieu thereof "United States International Trade Commission (hereinafter called the 'Commission')", and by striking out "said" each place it appears in such subsection; and

(2) by striking out subsections (b) and (c) and inserting in lieu thereof the following:

"(b) (1) In the case of any imported merchandise of a class or kind as to which the Secretary has not so made public a finding, he shall, within six months after the publication under subsection (c) (1) of a notice of initiation of an investigation—

"(A) determine whether there is reason to believe or suspect, from the invoice or other papers or from information presented to him or to any other person to whom authority under this section has been delegated, that the purchase price is less, or that the exporter's sales price is less or likely to be less, than the foreign market value (or, in the absence of such value, than the constructed value); and

"(B) if his determination is affirmative, publish a notice of that fact in the Federal Register, and require, under such regulations as he may prescribe, the withholding of appraisement as to such merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of that notice in the Federal Register (or such earlier date, not more than one hundred and twenty days before the date of publication under subsection (c) (1) of notice of initiation of the investigation, as the Secretary may prescribe), until the further order of the Secretary, or until the Secretary has made public a finding as provided for in subsection (a) in regard to such merchandise; or

"(C) if his determination is negative (or if he tentatively determines that the investigation should be discontinued), publish notice of that fact in the Federal Register.

"(2) If in the course of an investigation under this subsection the Secretary concludes that the determination provided for in paragraph (1) cannot reasonably be made within six months, he shall publish notice of this in the Federal Register, together with a statement of reasons therefor, in which case the determination shall be made within nine months after the publication in the Federal Register of the notice of initiation of the investigation.

"(3) Within three months after publication in the Federal Register of a determination under paragraph (1), the Secretary shall make a final determination whether the foreign merchandise in question is being or is likely to be sold in the United States at less than its fair value (or a final discontinuance of the investigation).

"(c) (1) The Secretary shall, within thirty days of the receipt of information alleging that a particular class or kind of merchandise is being or is likely to be sold in the United States or elsewhere at less than its fair value and that an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States, determine whether to initiate an investigation into the question of whether such merchandise in fact is being or is likely to be sold in the United States or elsewhere at less than its fair value. If his determination is affirmative he shall publish notice of the initiation of such an investigation in the Federal Register. If it is negative, the inquiry shall be closed.

"(2) If, in the course of making a determination under paragraph (1), the Secretary concludes, from the information available to him, that there is substantial doubt whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States, he shall forward to the Commission the reasons for such substantial doubt and a preliminary indication, based upon whatever price information is available, concerning possible sales at less than fair value, including possible margins of dumping and the volume of trade. If within thirty days after receipt of such information from the Secretary, the Commission, after conducting such inquiry as it deems appropriate, determines there is no reasonable indication that an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States, it shall advise the Secretary of its determination and any investigation under subsection (b) then in progress shall be terminated.

"(d) (1) Before making any determination under subsection (a), the Secretary or the Commission, as the case may be, shall, at the

Publication  
in Federal  
Register.Publication  
in Federal  
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in Federal  
Register.Publication  
in Federal  
Register.



Hearing.

request of any foreign manufacturer or exporter, or any domestic importer, of the foreign merchandise in question, or of any domestic manufacturer, producer, or wholesaler of merchandise of the same class or kind, conduct a hearing at which—

“(A) any such person shall have the right to appear by counsel or in person; and

“(B) any other person, firm, or corporation may make application and, upon good cause shown, may be allowed by the Secretary or the Commission, as the case may be, to intervene and appear at such hearing by counsel or in person.

Publication  
in Federal  
Register.

“(2) The Secretary, upon determining whether foreign merchandise is being, or is likely to be, sold in the United States at less than its fair value, and the Commission, upon making its determination under subsection (a), shall publish in the Federal Register such determination, whether affirmative or negative, together with a complete statement of findings and conclusions, and the reasons or bases therefor, on all the material issues of fact or law presented (consistent with confidential treatment granted by the Secretary or the Commission, as the case may be, in the course of making its determination).

“(3) The hearings provided for under this section shall be exempt from sections 554, 555, 556, 557, and 702 of title 5 of the United States Code. The transcript of any hearing, together with all information developed in connection with the investigation (other than items to which confidential treatment has been granted by the Secretary or the Commission, as the case may be), shall be made available in the manner and to the extent provided in section 552(b) of such title.”

5 USC 552.

(b) Section 203 of the Antidumping Act, 1921 (19 U.S.C. sec. 162), is amended to read as follows:

#### “PURCHASE PRICE

“SEC. 203. For the purposes of this title, the purchase price of imported merchandise shall be the price at which such merchandise has been purchased or agreed to be purchased, prior to the time of exportation, by the person by whom or for whose account the merchandise is imported, plus, when not included in such price, the cost of all containers and coverings and all other costs, charges, and expenses incident to placing the merchandise in condition, packed ready for shipment to the United States, less the amount, if any, included in such price, attributable to any additional costs, charges, and expenses, and United States import duties, incident to bringing the merchandise from the place of shipment in the country of exportation to the place of delivery in the United States; and less the amount, if included in such price, of any export tax imposed by the country of exportation on the exportation of the merchandise to the United States; and plus the amount of any import duties imposed by the country of exportation which have been rebated, or which have not been collected, by reason of the exportation of the merchandise to the United States; and plus the amount of any taxes imposed in the country of exportation directly upon the exported merchandise or components thereof, which have been rebated, or which have not been collected, by reason of the exportation of the merchandise to the United States, but only to the extent that such taxes are added to or included in the price of such or similar merchandise when sold in the country of exportation; and plus the amount of any taxes rebated or not collected, by reason of the exportation of the merchandise to the United States, which rebate or noncollection has been determined by

the Secretary to be a bounty or grant within the meaning of section 303 of the Tariff Act of 1930.”

(c) Section 204 of the Antidumping Act, 1921 (19 U.S.C. sec. 163), is amended to read as follows:

19 USC 1303.

#### “EXPORTER'S SALES PRICE

“SEC. 204. For the purposes of this title, the exporter's sale price of imported merchandise shall be the price at which such merchandise is sold or agreed to be sold in the United States, before or after the time of importation, by or for the account of the exporter, plus, when not included in such price, the cost of all containers and coverings and all other costs, charges, and expenses incident to placing the merchandise in condition, packed ready for shipment to the United States, less (1) the amount, if any, included in such price, attributable to any additional costs, charges, and expenses, and United States import duties, incident to bringing the merchandise from the place of shipment in the country of exportation to the place of delivery in the United States, (2) the amount of the commissions, if any, for selling in the United States the particular merchandise under consideration, (3) an amount equal to the expenses, if any, generally incurred by or for the account of the exporter in the United States in selling identical or substantially identical merchandise, (4) the amount of any export tax imposed by the country of exportation on the exportation of the merchandise to the United States, and (5) the amount of any increased value, including additional material and labor, resulting from a process of manufacture or assembly performed on the imported merchandise after the importation of the merchandise and before its sale to a person who is not the exporter of the merchandise within the meaning of section 207; and plus the amount of any import duties imposed by the country of exportation which have been rebated, or which have not been collected, by reason of the exportation of the merchandise to the United States; and plus the amount of any taxes imposed in the country of exportation directly upon the exported merchandise or components thereof, which have been rebated, or which have not been collected, by reason of the exportation of the merchandise to the United States, but only to the extent that such taxes are added to or included in the price of such or similar merchandise when sold in the country of exportation; and plus the amount of any taxes rebated, or not collected, by reason of the exportation of the merchandise to the United States, which rebate or noncollection has been determined by the Secretary to be a bounty or grant within the meaning of section 303 of the Tariff Act of 1930.”

19 USC 166.

(d) Section 205 of the Antidumping Act, 1921 (19 U.S.C. sec. 164), is amended by adding “(a)” immediately before the word “For”, and by adding at the end thereof the following new subsections:

19 USC 1303.  
Foreign mar-  
ket value.

“(b) Whenever the Secretary has reasonable grounds to believe or suspect that sales in the home market of the country of exportation, or, as appropriate, to countries other than the United States, have been made at prices which represent less than the cost of producing the merchandise in question, he shall determine whether, in fact, such sales were made at less than the cost of producing the merchandise. If the Secretary determines that sales made at less than cost of production (1) have been made over an extended period of time and in substantial quantities, and (2) are not at prices which permit recovery of all costs within a reasonable period of time in the normal course of trade, such sales shall be disregarded in the determination of foreign market value. Whenever sales are disregarded by virtue of having been

made at less than the cost of production and the remaining sales, made at not less than cost of production, are determined to be inadequate as a basis for the determination of foreign market value, the Secretary shall determine that no foreign market value exists and employ the constructed value of the merchandise in question.

"(c) If available information indicates to the Secretary that the economy of the country from which the merchandise is exported is state-controlled to an extent that sales or offers of sales of such or similar merchandise in that country or to countries other than the United States do not permit a determination of foreign market value under subsection (a), the Secretary shall determine the foreign market value of the merchandise on the basis of the normal costs, expenses, and profits as reflected by either—

19 USC 161. "(1) the prices, determined in accordance with subsection (a) and section 202, at which such or similar merchandise of a non-state-controlled-economy country or countries is sold either (A) for consumption in the home market of that country or countries, or (B) to other countries, including the United States; or

19 USC 165. "(2) the constructed value of such or similar merchandise in a non-state-controlled-economy country or countries as determined under section 206.

"(d) Whenever, in the course of an investigation under this Act, the Secretary determines that—

"(1) merchandise exported to the United States is being produced in facilities which are owned or controlled, directly or indirectly, by a person, firm, or corporation which also owns or controls, directly or indirectly, other facilities for the production of such or similar merchandise which are located in another country or countries;

"(2) the sales of such or similar merchandise by the company concerned in the home market of the exporting country are non-existent or inadequate as a basis for comparison with the sales of the merchandise to the United States; and

"(3) the foreign market value of such or similar merchandise produced in one or more of the facilities outside the country of exportation is higher than the foreign market value, or, if there is no foreign market value, the constructed value, of such or similar merchandise produced in the facilities located in the country of exportation,

he shall determine the foreign market value of such merchandise by reference to the foreign market value at which such or similar merchandise is sold in substantial quantities by one or more facilities outside the country of exportation. The Secretary in making any determination under this paragraph, shall make adjustments for the difference between the costs of production (including taxes, labor, materials, and overhead) of such or similar merchandise produced in facilities outside the country of exportation and costs of production of such or similar merchandise produced in the facilities in the country of exportation, if such differences are demonstrated to his satisfaction. For the purpose of this subsection, in determining foreign market value of such or similar merchandise produced in a country outside of the country of exportation, the Secretary shall determine its price at the time of exportation from the country of exportation and shall make any adjustments required by section 205(a) for the cost of all containers and coverings and all other costs, charges, and expenses incident to placing the merchandise in condition packed

ready for shipment to the United States by reference to such costs in the country of exportation."

(e) Section 212(3) of the Antidumping Act, 1921 (19 U.S.C. sec. 170a(3)), is amended by striking out subparagraphs (B), (D), and (F), and by redesignating subparagraphs (C) and (E) as subparagraphs (B) and (C), respectively.

(f) (1) Section 516 of the Tariff Act of 1930 (19 U.S.C. 1516) is amended by redesignating subsections (d), (e), (f), and (g) as subsections (e), (f), (g), and (h), respectively, and by inserting after subsection (c) the following new subsection:

"(d) Within 30 days after a determination by the Secretary—

"(1) under section 201 of the Antidumping Act, 1921 (19 U.S.C. 160), that a class or kind of foreign merchandise is not being, nor likely to be, sold in the United States at less than its fair value, or

(2) under section 303 of this Act that a bounty or grant is not being paid or bestowed,

an American manufacturer, producer, or wholesaler of merchandise of the same class or kind as that described in such determination may file with the Secretary a written notice of a desire to contest such determination. Upon receipt of such notice the Secretary shall cause publication to be made thereof and of such manufacturer's, producer's, or wholesaler's desire to contest the determination. Within 30 days after such publication, such manufacturer, producer, or wholesaler may commence an action in the United States Customs Court contesting such determination."

(2) Section 2631(b) of title 28, United States Code, is amended by inserting before the period at the end thereof "or, in the case of an action under section 516(d) of such Act, after the date of publication of a notice under such section".

(3) Section 2632 of title 28, United States Code, is amended—

(A) by striking out the first sentence of subsection (a) and inserting in lieu thereof the following: "A party may contest (1) denial of a protest under section 515 of the Tariff Act of 1930, as amended; (2) a decision of the Secretary of the Treasury made under section 516 of the Tariff Act of 1930, as amended; or (3) a determination by the Secretary of the Treasury under section 201 of the Antidumping Act, 1921, as amended, that a class or kind of merchandise is not being, nor likely to be, sold in the United States at less than its fair value, or under section 303 of the Tariff Act of 1930 that a bounty or grant is not being paid or bestowed; by bringing a civil action in the Customs Court."

(B) by inserting after "designee" in subsection (f) "in any action brought under subsection (a) (1) or (a) (2)"; and

(C) by adding at the end thereof the following new subsection:

"(g) Upon service of the summons on the Secretary of the Treasury or his designee in an action contesting the Secretary's determination under section 201 of the Antidumping Act, 1921, as amended, that a class or kind of foreign merchandise is not being, nor likely to be, sold in the United States at less than its fair value, the Secretary or his designee shall forthwith transmit to the United States Customs Court, as the official record of the civil action, a certified copy of the transcript of any hearing held by the Secretary in the particular antidumping proceeding pursuant to section 201(d) (1) of the Antidumping Act, 1921, as amended, and certified copies of all notices, determinations, or other matters which the Secretary has caused to be published in the

88 STAT. 2049

Publication  
in Federal  
Register.

Infra.

Federal Register in connection with the particular antidumping proceeding. Upon service of the summons on the Secretary of the Treasury or his designee in an action contesting the Secretary's determination under section 303 of the Tariff Act of 1930 that a bounty or grant is not being paid or bestowed, the Secretary or his designee shall forthwith transmit to the United States Customs Court, as the official record of the civil action, a certified copy of the transcript of all hearings held by the Secretary in the proceeding which resulted in such determination and certified copies of all notices, determinations, or other matters which the Secretary has caused to be published in the Federal Register in connection with such proceeding."

Applicability.

19 USC 150

note.

19 USC 162

note.

(g) (1) The amendments made by subsection (a) of this section shall apply with respect to all questions of dumping raised or presented on or after the date of the enactment of this Act.

(2) The amendments made by subsections (b) through (e) of this section shall apply with respect to all merchandise which is not appraised on or before the date of the enactment of this Act; except that such amendments shall not apply with respect to any merchandise which—

(A) was exported from the country of exportation before such date of the enactment, and

19 USC 160.

(B) is subject to a finding under the Antidumping Act, 1921, which (i) is outstanding on such date of enactment, or (ii) was revoked on or before such date of enactment but is still applicable to such merchandise.

19 USC 1516

note.

19 USC 160.

(3) The amendments made by subsection (f) shall apply with respect to determinations under section 201 of the Antidumping Act, 1921, resulting from questions of dumping raised or presented on or after the date of the enactment of this Act.

## CHAPTER 3—COUNTERVAILING DUTIES

### SEC. 331. AMENDMENTS TO SECTIONS 303 AND 516 OF THE TARIFF ACT OF 1930.

(a) Section 303 of the Tariff Act of 1930 (19 U.S.C. sec. 1303) is amended to read as follows:

#### "SEC. 303. COUNTERVAILING DUTIES.

"(a) **LEVY OF COUNTERVAILING DUTIES.**—(1) Whenever any country, dependency, colony, province, or other political subdivision of government, person, partnership, association, cartel, or corporation, shall pay or bestow, directly or indirectly, any bounty or grant upon the manufacture or production or export of any article or merchandise manufactured or produced in such country, dependency, colony, province, or other political subdivision of government, then upon the importation of such article or merchandise into the United States, whether the same shall be imported directly from the country of production or otherwise, and whether such article or merchandise is imported in the same condition as when exported from the country of production or has been changed in condition by remanufacture or otherwise, there shall be levied and paid, in all such cases, in addition to any duties otherwise imposed, a duty equal to the net amount of such bounty or grant, however the same be paid or bestowed.

"(2) In the case of any imported article or merchandise which is free of duty, duties may be imposed under this section only if there is an affirmative determination by the Commission under subsection (b) (1); except that such a determination shall not be required unless a determination of injury is required by the international obligations of the United States.

88 STAT. 2050

"(3) In the case of any imported article or merchandise as to which the Secretary of the Treasury (hereafter in this section referred to as the 'Secretary') has not determined whether or not any bounty or grant is being paid or bestowed—

"(A) upon the filing of a petition by any person setting forth his belief that a bounty or grant is being paid or bestowed, and the reasons therefor, or

"(B) whenever the Secretary concludes, from information presented to him or to any person to whom authority under this section has been delegated, that a formal investigation is warranted into the question of whether a bounty or grant is being paid or bestowed,

the Secretary shall initiate a formal investigation to determine whether or not any bounty or grant is being paid or bestowed and shall publish in the Federal Register notice of the initiation of such investigation.

Publication  
in Federal  
Register.

"(4) Within six months from the date on which a petition is filed under paragraph (3) (A) or on which notice is published of an investigation initiated under paragraph (3) (B), the Secretary shall make a preliminary determination, and within twelve months from such date shall make a final determination, as to whether or not any bounty or grant is being paid or bestowed.

"(5) The Secretary shall from time to time ascertain and determine, or estimate, the net amount of each such bounty or grant, and shall declare the net amount so determined or estimated.

"(6) The Secretary shall make all regulations he deems necessary for the identification of articles and merchandise subject to duties under this section and for the assessment and collection of such duties. All determinations by the Secretary under this section, and all determinations by the Commission under subsection (b) (1), (whether affirmative or negative) shall be published in the Federal Register.

Regulations.

"(b) **INJURY DETERMINATIONS WITH RESPECT TO DUTY-FREE MERCHANDISE; SUSPENSION OF LIQUIDATION.**—(1) Whenever the Secretary makes a final determination under subsection (a) that a bounty or grant is being paid or bestowed with respect to any article or merchandise which is free of duty and a determination by the Commission is required under subsection (a) (2), he shall—

"(A) so advise the Commission, and the Commission shall determine within three months thereafter, and after such investigation as it deems necessary, whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such article or merchandise into the United States; and the Commission shall notify the Secretary of its determination; and

"(B) require, under such regulations as he may prescribe, the suspension of liquidation as to such article or merchandise entered, or withdrawn from warehouse, for consumption on or after the date of the publication in the Federal Register of his final determination under subsection (a), and such suspension of liquidation shall continue until the further order of the Secretary or until he has made public an order as provided for in paragraph (3).

"(2) For the purposes of this subsection, the Commission shall be deemed to have made an affirmative determination if the commissioners voting are evenly divided as to whether its determination should be in the affirmative or in the negative.

"(3) If the determination of the Commission under paragraph (1) (A) is in the affirmative, the Secretary shall make public an order

Publication  
in Federal  
Register.



directing the assessment and collection of duties in the amount of such bounty or grant as is from time to time ascertained and determined, or estimated, under subsection (a).

"(c) APPLICATION OF AFFIRMATIVE DETERMINATION.—An affirmative final determination by the Secretary under subsection (a) with respect to any imported article or merchandise shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the publication in the Federal Register of such determination. In the case of any imported article or merchandise which is free of duty, so long as a finding of injury is required by the international obligations of the United States, the preceding sentence shall apply only if the Commission makes an affirmative determination of injury under subsection (b) (1).

"(d) TEMPORARY PROVISION WHILE NEGOTIATIONS ARE IN PROGRESS.—(1) It is the sense of the Congress that the President, to the extent practicable and consistent with United States interests, seek through negotiations the establishment of internationally agreed rules and procedures governing the use of subsidies (and other export incentives) and the application of countervailing duties.

"(2) If, after seeking information and advice from such agencies as he may deem appropriate, the Secretary of the Treasury determines, at any time during the four-year period beginning on the date of the enactment of the Trade Act of 1974, that—

"(A) adequate steps have been taken to reduce substantially or eliminate during such period the adverse effect of a bounty or grant which he has determined is being paid or bestowed with respect to any article or merchandise;

"(B) there is a reasonable prospect that, under section 102 of the Trade Act of 1974, successful trade agreements will be entered into with foreign countries or instrumentalities providing for the reduction or elimination of barriers to or other distortions of international trade; and

"(C) the imposition of the additional duty under this section with respect to such article or merchandise would be likely to seriously jeopardize the satisfactory completion of such negotiations;

the imposition of the additional duty under this section with respect to such article or merchandise shall not be required during the remainder of such four-year period. This paragraph shall not apply with respect to any case involving non-rubber footwear pending on the date of the enactment of the Trade Act of 1974 until and unless agreements which temporize imports of non-rubber footwear become effective.

"(3) The determination of the Secretary under paragraph (2) may be revoked by him, in his discretion, at any time, and any determination made under such paragraph shall be revoked whenever the basis supporting such determination no longer exists. The additional duty provided under this section shall apply with respect to any affected articles or merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of any revocation under this subsection in the Federal Register.

"(e) REPORTS TO CONGRESS.—(1) Whenever the Secretary makes a determination under subsection (d) (2) with respect to any article or merchandise, he shall promptly transmit to the House of Representatives and the Senate a document setting forth the determination, together with his reasons therefor.

"(2) If, at any time after the document referred to in paragraph (1) is delivered to the House of Representatives and the Senate, either

Ante, p. 1978.

Ante, p. 1982.

Non-rubber  
footwear.

the House or the Senate adopts, by an affirmative vote of a majority of those present and voting in that House, a resolution of disapproval under the procedures set forth in section 152, then such determination under subsection (d) (2) with respect to such article or merchandise shall have no force or effect beginning with the day after the date of the adoption of such resolution of disapproval, and the additional duty provided under this section with respect to such article or merchandise shall apply with respect to articles or merchandise entered, or withdrawn from warehouse, for consumption on or after such day."

(b) So much of section 516 of the Tariff Act of 1930 (19 U.S.C. 1516) as precedes subsection (d) is amended to read as follows:

"SEC. 516. PETITIONS BY AMERICAN MANUFACTURERS, PRODUCERS, OR WHOLESALEERS.

"(a) The Secretary shall, upon written request by an American manufacturer, producer, or wholesaler, furnish the classification, the rate of duty, the additional duty described in section 303 of this Act (hereinafter in this section referred to as 'countervailing duties'), if any, and the special duty described in section 202 of the Antidumping Act, 1921 (hereinafter in this section referred to as 'antidumping duties'), if any, imposed upon designated imported merchandise of a class or kind manufactured, produced, or sold at wholesale by him. If such manufacturer, producer, or wholesaler believes that the appraised value is too low, that the classification is not correct, that the proper rate of duty is not being assessed, or that countervailing duties or antidumping duties should be assessed, he may file a petition with the Secretary setting forth (1) a description of the merchandise, (2) the appraised value, the classification, or the rate or rates of duty that he believes proper, and (3) the reasons for his belief including, in appropriate instances, the reasons for his belief that countervailing duties or antidumping duties should be assessed.

"(b) If, after receipt and consideration of a petition filed by an American manufacturer, producer, or wholesaler, the Secretary decides that the appraised value of the merchandise is too low, that the classification of the article or rate of duty assessed thereon is not correct, or that countervailing duties or antidumping duties should be assessed, he shall determine the proper appraised value or classification, rate of duty, or countervailing duties, or antidumping duties and shall notify the petitioner of his determination. Except for countervailing duty and antidumping duty purposes, all such merchandise entered for consumption or withdrawn from warehouse for consumption more than thirty days after the date such notice to the petitioner is published in the weekly Customs Bulletin shall be appraised or classified or assessed as to rate of duty in accordance with the Secretary's determination. For countervailing duty purposes, the procedures set forth in section 303 shall apply. For antidumping duty purposes, the procedures set forth in section 201 of the Antidumping Act, 1921, shall apply.

"(c) If the Secretary decides that the appraised value or classification of the articles or the rate of duty with respect to which a petition was filed pursuant to subsection (a) is correct, or that countervailing duties or antidumping duties should not be assessed, he shall so inform the petitioner. If dissatisfied with the decision of the Secretary, the petitioner may file with the Secretary, not later than thirty days after the date of the decision, notice that he desires to contest the appraised value or classification of, or rate of duty assessed upon or the failure to assess countervailing duties or antidumping duties upon, the merchandise. Upon receipt of notice from the petitioner, the Secretary shall

Ante, p. 2004.

Ante, p. 2049.

19 USC 161.

Ante, p. 2043.

cause publication to be made of his decision as to the proper appraised value or classification or rate of duty or that countervailing duties or antidumping duties should not be assessed and of the petitioner's desire to contest, and shall thereafter furnish the petitioner with such information as to the entries and consignees of such merchandise, entered after the publication of the decision of the Secretary at such ports of entry designated by the petitioner in his notice of desire to contest, as will enable the petitioner to contest the appraised value or classification of, or rate of duty imposed upon or failure to assess countervailing duties or antidumping duties upon, such merchandise in the liquidation of one such entry at such port. The Secretary shall direct the appropriate Customs officer at such ports to notify the petitioner by mail immediately when the first of such entries is liquidated."

(c) Section 515(d) of the Tariff Act of 1930 (19 U.S.C. 1315(d)) is amended by inserting before the period at the end thereof "or the imposition of countervailing duties under section 303".

(d) (1) The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) For purposes of applying the provisions of section 303(a) (4) of the Tariff Act of 1930 (as amended by subsection (a)) with respect to any investigation which was initiated before the date of the enactment of this Act under section 303 of such Act (as in effect before such date), such investigation shall be treated as having been initiated on the day after such date of enactment under section 303(a) (3) (B) of such Act.

(3) Any article which is entered or withdrawn from warehouse free of duty as a result of action taken under title V of this Act shall be considered a nondutiable article for purposes of section 303 of the Tariff Act of 1930, as amended (19 U.S.C. sec. 1303).

## CHAPTER 4—UNFAIR IMPORT PRACTICES

### SEC. 341. AMENDMENT TO SECTION 337 OF THE TARIFF ACT OF 1930.

(a) Section 337 of the Tariff Act of 1930 (19 U.S.C. 1337) is amended to read as follows:

#### "SEC. 337. UNFAIR PRACTICES IN IMPORT TRADE.

"(a) UNFAIR METHODS OF COMPETITION DECLARED UNLAWFUL.—Unfair methods of competition and unfair acts in the importation of articles into the United States, or in their sale by the owner, importer, consignee, or agent of either, the effect or tendency of which is to destroy or substantially injure an industry, efficiently and economically operated, in the United States, or to prevent the establishment of such an industry, or to restrain or monopolize trade and commerce in the United States, are declared unlawful, and when found by the Commission to exist shall be dealt with, in addition to any other provisions of law, as provided in this section.

"(b) INVESTIGATIONS OF VIOLATIONS BY COMMISSION; TIME LIMITS.—(1) The Commission shall investigate any alleged violation of this section on complaint under oath or upon its initiative. Upon commencing any such investigation, the Commission shall publish notice thereof in the Federal Register. The Commission shall conclude any such investigation, and make its determination under this section, at the earliest practicable time, but not later than one year (18 months in more complicated cases) after the date of publication of notice of such investigation. The Commission shall publish in the Federal Register its reasons for designating any investigation as a more complicated investigation. For purposes of the one-year and 18-month periods prescribed by this subsection, there shall be excluded any

period of time during which such investigation is suspended because of proceedings in a court or agency of the United States involving similar questions concerning the subject matter of such investigation.

"(2) During the course of each investigation under this section, the Commission shall consult with, and seek advice and information from, the Department of Health, Education, and Welfare, the Department of Justice, the Federal Trade Commission, and such other departments and agencies as it considers appropriate.

"(3) Whenever, in the course of an investigation under this section, the Commission has reason to believe, based on information before it, that the matter may come within the purview of section 303 or of the Antidumping Act, 1921, it shall promptly notify the Secretary of the Treasury so that such action may be taken as is otherwise authorized by such section and such Act.

"(c) DETERMINATIONS; REVIEW.—The Commission shall determine, with respect to each investigation conducted by it under this section, whether or not there is a violation of this section. Each determination under subsection (d) or (e) shall be made on the record after notice and opportunity for a hearing in conformity with the provisions of subchapter II of chapter 5 of title 5, United States Code. All legal and equitable defenses may be presented in all cases. Any person adversely affected by a final determination of the Commission under subsection (d) or (e) may appeal such determination to the United States Court of Customs and Patent Appeals. Such court shall have jurisdiction to review such determination in the same manner and subject to the same limitations and conditions as in the case of appeals from decisions of the United States Customs Court.

"(d) EXCLUSION OF ARTICLES FROM ENTRY.—If the Commission determines, as a result of an investigation under this section, that there is violation of this section, it shall direct that the articles concerned, imported by any person violating the provision of this section, be excluded from entry into the United States, unless, after considering the effect of such exclusion upon the public health and welfare, competitive conditions in the United States economy, the production of like or directly competitive articles in the United States, and United States consumers, it finds that such articles should not be excluded from entry. The Commission shall notify the Secretary of the Treasury of its action under this subsection directing such exclusion from entry, and upon receipt of such notice, the Secretary shall, through the proper officers, refuse such entry.

"(e) EXCLUSION OF ARTICLES FROM ENTRY DURING INVESTIGATION EXCEPT UNDER BOND.—If, during the course of an investigation under this section, the Commission determines that there is reason to believe that there is a violation of this section, it may direct that the articles concerned, imported by any person with respect to whom there is reason to believe that such person is violating this section, be excluded from entry into the United States, unless, after considering the effect of such exclusion upon the public health and welfare, competitive conditions in the United States economy, the production of like or directly competitive articles in the United States, and United States consumers, it finds that such articles should not be excluded from entry. The Commission shall notify the Secretary of the Treasury of its action under this subsection directing such exclusion from entry, and upon receipt of such notice, the Secretary shall, through the proper officers, refuse such entry, except that such articles shall be entitled to entry under bond determined by the Commission and prescribed by the Secretary.

Ante, p. 2049.

Hearing.

5 USC 551.

19 USC 1515.

Ante, p. 2049.

Effective  
date.  
19 USC 1303  
note.

Publication  
in Federal  
Register.

Publication  
in Federal  
Register.

"(f) CEASE AND DESIST ORDERS.—In lieu of taking action under subsection (d) or (e), the Commission may issue and cause to be served on any person violating this section, or believed to be violating this section, as the case may be, an order directing such person to cease and desist from engaging in the unfair methods or acts involved, unless after considering the effect of such order upon the public health and welfare, competitive conditions in the United States economy, the production of like or directly competitive articles in the United States, and United States consumers, it finds that such order should not be issued. The Commission may at any time, upon such notice and in such manner as it deems proper, modify or revoke any such order, and, in the case of a revocation, may take action under subsection (d) or (e), as the case may be.

"(g) REFERRAL TO THE PRESIDENT.—(1) If the Commission determines that there is a violation of this section, or that, for purposes of subsection (e), there is reason to believe that there is such a violation, it shall—

"(A) publish such determination in the Federal Register, and

"(B) transmit to the President a copy of such determination and the action taken under subsection (d), (e), or (f), with respect thereto, together with the record upon which such determination is based.

"(2) If, before the close of the 60-day period beginning on the day after the day on which he receives a copy of such determination, the President, for policy reasons, disapproves such determination and notifies the Commission of his disapproval, then, effective on the date of such notice, such determination and the action taken under subsection (d), (e), or (f) with respect thereto shall have no force or effect.

"(3) Subject to the provisions of paragraph (2), such determination shall, except for purposes of subsection (c), be effective upon publication thereof in the Federal Register, and the action taken under subsection (d), (e), or (f) with respect thereto shall be effective as provided in such subsections, except that articles directed to be excluded from entry under subsection (d) or subject to a cease and desist order under subsection (f) shall be entitled to entry under bond determined by the Commission and prescribed by the Secretary until such determination becomes final.

"(4) If the President does not disapprove such determination within such 60-day period, or if he notifies the Commission before the close of such period that he approves such determination, then, for purposes of paragraph (3) and subsection (c) such determination shall become final on the day after the close of such period or the day on which the President notifies the Commission of his approval, as the case may be.

"(h) PERIOD OF EFFECTIVENESS.—Except as provided in subsections (f) and (g), any exclusion from entry or order under this section shall continue in effect until the Commission finds, and in the case of exclusion from entry notifies the Secretary of the Treasury, that the conditions which led to such exclusion from entry or order no longer exist.

"(i) IMPORTATIONS BY OR FOR THE UNITED STATES.—Any exclusion from entry or order under subsection (d), (e), or (f), in cases based on claims of United States letters patent, shall not apply to any articles imported by and for the use of the United States, or imported for, and to be used for, the United States with the authorization or consent of the Government. Whenever any article would have been excluded from entry or would not have been entered pursuant to the provisions of such subsections but for the operation of this subsection, a patent owner adversely affected shall be entitled to reasonable and entire

Publication  
in Federal  
Register.

compensation in an action before the Court of Claims pursuant to the procedures of section 1498 of title 28, United States Code.

"(j) DEFINITION OF UNITED STATES.—For purposes of this section and sections 338 and 340, the term 'United States' means the customs territory of the United States as defined in general headnote 2 of the Tariff Schedules of the United States."

(b) Section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g)) is amended by adding at the end thereof the following new sentence: "Each such annual report shall include a list of all complaints filed under section 337 during the year for which such report is being made, the date on which each such complaint was filed, and the action taken thereon, and the status of all investigations conducted by the commission under such section during such year and the date on which each such investigation was commenced."

(c) The amendments made by this section shall take effect on the 90th day after the date of the enactment of this Act, except that, for purposes of issuing regulations under section 337 of the Tariff Act of 1930, such amendments shall take effect on the date of the enactment of this Act. For purposes of applying section 337(b) of the Tariff Act of 1930 (as amended by subsection (a)) with respect to investigations being conducted by the International Trade Commission under section 337 of the Tariff Act on the day prior to the 90th day after the date of the enactment of this Act, such investigations shall be considered as having been commenced on such 90th day.

19 USC 1338,  
1340.

Annual  
report.  
Ante, p. 2053.

Effective  
date.  
19 USC 1337  
note.

## TITLE IV—TRADE RELATIONS WITH COUNTRIES NOT CURRENTLY RECEIVING NONDISCRIMINATORY TREATMENT

### SEC. 401. EXCEPTION OF THE PRODUCTS OF CERTAIN COUNTRIES OR AREAS.

Except as otherwise provided in this title, the President shall continue to deny nondiscriminatory treatment to the products of any country, the products of which were not eligible for the rates set forth in rate column numbered 1 of the Tariff Schedules of the United States on the date of the enactment of this Act.

### SEC. 402. FREEDOM OF EMIGRATION IN EAST-WEST TRADE.

(a) To assure the continued dedication of the United States to fundamental human rights, and notwithstanding any other provision of law, on or after the date of the enactment of this Act products from any nonmarket economy country shall not be eligible to receive nondiscriminatory treatment (most-favored-nation treatment), such country shall not participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, directly or indirectly, and the President of the United States shall not conclude any commercial agreement with any such country, during the period beginning with the date on which the President determines that such country—

(1) denies its citizens the right or opportunity to emigrate;

(2) imposes more than a nominal tax on emigration or on the visas or other documents required for emigration, for any purpose or cause whatsoever; or

(3) imposes more than a nominal tax, levy, fine, fee, or other charge on any citizen as a consequence of the desire of such citizen to emigrate to the country of his choice,

19 USC 2431.

19 USC 1202.

19 USC 2432.

Nonmarket  
economy  
countries,  
products,  
eligibility.

Report to  
Congress.

Waiver.

and ending on the date on which the President determines that such country is no longer in violation of paragraph (1), (2), or (3).

(b) After the date of the enactment of this Act, (A) products of a nonmarket economy country may be eligible to receive nondiscriminatory treatment (most-favored-nation treatment), (B) such country may participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, and (C) the President may conclude a commercial agreement with such country, only after the President has submitted to the Congress a report indicating that such country is not in violation of paragraph (1), (2), or (3) of subsection (a). Such report with respect to such country shall include information as to the nature and implementation of emigration laws and policies and restrictions or discrimination applied to or against persons wishing to emigrate. The report required by this subsection shall be submitted initially as provided herein and, with current information, on or before each June 30 and December 31 thereafter so long as such treatment is received, such credits or guarantees are extended, or such agreement is in effect.

(c) (1) During the 18-month period beginning on the date of the enactment of this Act, the President is authorized to waive by Executive order the application of subsection (a) and (b) with respect to any country, if he reports to the Congress that—

(A) he has determined that such waiver will substantially promote the objectives of this section; and

(B) he has received assurances that the emigration practices of that country will henceforth lead substantially to the achievement of the objectives of this section.

(2) During any period subsequent to the 18-month period referred to in paragraph (1), the President is authorized to waive by Executive order the application of subsections (a) and (b) with respect to any country, if the waiver authority granted by this subsection continues to apply to such country pursuant to subsection (d), and if he reports to the Congress that—

(A) he has determined that such waiver will substantially promote the objectives of this section; and

(B) he has received assurances that the emigration practices of that country will henceforth lead substantially to the achievement of the objectives of this section.

(3) A waiver with respect to any country shall terminate on the day after the waiver authority granted by this subsection ceases to be effective with respect to such country pursuant to subsection (d). The President may, at any time, terminate by Executive order any waiver granted under this subsection.

(d) (1) If the President determines that the extension of the waiver authority granted by subsection (c) (1) will substantially promote the objectives of this section, he may recommend to the Congress that such authority be extended for a period of 12 months. Any such recommendation shall—

(A) be made not later than 30 days before the expiration of such authority;

(B) be made in a document transmitted to the House of Representatives and the Senate setting forth his reasons for recommending the extension of such authority; and

(C) include, for each country with respect to which a waiver granted under subsection (c) (1) is in effect, a determination that continuation of the waiver applicable to that country will substantially promote the objectives of this section, and a statement setting forth his reasons for such determination.

Termination.

Waiver  
authority,  
extension.

(2) If the President recommends under paragraph (1) the extension of the waiver authority granted by subsection (c) (1), such authority shall continue in effect with respect to any country for a period of 12 months following the end of the 18-month period referred to in subsection (c) (1), if, before the end of such 18-month period, the House of Representatives and the Senate adopt, by an affirmative vote of a majority of the Members present and voting in each House and under the procedures set forth in section 153, a concurrent resolution approving the extension of such authority, and such resolution does not name such country as being excluded from such authority. Such authority shall cease to be effective with respect to any country named in such concurrent resolution on the date of the adoption of such concurrent resolution. If before the end of such 18-month period, a concurrent resolution approving the extension of such authority is not adopted by the House and the Senate, but both the House and Senate vote on the question of final passage of such a concurrent resolution and—

(A) both the House and the Senate fail to pass such a concurrent resolution, the authority granted by subsection (c) (1) shall cease to be effective with respect to all countries at the end of such 18-month period;

(B) both the House and the Senate pass such a concurrent resolution which names such country as being excluded from such authority, such authority shall cease to be effective with respect to such country at the end of such 18-month period; or

(C) one House fails to pass such a concurrent resolution and the other House passes such a concurrent resolution which names such country as being excluded from such authority, such authority shall cease to be effective with respect to such country at the end of such 18-month period.

(3) If the President recommends under paragraph (1) the extension of the waiver authority granted by subsection (c) (1), and at the end of the 18-month period referred to in subsection (c) (1) the House of Representatives and the Senate have not adopted a concurrent resolution approving the extension of such authority and subparagraph (A) of paragraph (2) does not apply, such authority shall continue in effect for a period of 60 days following the end of such 18-month period with respect to any country (except for any country with respect to which such authority was not extended by reason of the application of subparagraph (B) or (C) of paragraph (2)), and shall continue in effect for a period of 12 months following the end of such 18-month period with respect to any such country if, before the end of such 60-day period, the House of Representatives and the Senate adopt, by an affirmative vote of a majority of the Members present and voting in each House and under the procedures set forth in section 153, a concurrent resolution approving the extension of such authority, and such resolution does not name such country as being excluded from such authority. Such authority shall cease to be effective with respect to any country named in such concurrent resolution on the date of the adoption of such concurrent resolution. If before the end of such 60-day period, a concurrent resolution approving the extension of such authority is not adopted by the House and Senate, but both the House and Senate vote on the question of final passage of such a concurrent resolution and—

(A) both the House and the Senate fail to pass such a concurrent resolution, the authority granted by subsection (c) (1) shall cease to be effective with respect to all countries on the date of the vote on the question of final passage by the House which votes last;

Ante, p. 2006.



(B) both the House and the Senate pass such a concurrent resolution which names such country as being excluded from such authority, such authority shall cease to be effective with respect to such country at the end of such 60-day period; or

(C) one House fails to pass such a concurrent resolution and the other House passes such a concurrent resolution which names such country as being excluded from such authority, such authority shall cease to be effective with respect to such country at the end of such 60-day period.

(4) If the President recommends under paragraph (1) the extension of the waiver authority granted by subsection (c) (1), and at the end of the 60-day period referred to in paragraph (3) the House of Representatives and the Senate have not adopted a concurrent resolution approving the extension of such authority and subparagraph (A) of paragraph (3) does not apply, such authority shall continue in effect until the end of the 12-month period following the end of the 18-month period referred to in subsection (c) (1) with respect to any country (except for any country with respect to which such authority was not extended by reason of the application of subparagraph (B) or (C) of paragraph (2) or subparagraph (B) or (C) of paragraph (3)), unless before the end of the 45-day period following such 60-day period either the House of Representatives or the Senate adopts, by an affirmative vote of a majority of the Members present and voting in that House and under the procedures set forth in section 153, a resolution disapproving the extension of such authority generally or with respect to such country specifically. Such authority shall cease to be effective with respect to all countries on the date of the adoption by either House before the end of such 45-day period of a resolution disapproving the extension of such authority, and shall cease to be effective with respect to any country on the date of the adoption by either House before the end of such 45-day period of a resolution disapproving the extension of such authority with respect to such country.

(5) If the waiver authority granted by subsection (c) has been extended under paragraph (3) or (4) for any country for the 12-month period referred to in such paragraphs, and the President determines that the further extension of such authority will substantially promote the objectives of this section, he may recommend further extensions of such authority for successive 12-month periods. Any such recommendations shall—

(A) be made not later than 30 days before the expiration of such authority;

(B) be made in a document transmitted to the House of Representatives and the Senate setting forth his reasons for recommending the extension of such authority; and

(C) include, for each country with respect to which a waiver granted under subsection (c) is in effect, a determination that continuation of the waiver applicable to that country will substantially promote the objectives of this section, and a statement setting forth his reasons for such determination.

If the President recommends the further extension of such authority, such authority shall continue in effect until the end of the 12-month period following the end of the previous 12-month extension with respect to any country (except for any country with respect to which such authority has not been extended under this subsection), unless before the end of the 60-day period following such previous 12-month extension, either the House of Representatives or the Senate adopts, by an affirmative vote of a majority of the Members present and voting in that House and under the procedures set forth in section 153, a

Waiver  
authority,  
further  
extension.

resolution disapproving the extension of such authority generally or with respect to such country specifically. Such authority shall cease to be effective with respect to all countries on the date of the adoption by either House before the end of such 60-day period of a resolution disapproving the extension of such authority, and shall cease to be effective with respect to any country on the date of the adoption by either House before the end of such 60-day period of a resolution disapproving the extension of such authority with respect to such country.

(e) This section shall not apply to any country the products of which are eligible for the rates set forth in rate column numbered 1 of the Tariff Schedules of the United States on the date of the enactment of this Act.

19 USC 1202.

#### SEC. 403. UNITED STATES PERSONNEL MISSING IN ACTION IN SOUTH-EAST ASIA.

19 USC 2433.

(a) Notwithstanding any other provision of law, if the President determines that a nonmarket economy country is not cooperating with the United States—

(1) to achieve a complete accounting of all United States military and civilian personnel who are missing in action in Southeast Asia,

(2) to repatriate such personnel who are alive, and

(3) to return the remains of such personnel who are dead to the United States,

then, during the period beginning with the date of such determination and ending on the date on which the President determines such country is cooperating with the United States, he may provide that—

(A) the products of such country may not receive nondiscriminatory treatment,

(B) such country may not participate, directly or indirectly, in any program under which the United States extends credit, credit guarantees, or investment guarantees, and

(C) no commercial agreement entered into under this title between such country and the United States will take effect.

(b) This section shall not apply to any country the products of which are eligible for the rates set forth in rate column numbered 1 of the Tariff Schedules of the United States on the date of the enactment of this Act.

19 USC 1202.

#### SEC. 404. EXTENSION OF NONDISCRIMINATORY TREATMENT.

19 USC 2434.

(a) Subject to the provisions of section 405(c), the President may by proclamation extend nondiscriminatory treatment to the products of a foreign country which has entered into a bilateral commercial agreement referred to in section 405.

(b) The application of nondiscriminatory treatment shall be limited to the period of effectiveness of the obligations of the United States to such country under such bilateral commercial agreement. In addition, in the case of any foreign country receiving nondiscriminatory treatment pursuant to this title which has entered into an agreement with the United States regarding the settlement of lend-lease reciprocal aid and claims, the application of such nondiscriminatory treatment shall be limited to periods during which such country is not in arrears on its obligations under such agreement.

(c) The President may at any time suspend or withdraw any extension of nondiscriminatory treatment to any country pursuant to subsection (a), and thereby cause all products of such country to be dutiable at the rates set forth in rate column numbered 2 of the Tariff Schedules for the United States.

19 USC 1202.

**SEC. 405. AUTHORITY TO ENTER INTO COMMERCIAL AGREEMENTS.**

(a) Subject to the provisions of subsections (b) and (c) of this section, the President may authorize the entry into force of bilateral commercial agreements providing nondiscriminatory treatment to the products of countries heretofore denied such treatment whenever he determines that such agreements with such countries will promote the purposes of this Act and are in the national interest.

(b) Any such bilateral commercial agreement shall—

(1) be limited to an initial period specified in the agreement which shall be no more than 3 years from the date the agreement enters into force; except that it may be renewable for additional periods, each not to exceed 3 years; if—

(A) a satisfactory balance of concessions in trade and services has been maintained during the life of such agreement, and

(B) the President determines that actual or foreseeable reductions in United States tariffs and nontariff barriers to trade resulting from multilateral negotiations are satisfactorily reciprocated by the other party to the bilateral agreement;

(2) provide that it is subject to suspension or termination at any time for national security reasons, or that the other provisions of such agreement shall not limit the rights of any party to take any action for the protection of its security interests;

(3) include safeguard arrangements (A) providing for prompt consultations whenever either actual or prospective imports cause or threaten to cause, or significantly contribute to, market disruption and (B) authorizing the imposition of such import restrictions as may be appropriate to prevent such market disruption;

(4) if the other party to the bilateral agreement is not a party to the Paris Convention for the Protection of Industrial Property, provide rights for United States nationals with respect to patents and trademarks in such country not less than the rights specified in such convention;

(5) if the other party to the bilateral agreement is not a party to the Universal Copyright Convention, provide rights for United States nationals with respect to copyrights in such country not less than the rights specified in such convention;

(6) in the case of an agreement entered into or renewed after the date of the enactment of this Act, provide arrangements for the protection of industrial rights and processes;

(7) provide arrangements for the settlement of commercial differences and disputes;

(8) in the case of an agreement entered into or renewed after the date of the enactment of this Act, provide arrangements for the promotion of trade, which may include those for the establishment or expansion of trade and tourist promotion offices, for facilitation of activities of governmental commercial officers, participation in trade fairs and exhibits, and the sending of trade missions, and for facilitation of entry, establishment, and travel of commercial representatives;

(9) provide for consultations for the purpose of reviewing the operation of the agreement and relevant aspects of relations between the United States and the other party; and

(10) provide such other arrangements of a commercial nature as will promote the purposes of this Act.

(c) An agreement referred to in subsection (a), and a proclamation referred to in section 404(a) implementing such agreement, shall take effect only if (1) approved by the Congress by the adoption of a

21 UST 1583.

6 UST 2731.

concurrent resolution referred to in section 151, or (2) in the case of an agreement entered into before the date of the enactment of this Act and a proclamation implementing such agreement, a resolution of disapproval referred to in section 152 is not adopted during the 90-day period specified by section 407(c) (2).

**SEC. 406. MARKET DISRUPTION.**

(a) (1) Upon the filing of a petition by an entity described in section 201(a) (1), upon request of the President or the Special Representative for Trade Negotiations, upon resolution of either the Committee on Ways and Means of the House of Representatives or the Committee on Finance of the Senate, or on its own motion, the International Trade Commission (hereafter in this section referred to as the "Commission") shall promptly make an investigation to determine, with respect to imports of an article which is the product of a Communist country, whether market disruption exists with respect to an article produced by a domestic industry.

(2) The provisions of subsections (a) (2), (b) (3), and (c) of section 201 shall apply with respect to investigations by the Commission under paragraph (1).

(3) The Commission shall report to the President its determination with respect to each investigation under paragraph (1) and the basis therefor and shall include in each report any dissenting or separate views. If the Commission finds, as a result of its investigation, that market disruption exists with respect to an article produced by a domestic industry, it shall find the amount of the increase in, or imposition of, any duty or other import restriction on such article which is necessary to prevent or remedy such market disruption and shall include such finding in its report to the President. The Commission shall furnish to the President a transcript of the hearings and any briefs which may have been submitted in connection with each investigation.

(4) The report of the Commission of its determination with respect to an investigation under paragraph (1) shall be made at the earliest practicable time, but not later than 3 months after the date on which the petition is filed (or the date on which the request or resolution is received or the motion is adopted, as the case may be). Upon making such report to the President, the Commission shall also promptly make public such report (with the exception of information which the Commission determines to be confidential) and shall cause a summary thereof to be published in the Federal Register.

(b) For purposes of sections 202 and 203, an affirmative determination of the Commission under subsection (a) shall be treated as an affirmative determination under section 201(b), except that—

(1) the President may take action under sections 202 and 203 only with respect to imports from the country or countries involved of the article with respect to which the affirmative determination was made, and

(2) if such action consists of, or includes, an orderly marketing agreement, such agreement shall be entered into within 60 days after the import relief determination date.

(c) If, at any time, the President finds that there are reasonable grounds to believe, with respect to imports of an article which is the product of a Communist country, that market disruption exists with respect to an article produced by a domestic industry, he shall request the Commission to initiate an investigation under subsection (a). If the President further finds that emergency action is necessary, he may take action under sections 202 and 203 as if an affirmative determination of the Commission had been made under subsection (a). Any

88 STAT. 2062  
Ante, p. 2001.

Ante, p. 2004.

19 USC 2436.

Ante, p. 2011.

Report to  
President.

Publication  
in Federal  
Register.  
Ante, p. 2014,  
2015.

Investigation.

Emergency  
action.

action taken by the President under the preceding sentence shall cease to apply (1) if a negative determination is made by the Commission under subsection (a) with respect to imports of such article, on the day on which the Commission's report of such determination is submitted to the President, or (2) if an affirmative determination is made by the Commission under subsection (a) with respect to imports of such article, on the day on which the action taken by the President pursuant to such determination becomes effective.

Ante, p. 2011.

(d)(1) A petition may be filed with the President by an entity described in section 201(a)(1) requesting the President to initiate consultations provided for by the safeguard arrangements of any agreement entered into under section 405 with respect to imports of an article which is the product of the country which is the other party to such agreement.

(2) If the President determines that there are reasonable grounds to believe, with respect to imports of such article, that market disruption exists with respect to an article produced by a domestic industry, he shall initiate consultations with such country with respect to such imports.

(e) For purposes of this section—

"Communist country."

(1) The term "Communist country" means any country dominated or controlled by communism.

(2) Market disruption exists within a domestic industry whenever imports of an article, like or directly competitive with an article produced by such domestic industry, are increasing rapidly, either absolutely or relatively, so as to be a significant cause of material injury, or threat thereof, to such domestic industry.

19 USC 2437.

**SEC. 407. PROCEDURE FOR CONGRESSIONAL APPROVAL OR DISAPPROVAL OF EXTENSION OF NONDISCRIMINATORY TREATMENT AND PRESIDENTIAL REPORTS.**

(a) Whenever the President issues a proclamation under section 404 extending nondiscriminatory treatment to the products of any foreign country, he shall promptly transmit to the House of Representatives and to the Senate a document setting forth the proclamation and the agreement the proclamation proposes to implement, together with his reasons therefor.

(b) The President shall transmit to the House of Representatives and the Senate a document containing the initial report submitted by him under section 402(b) or 409(b) with respect to a nonmarket economy country. On or before December 31 of each year, the President shall transmit to the House of Representatives and the Senate, a document containing the report required by section 402(b) or 409(b) as the case may be, to be submitted on or before such December 31.

(c)(1) In the case of a document referred to in subsection (a) (other than a document to which paragraph (2) applies), the proclamation set forth therein may become effective and the agreement set forth therein may enter into force and effect only if the House of Representatives and the Senate adopt, by an affirmative vote of a majority of those present and voting in each House, a concurrent resolution of approval (under the procedures set forth in section 151) of the extension of nondiscriminatory treatment to the products of the country concerned.

Ante, p. 2001.

(2) In the case of a document referred to in subsection (a) which sets forth an agreement entered into before the date of the enactment of this Act and a proclamation implementing such agreement, such proclamation may become effective and such agreement may enter into force and effect after the close of the 90-day period beginning on the day on which such document is delivered to the House of Representatives and to the Senate, unless during such 90-day period either the

House of Representatives or the Senate adopts, by an affirmative vote of a majority of those present and voting in that House, a resolution of disapproval (under the procedures set forth in section 152) of the extension of nondiscriminatory treatment to the products of the country concerned.

Ante, p. 2004.

(3) In the case of a document referred to in subsection (b) which contains a report submitted by the President under section 402(b) or 409(b) with respect to a nonmarket economy country, if, before the close of the 90-day period beginning on the day on which such document is delivered to the House of Representatives and to the Senate, either the House of Representatives or the Senate adopts, by an affirmative vote of a majority of those present and voting in that House, a resolution of disapproval (under the procedures set forth in section 152) of the report submitted by the President with respect to such country, then, beginning with the day after the date of the adoption of such resolution of disapproval, (A) nondiscriminatory treatment shall not be in force with respect to the products of such country, and the products of such country shall be dutiable at the rates set forth in rate column numbered 2 of the Tariff Schedules of the United States, (B) such country may not participate in any program of the Government of the United States which extends credit or credit guarantees or investment guarantees, and (C) no commercial agreement may thereafter be concluded with such country under this title.

19 USC 1202.

**SEC. 408. PAYMENT BY CZECHOSLOVAKIA OF AMOUNTS OWED UNITED STATES CITIZENS AND NATIONALS.**

19 USC 2438.

(a) The arrangement initialed on July 5, 1974, with respect to the settlement of the claims of citizens and nationals of the United States against the Government of Czechoslovakia shall be renegotiated and shall be submitted to the Congress as part of any agreement entered into under this title with Czechoslovakia.

(b) The United States shall not release any gold belonging to Czechoslovakia and controlled directly or indirectly by the United States pursuant to the provisions of the Paris Reparations Agreement of January 24, 1946, or otherwise, until such agreement has been approved by the Congress.

61 Stat. 3157.

**SEC. 409. FREEDOM TO EMIGRATE TO JOIN A VERY CLOSE RELATIVE IN THE UNITED STATES.**

19 USC 2439.

(a) To assure the continued dedication of the United States to the fundamental human rights and welfare of its own citizens, and notwithstanding any other provision of law, on or after the date of the enactment of this Act, no nonmarket economy country shall participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, directly or indirectly, and the President of the United States shall not conclude any commercial agreement with any such country, during the period beginning with the date on which the President determines that such country—

(1) denies its citizens the right or opportunity to join permanently through emigration, a very close relative in the United State, such as a spouse, parent, child, brother, or sister;

(2) imposes more than a nominal tax on the visas or other documents required for emigration described in paragraph (1); or

(3) imposes more than a nominal tax, levy, fine, fee, or other charge on any citizen as a consequence of the desire of such citizen to emigrate as described in paragraph (1), and ending on the date on which the President determines that such country is no longer in violation of paragraph (1), (2), or (3).



Report to  
Congress.

(b) After the date of the enactment of this Act, (A) a nonmarket economy country may participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, and (B) the President may conclude a commercial agreement with such country, only after the President has submitted to the Congress a report indicating that such country is not in violation of paragraph (1), (2), or (3) of subsection (a). Such report with respect to such country shall include information as to the nature and implementation of its laws and policies and restrictions or discrimination applied to or against persons wishing to emigrate to the United States to join close relatives. The report required by this subsection shall be submitted initially as provided herein and, with current information, on or before each June 30 and December 31 thereafter, so long as such credits or guarantees are extended or such agreement is in effect.

19 USC 1202.

(c) This section shall not apply to any country the products of which are eligible for the rates set forth in rate column numbered 1 of the Tariff Schedules of the United States on the date of enactment of this Act.

19 USC 2440.

(d) During any period that a waiver is in effect with respect to any nonmarket economy country under section 402(c), the provisions of subsections (a) and (b) shall not apply with respect to such country.

#### SEC. 410. EAST-WEST TRADE STATISTICS MONITORING SYSTEM.

The International Trade Commission shall establish and maintain a program to monitor imports of articles into the United States from nonmarket economy countries and exports of articles from the United States to nonmarket economy countries. To the extent feasible, the Commission shall coordinate such program with any relevant data gathering programs presently conducted by the Secretary of Commerce. The Secretary of Commerce shall provide the Commission with any information which, in the determination of the Commission, is necessary to carry out this section. The Commission shall publish a detailed summary of the data collected under the East-West Trade Statistics Monitoring System not less frequently than once each calendar quarter and shall transmit such publication to the East-West Foreign Trade Board and to Congress. Such publication shall include data on the effect of such imports, if any, on the production of like, or directly competitive, articles in the United States and on employment within the industry which produces like, or directly competitive, articles in the United States.

Summary of  
data, trans-  
mittal to  
Congress.

19 USC 2441.

Establishment.

#### SEC. 411. EAST-WEST FOREIGN TRADE BOARD.

(a) The President shall establish an East-West Foreign Trade Board (hereinafter referred to as the "Board") to monitor trade between persons and agencies of the United States Government and nonmarket economy countries or instrumentalities of such countries to insure that such trade will be in the national interest of the United States.

Report.

(b)(1) Any person who exports technology vital to the national interest of the United States to a nonmarket economy country or an instrumentality of such country, and any agency of the United States which provides credits, guarantees or insurance to such country or such instrumentality in an amount in excess of \$5,000,000 during any calendar year, shall file a report with the Board in such form and manner as the Board requires which describes the nature and terms of such export or such provision.

(2) For purposes of paragraph (1), if the total amount of credits, guarantees and insurance which an agency of the United States provides to all nonmarket economy countries and the instrumentalities

of such countries exceeds \$5,000,000 during a calendar year, then all subsequent provisions of credits, guarantees or insurance in any amount, during such year shall be reported to the Board under the provisions of paragraph (1).

(c) The Board shall submit to Congress a quarterly report on trade between the United States and nonmarket economy countries and instrumentalities of such countries. Such report shall include a review of the status of negotiations of bilateral trade agreements between the United States and such countries under this title, the activities of joint trade commissions created pursuant to such agreements, the resolution of commercial disputes between the United States and such countries, any exports from such countries which have caused disruption of United States markets, and recommendations for the promotion of east-west trade in the national interest of the United States.

Report to  
Congress.

## TITLE V—GENERALIZED SYSTEM OF PREFERENCES

### SEC. 501. AUTHORITY TO EXTEND PREFERENCES.

19 USC 2461.

The President may provide duty-free treatment for any eligible article from any beneficiary developing country in accordance with the provisions of this title. In taking any such action, the President shall have due regard for—

(1) the effect such action will have on furthering the economic development of developing countries;

(2) the extent to which other major developed countries are undertaking a comparable effort to assist developing countries by granting generalized preferences with respect to imports of products of such countries; and

(3) the anticipated impact of such action on United States producers of like or directly competitive products.

### SEC. 502. BENEFICIARY DEVELOPING COUNTRY.

19 USC 2462.

(a)(1) For purposes of this title, the term "beneficiary developing country" means any country with respect to which there is in effect an Executive order by the President of the United States designating such country as a beneficiary developing country for purposes of this title. Before the President designates any country as a beneficiary developing country for purposes of this title, he shall notify the House of Representatives and the Senate of his intention to make such designation, together with the considerations entering into such decision.

"Beneficiary  
developing  
country."

(2) If the President has designated any country as a beneficiary developing country for purposes of this title, he shall not terminate such designation (either by issuing an Executive order for that purpose or by issuing an Executive order which has the effect of terminating such designation) unless, at least 60 days before such termination, he has notified the House of Representatives and the Senate and has notified such country of his intention to terminate such designation, together with the considerations entering into such decision.

(3) For purposes of this title, the term "country" means any foreign country, any overseas dependent territory or possession of a foreign country, or the Trust Territory of the Pacific Islands. In the case of an association of countries which is a free trade area or customs union, the President may by Executive order provide that all members of such association other than members which are barred from designation under subsection (b) shall be treated as one country for purposes of this title.

"Country."

This duplication of sentences was  
brought to the attention of Genl Russell  
who was aware of it. As a matter  
of fact he told me that was the  
way it was printed and he was told  
to send it to the Liberator. Hence with  
the language as it appeared.

Yours

Designation  
restriction.

(b) No designation shall be made under this section with respect to any of the following:

Australia	Japan
Austria	Monaco
Canada	New Zealand
Czechoslovakia	Norway
European Economic Community member states	Poland
Finland	Republic of South Africa
Germany (East)	Sweden
Hungary	Switzerland
Iceland	Union of Soviet Socialist Republics

In addition, the President shall not designate any country a beneficiary developing country under this section—

(1) if such country is a Communist country, unless (A) the products of such country receive nondiscriminatory treatment, (B) such country is a contracting party to the General Agreement on Tariffs and Trade and a member of the International Monetary Fund, and (C) such country is not dominated or controlled by international communism;

(2) if such country is a member of the Organization of Petroleum Exporting Countries, or a party to any other arrangement of foreign countries, and such country participates in any action pursuant to such arrangement the effect of which is to withhold supplies of vital commodity resources from international trade or to raise the price of such commodities to an unreasonable level and to cause serious disruption of the world economy;  
→ withhold supplies of vital commodity resources from international trade or to raise the price of such commodities to an unreasonable level which causes serious disruption of the world economy;

(3) if such country affords preferential treatment to the products of a developed country, other than the United States, which has, or is likely to have, a significant adverse effect on United States commerce, unless the President has received assurances satisfactory to him that such preferential treatment will be eliminated before January 1, 1976, or that action will be taken before January 1, 1976, to assure that there will be no such significant adverse effect, and he reports those assurances to the Congress;

(4) if such country—

(A) has nationalized, expropriated, or otherwise seized ownership or control of property owned by a United States citizen or by a corporation, partnership, or association which is 50 percent or more beneficially owned by United States citizens,

(B) has taken steps to repudiate or nullify an existing contract or agreement with a United States citizen or a corporation, partnership, or association which is 50 percent or more beneficially owned by United States citizens, the effect of which is to nationalize, expropriate, or otherwise seize ownership or control of property so owned, or

(C) has imposed or enforced taxes or other exactions, restrictive maintenance or operational conditions, or other measures with respect to property so owned, the effect of which is to nationalize, expropriate, or otherwise seize ownership or control of such property,

unless—

(D) the President determines that—

(i) prompt, adequate, and effective compensation has been or is being made to such citizen, corporation, partnership, or association,

(ii) good faith negotiations to provide prompt, adequate, and effective compensation under the applicable provisions of international law are in progress, or such country is otherwise taking steps to discharge its obligations under international law with respect to such citizen, corporation, partnership, or association, or

(iii) a dispute involving such citizen, corporation, partnership, or association over compensation for such a seizure has been submitted to arbitration under the provisions of the Convention for the Settlement of Investment Disputes, or in another mutually agreed upon forum, and

promptly furnishes a copy of such determination to the Senate and House of Representatives;

(5) if such country does not take adequate steps to cooperate with the United States to prevent narcotic drugs and other controlled substances (as listed in the schedules in section 202 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 812)) produced, processed, or transported in such country from entering the United States unlawfully; and

(6) if such country fails to act in good faith in recognizing as binding or in enforcing arbitral awards in favor of United States citizens or a corporation, partnership or association which is 50 percent or more beneficially owned by United States citizens, which have been made by arbitrators appointed for each case or by permanent arbitral bodies to which the parties involved have submitted their dispute.

Paragraphs (4), (5), and (6) shall not prevent the designation of any country as a beneficiary developing country under this section if the President determines that such designation will be in the national economic interest of the United States and reports such determination to the Congress with his reasons therefor.

(c) In determining whether to designate any country a beneficiary developing country under this section, the President shall take into account—

(1) an expression by such country of its desire to be so designated;

(2) the level of economic development of such country, including its per capita gross national product, the living standards of its inhabitants, and any other economic factors which he deems appropriate;

(3) whether or not the other major developed countries are extending generalized preferential tariff treatment to such country; and

(4) the extent to which such country has assured the United States it will provide equitable and reasonable access to the markets and basic commodity resources of such country.

(d) General headnote 3(a) to the Tariff Schedules of the United States (19 U.S.C. 1202) (relating to products of insular possessions) is amended by adding at the end thereof the following new paragraph:

“(iii) Subject to the limitations imposed under sections 503(b) and 504(c) of the Trade Act of 1974, articles designated eligible articles under section 503 of such Act which are imported from an insular possession of the United States shall receive duty treat-

ment no less favorable than the treatment afforded such articles imported from a beneficiary developing country under title V of such Act."

Exemptions.  
19 USC 2462.

(e) The President may exempt from the application of paragraph (2) of subsection (b) any country during the period during which such country (A) is a party to a bilateral or multilateral trade agreement to which the United States is also a party if such agreement fulfills the negotiating objectives set forth in section 108 of assuring the United States fair and equitable access at reasonable prices to supplies of articles of commerce important to the economic requirements of the United States and (B) is not in violation of such agreement by action denying the United States such fair and equitable access.

19 USC 2463.

#### SEC. 503. ELIGIBLE ARTICLES.

(a) The President shall, from time to time, publish and furnish the International Trade Commission with lists of articles which may be considered for designation as eligible articles for purposes of this title. Before any such list is furnished to the Commission, there shall be in effect an Executive order under section 502 designating beneficiary developing countries. The provisions of sections 131, 132, 133, and 134 of this Act shall be complied with as though action under section 501 were action under section 101 of this Act to carry out a trade agreement entered into under section 101. After receiving the advice of the Commission with respect to the listed articles, the President shall designate those articles he considers appropriate to be eligible articles for purposes of this title by Executive order.

Ante, p. 1994,  
1995.  
Ante, p. 1982.

(b) The duty-free treatment provided under section 501 with respect to any eligible article shall apply only—

(1) to an article which is imported directly from a beneficiary developing country into the customs territory of the United States; and

(2) (A) if the sum of (i) the cost or value of the materials produced in the beneficiary developing country plus (ii) the direct costs of processing operations performed in such beneficiary developing country is not less than 35 percent of the appraised value of such article at the time of its entry into the customs territory of the United States; or

(B) if the sum of (i) the cost or value of the materials produced in 2 or more countries which are members of the same association of countries which is treated as one country under section 502(a)(3), plus (ii) the direct costs of processing operations performed in such countries is not less than 50 percent of the appraised value of such article at the time of its entry into the customs territory of the United States.

"Country."

For purposes of paragraph (2)(A), the term "country" does not include an association of countries which is treated as one country under section 502(a)(3) but does include a country which is a member of any such association. The Secretary of the Treasury shall prescribe such regulations as may be necessary to carry out this subsection.

Regulations.

(c) (1) The President may not designate any article as an eligible article under subsection (a) if such article is within one of the following categories of import-sensitive articles—

Import-sensitive  
articles.

(A) textile and apparel articles which are subject to textile agreements,

(B) watches,

(C) import-sensitive electronic articles,

(D) import-sensitive steel articles,

(E) footwear articles specified in items 700.05 through 700.27, 700.29 through 700.53, 700.55.23 through 700.55.75, and 700.60 through 700.80 of the Tariff Schedules of the United States,

19 USC 1202.

(F) import-sensitive semimanufactured and manufactured glass products, and

(G) any other articles which the President determines to be import-sensitive in the context of the Generalized System of Preferences.

(2) No article shall be an eligible article for purposes of this title for any period during which such article is the subject of any action proclaimed pursuant to section 203 of this Act or section 232 or 351 of the Trade Expansion Act of 1962.

Ante, p. 2015.  
19 USC 1862,  
1981.  
19 USC 2464.

#### SEC. 504. LIMITATIONS ON PREFERENTIAL TREATMENT.

(a) The President may withdraw, suspend, or limit the application of the duty-free treatment accorded under section 501 with respect to any article or with respect to any country; except that no rate of duty may be established in respect of any article pursuant to this section other than the rate which would apply but for this title. In taking any action under this subsection, the President shall consider the factors set forth in sections 501 and 502(c).

(b) The President shall, after complying with the requirements of section 502(a)(2), withdraw or suspend the designation of any country as a beneficiary developing country if, after such designation, he determines that as the result of changed circumstances such country would be barred from designation as a beneficiary developing country under section 502(b). Such country shall cease to be a beneficiary developing country on the day on which the President issues an Executive order revoking his designation of such country under section 502.

Beneficiary  
developing  
country,  
designation  
withdrawal or  
suspension.

(c) (1) Whenever the President determines that any country—

(A) has exported (directly or indirectly) to the United States during a calendar year a quantity of an eligible article having an appraised value in excess of an amount which bears the same ratio to \$25,000,000 as the gross national product of the United States for the preceding calendar year, as determined by the Department of Commerce, bears to the gross national product of the United States for calendar year 1974, or

(B) except as provided in subsection (d), has exported (either directly or indirectly) to the United States a quantity of any eligible article equal to or exceeding 50 percent of the appraised value of the total imports of such article into the United States during any calendar year,

then, not later than 60 days after the close of such calendar year, such country shall not be treated as a beneficiary developing country with respect to such article, except that, if before such 60th day, the President determines and publishes in the Federal Register that, with respect to such country—

Publication  
in Federal  
Register.

(i) there has been an historical preferential trade relationship between the United States and such country,

(ii) there is a treaty or trade agreement in force covering economic relations between such country and the United States, and

(iii) such country does not discriminate against, or impose unjustifiable or unreasonable barriers to, United States commerce, then he may designate, or continue the designation of, such country as a beneficiary developing country with respect to such article.

(2) A country which is no longer treated as a beneficiary developing country with respect to an eligible article by reason of this subsection

may be redesignated, subject to the provisions of section 502, a beneficiary developing country with respect to such article if imports of such article from such country did not exceed the limitations in paragraph (1) of this subsection during the preceding calendar year.

(d) Subsection (c) (1) (B) does not apply with respect to any eligible article if a like or directly competitive article is not produced on the date of enactment of this Act in the United States.

Puerto Rico,  
imported  
coffee, duty.

(e) No action pursuant to section 501 may affect any tariff duty imposed by the Legislature of Puerto Rico pursuant to section 319 of the Tariff Act of 1930 (19 U.S.C. sec. 1319) on coffee imported into Puerto Rico.

19 USC 2465.

#### SEC. 505. TIME LIMIT ON TITLE; COMPREHENSIVE REVIEW.

(a) No duty-free treatment under this title shall remain in effect after the date which is 10 years after the date of the enactment of this Act.

Presidential  
report to  
Congress.

(b) On or before the date which is 5 years after the date of the enactment of this Act, the President shall submit to the Congress a full and complete report of the operation of this title.

## TITLE VI—GENERAL PROVISIONS

19 USC 2481.

#### SEC. 601. DEFINITIONS.

For purposes of this Act—

(1) The term “duty” includes the rate and form of any import duty, including but not limited to tariff-rate quotas.

(2) The term “other import restriction” includes a limitation, prohibition, charge, and exaction other than duty, imposed on importation or imposed for the regulation of importation. The term does not include any orderly marketing agreement.

(3) The term “ad valorem” includes ad valorem equivalent. Whenever any limitation on the amount by which or to which any rate of duty may be decreased or increased pursuant to a trade agreement is expressed in terms of an ad valorem percentage, the ad valorem amount taken into account for purposes of such limitation shall be determined by the President on the basis of the value of imports of the articles concerned during the most recent representative period.

(4) The term “ad valorem equivalent” means the ad valorem equivalent of a specific rate or, in the case of a combination of rates including a specific rate, the sum of the ad valorem equivalent of the specific rate and of the ad valorem rate. The ad valorem equivalent shall be determined by the President on the basis of the value of imports of the article concerned during the most recent representative period. In determining the value of imports, the President shall utilize, to the maximum extent practicable, the standards of valuation contained in section 402 or 402a of the Tariff Act of 1930 (19 U.S.C. sec. 1401a or 1402) applicable to the article concerned during such representative period.

(5) An imported article is “directly competitive with” a domestic article at an earlier or later stage of processing, and a domestic article is “directly competitive with” an imported article at an earlier or later stage of processing, if the importation of the article has an economic effect on producers of the domestic article comparable to the effect of importation of articles in the same stage of processing as the domestic article. For purposes of this paragraph, the unprocessed article is at an earlier stage of processing.

(6) The term “modification”, as applied to any duty or other import restriction, includes the elimination of any duty or other import restriction.

(7) The term “existing” means (A) when used, without the specification of any date, with respect to any matter relating to entering into or carrying out a trade agreement or other action authorized by this Act, existing on the day on which such trade agreement is entered into or such other action is taken; and (B) when used with respect to a rate of duty, the nonpreferential rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) set forth in rate column numbered 1 of schedules 1 through 7 of the Tariff Schedules of the United States on the date specified or (if no date is specified) on the day referred to in clause (A).

(8) A product of a country or area is an article which is the growth, produce, or manufacture of such country or area.

(9) The term “nondiscriminatory treatment” means most-favored-nation treatment.

(10) The term “commerce” includes services associated with international trade.

#### SEC. 602. RELATION TO OTHER LAWS.

(a) The second and third sentences of section 2(a) of the Act entitled “An Act to amend the Tariff Act of 1930,” approved June 12, 1934, as amended (19 U.S.C. sec. 1352(a)), are each amended by striking out “this Act or the Trade Expansion Act of 1962” and inserting in lieu thereof “this Act or the Trade Expansion Act of 1962 or the Trade Act of 1974”.

(b) Section 242 of the Trade Expansion Act of 1962 is amended as follows:

(1) by striking out “351 and 352” in subsection (a) and inserting in lieu thereof “201, 202, and 203 of the Trade Act of 1974”;

(2) by striking out “with respect to tariff adjustment” in subsection (b) (2);

(3) by striking out “301(e)” in subsection (b) (2) and inserting in lieu thereof “201(d) of the Trade Act of 1974”;

(4) by striking out “concerning foreign import restrictions” in subsection (b) (3); and

(5) by striking out “section 252(d)” each place it appears and inserting in lieu thereof “subsections (c) and (d) of section 301 of the Trade Act of 1974”.

(c) Section 351(c) (1) (B) of the Trade Expansion Act of 1962 is amended by striking out “unless extended under paragraph (2),” and inserting in lieu thereof the following: “unless extended under section 203 of the Trade Act of 1974.”

(d) Sections 202, 211, 212, 213, 221, 222, 223, 224, 225, 226, 231, 241, 243, 252, 253, 254, 255(a), 256, so much of 301 and 302 as is not repealed by subsection (e), 351(c) (2) and (d) (3), 361, 401, 402, 403, 404, and 405 (1), (3), (4), and (5) of the Trade Expansion Act of 1962 are repealed.

(e) Sections 301(a) (2) and (3), (c), (d) (2), (f) (1) and (3), 302(b) (1) and (2), (c), (d), and (e), 311 through 315, 317(a), 321 through 338 of the Trade Expansion Act of 1962 are repealed on the 90th day following the date of the enactment of this Act.

(f) All provisions of law (other than this Act, the Trade Expansion Act of 1962, and the Trade Agreements Extension Act of 1951) in effect after the date of enactment of this Act, referring to section 350 of the Tariff Act of 1930, to that section as amended, to the Act entitled “An Act to amend the Tariff Act of 1930,” approved June 12, 1934, to

19 USC 1352.

19 USC 1872.

19 USC 1981.

Repeals.

Repeals.

19 USC 2101

note.

19 USC 1801

note, 1360

note.

19 USC 1351.

88 STAT. 2073

19 USC 1801  
note.

that Act as amended or to the Trade Expansion Act of 1962, or to agreements entered into, or proclamations issued, or actions taken under any of such provisions, shall be construed, unless clearly precluded by the context, to refer also to this Act, or to agreements entered into or proclamations or orders issued, pursuant to this Act.

19 USC 2482.

**SEC. 603. INTERNATIONAL TRADE COMMISSION.**

(a) In order to expedite the performance of its functions under this Act, the International Trade Commission may conduct preliminary investigations, determine the scope and manner of its proceedings, and consolidate proceedings before it.

(b) In performing its functions under this Act, the Commission may exercise any authority granted to it under any other Act.

(c) The Commission shall at all times keep informed concerning the operation and effect of provisions relating to duties or other import restrictions of the United States contained in trade agreements entered into under the trade agreements program.

19 USC 2483.

**SEC. 604. CONSEQUENTIAL CHANGES IN THE TARIFF SCHEDULES.**

19 USC 1202.

The President shall from time to time, as appropriate, embody in the Tariff Schedules of the United States the substance of the relevant provisions of this Act, and of other Acts affecting import treatment, and actions thereunder, including modification, continuance, or imposition of any rate of duty or other import restriction.

19 USC 2101  
note.

**SEC. 605. SEPARABILITY.**

If any provision of this Act or the application of any provision to any circumstances or persons shall be held invalid, the validity of the remainder of this Act, and of the application of such provision to other circumstances or persons, shall not be affected thereby.

19 USC 2484.  
Report to  
Congress.

**SEC. 606. INTERNATIONAL DRUG CONTROL.**

The President shall submit a report to Congress at least once each calendar year listing those foreign countries in which narcotic drugs and other controlled substances (as listed under section 202 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 812)) are produced, processed, or transported for unlawful entry into the United States. Such report shall include a description of the measures such countries are taking to prevent such production, processing, or transport.

19 USC 2485.

**SEC. 607. VOLUNTARY LIMITATIONS ON EXPORTS OF STEEL TO THE UNITED STATES.**

No person shall be liable for damages, penalties, or other sanctions under the Federal Trade Commission Act (15 U.S.C. 41-77) or the Antitrust Acts (as defined in section 4 of the Federal Trade Commission Act (15 U.S.C. 44)), or under any similar State law, on account of his negotiating, entering into, participating in, or implementing an arrangement providing for the voluntary limitation on exports of steel and steel products to the United States, or any modification or renewal of such an arrangement, if such arrangement or such modification or renewal—

- (1) was undertaken prior to the date of the enactment of this Act at the request of the Secretary of State or his delegate, and
- (2) ceases to be effective not later than January 1, 1975.

**SEC. 608. UNIFORM STATISTICAL DATA ON IMPORTS, EXPORTS, AND PRODUCTION.**

(a) Section 484(e) of the Tariff Act of 1930 (19 U.S.C. 1484(e)) is amended to read as follows:

“(e) **STATISTICAL ENUMERATION.**—The Secretary of the Treasury, the Secretary of Commerce, and the United States International Trade

88 STAT. 2074

Commission are authorized and directed to establish from time to time for statistical purposes an enumeration of articles in such detail as in their judgment may be necessary, comprehending all merchandise imported into the United States and exported from the United States, and shall seek, in conjunction with statistical programs for domestic production, to establish the comparability thereof with such enumeration of articles. All import entries and export declarations shall include or have attached thereto an accurate statement specifying, in terms of such detailed enumeration, the kinds and quantities of all merchandise imported and exported and the value of the total quantity of each kind of article.”

(b) In carrying out the responsibilities under section 484(e), Tariff Act of 1930 and other pertinent statutes, the Secretary of Commerce and the United States International Trade Commission shall conduct jointly a study of existing commodity classification systems with a view to identifying the appropriate principles and concepts which should guide the organization and development of an enumeration of articles which would result in comparability of United States import, production, and export data. The Secretary and the United States International Trade Commission shall submit a report to both Houses of Congress and to the President with respect to such study no later than August 1, 1975.

(c) In further connection with its responsibilities pursuant to subsections (a) and (b), the United States International Trade Commission shall undertake an investigation under section 332(g) of the Tariff Act of 1930 which would provide the basis for—

(1) a report on the appropriate concepts and principles which should underlie the formulation of an international commodity code adaptable for modernized tariff nomenclature purposes and for recording, handling, and reporting of transactions in national and international trade, taking into account how such a code could meet the needs of sound customs and trade reporting practices reflecting the interests of United States and other countries, such report to be submitted to both Houses of Congress and to the President as soon as feasible, but in any event, no later than June 1, 1975; and

(2) full and immediate participation by the United States International Trade Commission in the United States contribution to technical work of the Harmonized Systems Committee under the Customs Cooperation Council to assure the recognition of the needs of the United States business community in the development of a Harmonized Code reflecting sound principles of commodity identification and specification and modern producing methods and trading practices,

and, in carrying out such responsibilities, the Commission shall report to both Houses of Congress and to the President, as it deems appropriate.

(d) The President is requested to direct the appropriate agencies to cooperate fully with the Secretary of Commerce and the United States International Trade Commission in carrying out their responsibilities under subsections (a), (b), and (c).

(e) The amendment made by subsection (a) insofar as it relates to export declarations shall take effect on January 1, 1976.

**SEC. 609. SUBMISSION OF STATISTICAL DATA ON IMPORTS AND EXPORTS.**

- (a) Section 301 of title 13, United States Code, is amended—
- (1) by inserting “(a)” before “The Secretary”; and

Commodity  
classification  
systems, study.  
19 USC 1484  
note.  
19 USC 1484.

Report to  
Congress and  
President.

Investigation.  
19 USC 1484  
note.  
19 USC 1332.

Report to  
Congress and  
President.

Report to  
Congress and  
President.

Federal  
agencies,  
cooperation.  
19 USC 1484  
note.  
Effective date.  
19 USC 1484  
note.



Statistics,  
submittal to  
congressional  
committees.

(2) by adding at the end thereof the following new subsections:  
“(b) The Secretary shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, on quarterly and cumulative bases, statistics on United States imports for consumption and United States exports by country and by product. Statistics on United States imports shall be submitted in accordance with the Tariff Schedules of the United States Annotated and general statistical headnote 1 thereof, in detail as follows:

- “(1) net quantity;
- “(2) United States customs value;
- “(3) purchase price or its equivalent;
- “(4) equivalent of arm's length value;
- “(5) aggregate cost from port of exportation to United States port of entry;
- “(6) a United States port of entry value comprised of (5) plus (4), if applicable, or, if not applicable, (5) plus (3); and
- “(7) for transactions where (3) and (4) are equal, the total value of such transactions.

The data for paragraphs (1), (2), (3), (5), and (6) shall be reported separately for nonrelated and related party transactions, and shall also be reported as a total of all transactions.

“(c) In submitting any information under subsection (b) with respect to exports, the Secretary shall state separately from the total value of all exports—

“(1) (A) the value of agricultural commodities exported under the Agricultural Trade Development and Assistance Act of 1954, as amended; and

“(B) the total amount of all export subsidies paid to exporters by the United States under such Act for the exportation of such commodities; and

“(2) the value of goods exported under the Foreign Assistance Act of 1961.

“(d) To assist the Secretary to carry out the provisions of subsections (b) and (c)—

“(1) the Secretary of Agriculture shall furnish information to the Secretary concerning the value of agricultural commodities exported under provisions of the Agricultural Trade Development and Assistance Act of 1954, as amended, and the total amounts of all export subsidies paid to exporters by the United States under such Act for the exportation of such commodities; and

“(2) the Secretary of State shall furnish information to the Secretary concerning the value of goods exported under the provisions of the Foreign Assistance Act of 1961, as amended.”

(b) The amendments made by subsection (a) shall take effect on January 1, 1975.

#### SEC. 610. GIFTS SENT FROM INSULAR POSSESSIONS.

(a) Section 321(a)(2)(A) of the Tariff Act of 1930 (19 U.S.C. 1321(a)(2)(A)) is amended by inserting after “United States” the following: “(\$20, in the case of articles sent as bona fide gifts from persons in the Virgin Islands, Guam, and American Samoa).”

(b) The amendment made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after the date of the enactment of this Act.

#### SEC. 611. REVIEW OF PROTESTS IN IMPORT SURCHARGE CASES.

Notwithstanding the provisions of section 515(a) of the Tariff Act of 1930 (19 U.S.C. 1515(a)), in the case of any protest under section 514 of such Act involving the imposition of an import surcharge in the

form of a supplemental duty pursuant to Presidential Proclamation 4074, dated August 17, 1971, the time for review and allowing or denying the protest shall not expire until five years from the date the protest was filed in accordance with such section 514.

#### SEC. 612. TRADE RELATIONS WITH CANADA.

It is the sense of the Congress that the United States should enter into a trade agreement with Canada which will guarantee continued stability to the economies of the United States and Canada. In order to promote such economic stability, the President may initiate negotiations for a trade agreement with Canada to establish a free trade area covering the United States and Canada. Nothing in this section shall be construed as prior approval of any legislation which may be necessary to implement such a trade agreement.

#### SEC. 613. LIMITATION ON CREDIT TO RUSSIA.

After the date of enactment of the Trade Act of 1974, no agency of the Government of the United States, other than the Commodity Credit Corporation, shall approve any loans, guarantees, insurance, or any combination thereof, in connection with exports to the Union of Soviet Socialist Republics in an aggregate amount in excess of \$300,000,000 without prior congressional approval as provided by law.

Approved January 3, 1975.

#### LEGISLATIVE HISTORY:

HOUSE REPORTS No. 93-571 (Comm. on Ways and Means) and No. 93-1644 (Comm. of Conference).

SENATE REPORT No. 93-1298 (Comm. on Finance).

#### CONGRESSIONAL RECORD:

Vol. 119 (1973): Dec. 10, 11, considered and passed House.

Vol. 120 (1974): Dec. 5, 11-13, considered and passed Senate, amended.

Dec. 20, House and Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 11, No. 1:  
Jan. 3, Presidential statement.

7 USC 1691  
note.

22 USC 2151  
note.

Effective  
date.  
13 USC 301  
note.

19 USC 1321  
note.

19 USC 1515  
note.

19 USC 1514.

19 USC prec.  
1202 note.  
19 USC 1514.  
19 USC 2486.

19 USC 2487.



## TRADE ACT OF 1974

DECEMBER 19, 1974.—Ordered to be printed



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

### CONFERENCE REPORT

[To accompany H.R. 10710]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, 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 21, 22, 34, 36, 66, 67, 135, 170, 180, 181, 201, 235, 251, 273, 292, 346, 348, 351, 397, 398, and 399.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 4, 6, 7, 8, 9, 11, 15, 16, 17, 19, 20, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 38, 39, 40, 41, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 81, 82, 83, 84, 85, 86, 87, 88, 89, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 136, 137, 138, 139, 140, 141, 142, 143, 144, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 160, 162, 163, 164, 165, 166, 167, 168, 169, 171, 173, 175, 176, 177, 178, 179, 182, 183, 184, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 200, 202, 203, 204, 205, 206, 208, 211, 212, 213, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 250, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 274, 275, 276, 277, 278, 279, 280, 282, 283, 284, 285, 286, 287, 288, 290, 291, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 321, 323, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 344, 345, 349, 350, 353, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 371, 372, 373, 374, 375, 376, 377, 379, 380, 381,

382, 383, 384, 385, 386, 387, 388, 390, 391, 392, 395, 403, 404, 405, 406, 408, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 432, 433, and 434, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and 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 the following amendments:

On page 5 of the Senate engrossed amendments, in the table of contents for title IV, strike out all beginning with "Sec. 409" and insert the following:

*Sec. 409. Freedom to emigrate to join a very close relative in the United States.*

*Sec. 410. East-West Trade Statistics Monitoring System.*

*Sec. 411. East-West Foreign Trade Board.*

On page 5 of the Senate engrossed amendments, at the end of the table of contents for title VI, insert the following:

*Sec. 613. Limitation on credit to Russia.*

And the Senate agree to the same.

Amended 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:

*The purposes of this Act are, through trade agreements affording mutual benefits—*

*(1) to foster the economic growth of and full employment in the United States and to strengthen economic relations between the United States and foreign countries through open and non-discriminatory world trade;*

*(2) to harmonize, reduce, and eliminate barriers to trade on a basis which assures substantially equivalent competitive opportunities for the commerce of the United States;*

*(3) to establish fairness and equity in international trading relations, including reform of the General Agreement on Tariffs and Trade;*

*(4) to provide adequate procedures to safeguard American industry and labor against unfair or injurious import competition, and to assist industries, firms, workers, and communities to adjust to changes in international trade flows;*

*(5) to open up market opportunities for United States commerce in nonmarket economies; and*

*(6) to provide fair and reasonable access to products of less developed countries in the United States market.*

And the Senate agree to the same.

Amendment numbered 5:

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with the following amendments:

On page 9, line 4, of the Senate engrossed amendments, strike out "50 percent" and insert the following: *40 percent.*

On page 9, line 8, of the Senate engrossed amendments, strike out "10 percent" and insert the following: *5 percent.*

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 the following amendments:

On page 10, line 5, of the Senate engrossed amendments, strike out "(1)".

On page 10 of the Senate engrossed amendments, beginning with line 19, strike out all through line 13 on page 11.

On page 12 of the Senate engrossed amendments, strike out lines 9 through 21 and insert the following:

*with a draft of an implementing bill (described in section 151 (b)) and a statement of any administrative action proposed to implement such agreement, to the Congress as provided in subsection (e), and such agreement shall enter into force with respect to the United States only if the provisions of subsection (e) are complied with and the implementing bill submitted by the President is enacted into law.*

And the Senate agree to the same.

Amendment numbered 12:

That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows:

On page 15, lines 22 and 23, of the Senate engrossed amendments, strike out "and consistent with the provisions of section 103"; and the Senate agree to the same.

Amendment numbered 13:

That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows:

On page 16, line 20, of the Senate engrossed amendments, strike out "principal"; and the Senate agree to the same.

Amendment numbered 14:

That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows:

On page 17, line 3, of the Senate engrossed amendments, strike out "principal"; and the Senate agree to the same.

Amendment numbered 18:

That the House recede from its disagreement to the amendment of the Senate numbered 18, 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) a reduction of 3 percent ad valorem or a reduction of one-tenth of the total reduction, whichever is greater, had taken effect on the*

*effective date of the first reduction proclaimed pursuant to section 101 (a) (2) to carry out such agreement with respect to such article, and (2) a reduction equal to the amount applicable under paragraph (1) had taken effect at 1 year intervals after the effective date of such first reduction.*

And the Senate agree to the same.

Amendment numbered 35:

That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with the following amendments:

On page 22, line 10, of the Senate engrossed amendments, strike out "(12)" and insert the following: (11).

On page 22, line 14, of the Senate engrossed amendments, after the comma insert the following: *and*.

And the Senate agree to the same.

Amendment numbered 37:

That the House recede from its disagreement to the amendment of the Senate numbered 37, 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:

*(12) consistent with the provisions of section 107, any revisions necessary to establish within the GATT an international agreements on articles (including footwear), including the creation of regular and institutionalized mechanisms for the settlement of disputes, and of a surveillance body to monitor all international shipments in such articles.*

And the Senate agree to the same.

Amendment numbered 42:

That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows:

On page 24, line 21, of the Senate engrossed amendments, strike out "180" and insert the following: 150; and the Senate agree to the same.

Amendment numbered 80:

That the House recede from its disagreement to the amendment of the Senate numbered 80, 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) Before entering into any trade agreement under this section with any foreign country or instrumentality, the President shall consider whether such country or instrumentality has violated trade concessions of benefit to the United States and such violation has not been adequately offset by the action of the United States or by such country or instrumentality.*

And the Senate agree to the same.

Amendment numbered 90:

That the House recede from its disagreement to the amendment of the Senate numbered 90, and agree to the same with an amendment, as follows:

On page 32, line 12, of the Senate engrossed amendments, strike out "July" and insert the following: *January*; and the Senate agree to the same.

Amendment numbered 91:

That the House recede from its disagreement to the amendment of the Senate numbered 91, and agree to the same with an amendment, as follows:

On page 32, line 21, of the Senate engrossed amendments, strike out "shall" and insert the following: *may*; and the Senate agree to the same.

Amendment numbered 104:

That the House recede from its disagreement to the amendment of the Senate numbered 104, and agree to the same with an amendment, as follows:

On page 34, line 13, of the Senate engrossed amendments, after "agreements" insert the following: *entered into under this Act*.

On page 34, line 17, of the Senate engrossed amendments, after "agreements" insert the following: *entered into under this Act*.

And the Senate agree to the same.

Amendment numbered 105:

That the House recede from its disagreement to the amendment of the Senate numbered 105, 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) If the President determines under subsection (b) that a major industrial country has not made concessions under trade agreements entered into under this Act which provide substantially equivalent competitive opportunities for the commerce of the United States, he shall, either generally with respect to such country or by article produced by such country, in order to restore equivalence of competitive opportunities, recommend to the Congress—*

*(1) legislation providing for the termination or denial of the benefits of concessions of trade agreements entered into under this Act made with respect to rates of duty or other import restrictions by the United States; and*

*(2) that any legislation necessary to carry out any trade agreement under section 102 shall not apply to such country.*

And the Senate agree to the same.

Amendment numbered 145:

That the House recede from its disagreement to the amendment of the Senate numbered 145, and agree to the same with an amendment as follows:

Restore the matter proposed to be stricken out, and on page 37, line 13 of the House engrossed bill, strike out "(j)" and insert the following: *(k)*; and the Senate agree to the same.

Amendment numbered 159:

That the House recede from its disagreement to the amendment of the Senate numbered 159, and agree to the same with the following amendments:

On page 48 of the Senate engrossed amendments, beginning with "negotiation" in line 16, strike out all through "(b) (5)," in line 18.

On page 50 of the Senate engrossed amendments, beginning with line 10, strike out all through line 6 on page 51.

On page 53 of the Senate engrossed amendments, beginning with line 2, strike out all through line 22 on page 54.

On page 54 of the Senate engrossed amendments, strike out lines 24 and 25 and insert the following: *implementing bill or approval resolution shall be in order.*

On page 55 of the Senate engrossed amendments beginning with "bill" in line 11, strike out all through "disapproval" in line 12 and insert the following: *bill or approval.*

On page 55 of the Senate engrossed amendments, beginning with "bill" in line 24, strike out all through line 13 on page 56 and insert the following: *bill or approval resolution of that House, that House receives the same implementing bill or approval resolution from the other House, then—*

(A) *the procedure in that House shall be the same as if no implementing bill or approval resolution had been received from the other House; but*

(B) *the vote on final passage shall be on the implementing bill or approval resolution of the other House.*

On page 57 of the Senate engrossed amendments, beginning with line 10, strike out all through line 8 on page 60 and insert the following:

(f) *Floor consideration in the House.—*

(1) *A motion in the House of Representatives to proceed to the consideration of an implementing bill or approval resolution shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.*

(2) *Debate in the House of Representatives on an implementing bill or approval resolution shall be limited to not more than 20 hours, which shall be divided equally between those favoring and those opposing the bill or resolution. A motion further to limit debate shall not be debatable. It shall not be in order to move to recommit an implementing bill or approval resolution or to move to reconsider the vote by which an implementing bill or approval resolution is agreed to or disagreed to.*

(3) *Motions to postpone, made in the House of Representatives with respect to the consideration of an implementing bill or approval resolution, and motions to proceed to the consideration of other business, shall be decided without debate.*

(4) *All appeals from the decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to an implementing bill or approval resolution shall be decided without debate.*

(5) *Except to the extent specifically provided in the preceding provisions of this subsection, consideration of an implementing bill or approval resolution shall be governed by the Rules of the*

*House of Representatives applicable to other bills and resolutions in similar circumstances.*

(g) *Floor consideration in the Senate.—*

(1) *A motion in the Senate to proceed to the consideration of an implementing bill or approval resolution shall be privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.*

(2) *Debate in the Senate on an implementing bill or approval resolution, and all debatable motions and appeals in connection therewith, shall be limited to not more than 20 hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees.*

(3) *Debate in the Senate on any debatable motion or appeal in connection with an implementing bill or approval resolution shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the mover and the manager of the bill or resolution, except that in the event the manager of the bill or resolution is in favor of any such motion or appeal, the time in opposition thereto, shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from time under their control on the passage of an implementing bill or approval resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal.*

(4) *A motion in the Senate to further limit debate is not debatable. A motion to recommit an implementing bill or approval resolution is not in order.*

And the Senate agree to the same.

Amendment numbered 161:

That the House recede from its disagreement to the amendment of the Senate numbered 161, and agree to the same with the following amendments:

On page 61, line 13, of the Senate engrossed amendments, after "by" insert the following: *, or the determination of,*

On page 62, line 12, of the Senate engrossed amendments, strike out "(b)", "403 (b)", "409 (b)", or "411 (b)" and insert the following: *(b)" or "409 (b)".*

And the Senate agree to the same.

Amendment numbered 172:

That the House recede from its disagreement to the amendment of the Senate numbered 172, and agree to the same with an amendment as follows:

On page 72 of the Senate engrossed amendments, beginning with "Such" in line 1 strike out all through line 9; and the Senate agree to the same.

Amendment numbered 174:

That the House recede from its disagreement to the amendment of the Senate numbered 175, and agree to the same with an amendment as follows:

On page 73 of the Senate engrossed amendments, beginning with line 4, strike out all through line 5 on page 75 and insert the following:

"(a) *Membership.*—The United States International Trade Commission (referred to in this title as the "Commission") shall be composed of six commissioners who shall be appointed by the President, by and with the advice and consent of the Senate. No person shall be eligible for appointment as a commissioner unless he is a citizen of the United States, and, in the judgment of the President, is possessed of qualifications requisite for developing expert knowledge of international trade problems and efficiency in administering the duties and functions of the Commission. A person who has served as a commissioner for more than 5 years (excluding service as a commissioner before the date of the enactment of the Trade Act of 1974) shall not be eligible for reappointment as a commissioner. Not more than three of the commissioners shall be members of the same political party, and in making appointments members of different political parties shall be appointed alternately as nearly as may be practicable.

"(b) *Terms of Office.*—The terms of office of the commissioners holding office on the date of the enactment of the Trade Act of 1974 which (but for this sentence) would expire on June 16, 1975, June 16, 1976, June 16, 1977, June 16, 1978, June 16, 1979, and June 16, 1980, shall expire on December 16, 1976, June 16, 1978, December 16, 1979, June 16, 1981, December 16, 1982, and June 16, 1984, respectively. The term of office of each commissioner appointed after such date shall expire 9 years from the date of the expiration of the term for which his predecessor was appointed, except that any commissioner appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term."

(b) Subsection (c) of such section is amended—

(1) by striking out "The" in the first sentence and inserting in lieu thereof "(1) Except as provided in paragraph (2), the"; and

(2) by adding at the end thereof the following new paragraph:

"(2) Effective on and after June 17, 1975, the commissioner whose term is first to expire and who has at least 18 months remaining in his term shall serve as chairman during the last 18 months of his term (or, in the case of a commissioner appointed to fill a vacancy occurring during such 18-month period, during the remainder of his term), and the commissioner whose term is second to expire and who has at least 36 months remaining in his term shall serve as vice chairman during the same 18-month period (or, in the case of a commissioner appointed to fill a vacancy occurring during such 18-month period, during the remainder of such 18-month period)."

And the Senate agree to the same.

Amendment numbered 185:

That the House recede from its amendment numbered 185, 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) may, in the case of one or more domestic producers, who produce a like or directly competitive article in a major geographic area of the United States, and whose production facilities

in such area for such article constitute a substantial portion of the domestic industry in the United States and primarily serve the market in such area, and where the imports are concentrated in such area, treat as such domestic industry only that segment of the production located in such area.

And the Senate agree to the same.

Amendment numbered 198:

That the House recede from its disagreement to the amendment of the Senate numbered 198, and agree to the same with the following amendments:

On page 80, line 15, of the Senate engrossed amendments, immediately after "section 203," insert the following: *unless he determines that provision of such relief is not in the national economic interest of the United States,*.

On page 81, line 7, of the Senate engrossed amendments, immediately after "60 days", insert the following: *(30 days in the case of a supplemental report under subsection (d))*.

On page 81, line 11, of the Senate engrossed amendments, immediately after "60-day", insert the following: *(or 30-day)*.

On page 81, line 14, of the Senate engrossed amendments, immediately after "provide," insert the following: *or determine that the provision of such relief is not in the national economic interest of the United States,*.

And the Senate agree to the same.

Amendment numbered 199:

That the House recede from its disagreement to the amendment of the Senate numbered 199, 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: *whether to provide import relief and what method and amount of import relief he will provide; and the Senate agree to the same.*

Amendment numbered 207:

That the House recede from its disagreement to the amendment of the Senate numbered 207, and agree to the same with the following amendment:

On page 82, line 16, of the Senate engrossed amendments, strike out "is required" and insert in lieu thereof the following: *determines; and the Senate agree to the same.*

Amendment numbered 209:

That the House recede from its disagreement to the amendment of the Senate numbered 209, and agree to the same with the following amendments:

On page 83, beginning with line 3, of the Senate engrossed amendments, after "(b)" insert the following: *(1)*.

Page 83, after line 10, of the Senate engrossed amendment, insert the following:

(2) *On the day on which the President determines that the provision of import relief is not in the national economic interest of the*

*United States, the President shall transmit to Congress a document setting forth such determination and the reasons why, in terms of the national economic interest, he is not providing import relief and also what other steps he is taking, beyond adjustment assistance programs immediately available to help the industry to overcome serious injury and the workers to find productive employment.*

Amendment numbered 210:

That the House recede from its disagreement to the amendment of the Senate numbered 210, and agree to the same with the following amendments:

On page 83, line 14, of the Senate engrossed amendments, immediately after the comma, insert the following: *or that he will not provide import relief.*

On page 83, line 22, of the Senate engrossed amendments, immediately before "under", insert the following: *or his determination not to provide import relief.*

And the Senate agree to the same.

Amendment numbered 214:

That the House recede from its disagreement to the amendment of the Senate numbered 214, and agree to the same with an amendment as follows:

On page 85, line 10, of the Senate engrossed amendments, beginning with "as to", strike out through the period on line 11 and insert in lieu thereof a period; and the Senate agree to the same.

Amendment numbered 234:

That the House recede from its disagreement to the amendment of the Senate numbered 234, and agree to the same with an amendment as follows:

Restore the matter proposed to be stricken out and on page 63, line 3, of the House engrossed bill, strike out "Tariff", and strike out "(j) (2)" and insert the following: *(i) (2)*; and the Senate agree to the same.

Amendment numbered 249:

That the House recede from its disagreement to the amendment of the Senate numbered 249, and agree to the same with the following amendments:

On page 88, line 16, of the Senate engrossed amendments, immediately after "9K)", insert the following: *(1)*.

On page 88, after line 20, of the Senate engrossed amendments, insert the following:

*(2) If the Commission treats as the domestic industry production located in a major geographic area of the United States under section 201(b) (3) (C), then the President shall take into account the geographic concentration of domestic production and of imports in that area in providing import relief, if any, which may include actions authorized under paragraph (1).*

And the Senate agree to the same.

Amendment numbered 262:

That the House recede from its disagreement to the amendment of the Senate numbered 262, and agree to the same with an amendment, as follows:

On page 90, line 6, of the Senate engrossed amendments, strike out "75" and insert the following: *70*; and the Senate agree to the same.

Amendment numbered 281:

That the House recede from its disagreement to the amendment of the Senate numbered 281, and agree to the same with an amendment, as follows:

On page 93, beginning with line 21, of the Senate engrossed amendments, strike out through line 3 on page 94 and insert in lieu thereof the following:

*(2) There are authorized to be appropriated to the Trust Fund, for purposes of training (including administrative costs) under section 236 such sums as may be necessary; and the Senate agree to the same.*

Amendment numbered 289:

That the House recede from its disagreement to the amendment of the Senate numbered 289, and agree to the same with an amendment as follows:

On page 95, line 14, of the Senate engrossed amendments, strike out "or group of workers," and insert in lieu thereof a comma and the following: *group of workers, certified or recognized union;* and the Senate agree to the same.

Amendment numbered 320:

That the House recede from its disagreement to the amendment of the Senate numbered 320, and agree to the same with the following amendments:

On page 101, line 20, of the Senate engrossed amendments, strike out "absolute".

On page 106, beginning with line 5, of the Senate engrossed amendments, strike out through line 9.

On page 106, line 10, of the Senate engrossed amendments, strike out "(3)" and insert in lieu thereof the following: *(1)*.

On page 106, line 11, strike out "1980," and insert in lieu thereof the following: *1982.*

On page 106, line 12, of the Senate engrossed amendments, strike out "(4)" and insert in lieu thereof the following: *(2)*.

On page 106, line 15, of the Senate engrossed amendments, strike out "(5)" and insert in lieu thereof the following: *(3)*.

On page 106, line 16, of the Senate engrossed amendments, immediately after "subsection" insert the following: *by the United States.*

On page 106, beginning with line 18, of the Senate engrossed amendments, strike out through line 24 on page 111 and insert in lieu thereof the following:

*(e) The Governor of the State, the authorized representative of the community, or the Governor of the State and the authorized rep-*



representative of the community, in which an applicant for a loan guarantee under subsection (b) is located may enter into an agreement with the Secretary which provides that such State or such community, or that such State and such community, will pay not to exceed one-half of the amount of any liability which arises on a loan guarantee made under subsection (d) if the State in which the applicant for such guarantee is located has established by law a program approved by the Secretary for the purposes of this section.

On page 111, beginning with line 25, of the Senate engrossed amendments, strike out through line 2 on page 112 and insert in lieu thereof the following:

(f) (1) *When considering whether to guarantee a loan to a corporation which is otherwise qualified for the purposes of subsection (d), the Secretary shall give preference to a corporation which agrees with respect to such loan to fulfill the following requirements—*

On page 112, line 15, of the Senate engrossed amendments, strike out "section" and insert in lieu thereof the following: *subsection.*

On page 113, line 6, of the Senate engrossed amendments, strike out "section" and insert in lieu thereof the following: *subsection.*

On page 116, line 7, of the Senate engrossed amendments, strike out "(1)".

On page 116, line 7, of the Senate engrossed amendments, strike out "Federal Government" and insert in lieu thereof: *United States.*

On page 116, beginning with line 10, of the Senate engrossed amendments, strike out through line 12.

On page 117, line 8, of the Senate engrossed amendments, strike out "5" and insert in lieu thereof the following: 7.

And the Senate agree to the same.

Amendment numbered 322:

That the House recede from its disagreement to the amendment of the Senate numbered 322, and agree to the same with an amendment as follows:

On page 117, line 21, of the Senate engrossed amendments, strike out "January 30, 1979" and insert the following: *January 31, 1980*; and the Senate agree to the same.

Amendment numbered 324:

That the House recede from its disagreement to the amendment of the Senate numbered 324, 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:

*Sec. 282. Trade monitoring system.*

*The Secretary of Commerce and the Secretary of Labor shall establish and maintain a program to monitor imports of articles into the United States which will reflect changes in the volume of such imports, the relation of such imports to changes in domestic production, changes in employment within domestic industries producing articles like or directly competitive with such imports, and the extent to which such changes in production and employment are concentrated in specific*

*geographic regions of the United States. A summary of the information gathered under this section shall be published regularly and provided to the Adjustment Assistance Coordinating Committee, the International Trade Commission, and to the Congress.*

And the Senate agree to the same.

Amendment numbered 325:

That the House recede from its disagreement to the amendment of the Senate numbered 325, and agree to the same with the following amendment:

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

*Sec. 283. Firms Relocating in Foreign Countries.*

*Before moving productive facilities from the United States to a foreign country, every firm should—*

(1) *provide notice of the move to its employees who are likely to be totally or partially separated as a result of the move at least 60 days before the date of such move, and*

(2) *provide notice of the move to the Secretary of Labor and the Secretary of Commerce on the same day it notifies employees under paragraph (1).*

(b) *It is the sense of the Congress that every such firm should—*

(1) *apply for and use all adjustment assistance for which it is eligible under this title,*

(2) *offer employment opportunities in the United States, if any exist, to its employees who are totally or partially separated workers as a result of the move, and*

(3) *assist in relocating employees to other locations in the United States where employment opportunities exist.*

And the Senate agree to the same.

Amendment numbered 326:

That the House recede from its disagreement to the amendment of the Senate numbered 326, and agree to the same with the following amendment:

On page 122, line 2, of the Senate engrossed amendments, strike out "1980." and insert in lieu thereof the following: *1982.*; and the Senate agree to the same.

Amendment numbered 343:

That the House recede from its disagreement to the amendment of the Senate numbered 343, and agree to the same with an amendment, as follows:

On page 131, line 23, of the Senate engrossed amendments, strike out "may" and insert the following: *shall*; and the Senate agree to the same.

Amendment numbered 347:

That the House recede from its disagreement to the amendment of the Senate numbered 347, and agree to the same with an amendment, as follows:

On page 133, line 24, of the Senate engrossed amendments, strike out "(g)" and insert the following: (f); and the Senate agree to the same.

## Amendment numbered 352:

That the House recede from its disagreement to the amendment of the Senate numbered 352, and agree to the same with the following amendments:

On page 137, line 12, of the Senate engrossed amendments, strike out "(4)" and insert the following: (3).

On page 137, line 12, of the Senate engrossed amendments, strike out "(g)" and insert the following: (f).

And the Senate agree to the same.

## Amendment numbered 354:

That the House recede from its disagreement to the amendment of the Senate numbered 354, and agree to the same with the following amendments:

On page 141, line 22, of the Senate engrossed amendments, strike out "two-year" and insert the following: *four-year*.

On page 142 of the Senate engrossed amendments, strike out lines 17 through 20 and insert the following: *during the remainder of such four-year period. This paragraph shall not apply with respect to any case involving non-rubber footwear pending on the date of the enactment of the Trade Act of 1974 until and unless agreements which temporize imports of non-rubber footwear become effective.*

And the Senate agree to the same.

## Amendment numbered 369:

That the House recede from its disagreement to the amendment of the Senate numbered 369, and agree to the same with an amendment as follows:

On page 146 of the Senate engrossed amendments, beginning with "The" in line 4 strike out all through line 6; and the Senate agree to the same.

## Amendment numbered 370:

That the House recede from its disagreement to the amendment of the Senate numbered 370, and agree to the same with an amendment, as follows:

On page 148 of the Senate engrossed amendments, beginning with "presented" in line 14, strike out all through "presented" in line 16 and insert the following: *presented in all cases*; and the Senate agree to the same.

## Amendment numbered 378:

That the House recede from its disagreement to the amendment of the Senate numbered 378, and agree to the same with the following amendments:

On page 162 of the Senate engrossed amendment beginning with line 19, strike out all through line 11 on page 164 and insert the following:

(a) *Notwithstanding any other provision of law, if the President determines that a nonmarket economy country is not cooperating with the United States—*

(1) *to achieve a complete accounting of all United States military and civilian personnel who are missing in action in Southeast Asia,*

(2) *to repatriate such personnel who are alive, and*

(3) *to return the remains of such personnel who are dead to the United States,*

*then, during the period beginning with the date of such determination and ending on the date on which the President determines such country is cooperating with the United States, he may provide that—*

(A) *the products of such country may not receive non-discriminatory treatment,*

(B) *such country may not participate, directly or indirectly, in any program under which the United States extends credit, credit guarantees, or investment guarantees, and*

(C) *no commercial agreement entered into under this title between such country and the United States will take effect.*

On page 164, line 12, of the senate engrossed amendments strike out "(c)" and insert the following: (b)

And the Senate agree to the same.

## Amendment numbered 389:

That the House recede from its disagreement to the amendment of the Senate numbered 389, and agree to the same with the following amendments:

On page 170, lines 12 and 13 of the Senate engrossed amendments, strike out "Special Representative for Trade Negotiations" and insert the following: *President*

On page 170, line 14, of the Senate engrossed amendments, strike out "Special Representative" and insert the following: *President*

On page 170, line 19, of the Senate engrossed amendments, strike out "Special Representative" and insert: *President*

On page 171 of the Senate engrossed amendments, strike out lines 3 through 7 and insert the following:

(2) *Market disruption exists within a domestic industry whenever imports of an article, like or directly competitive with an article produced by such domestic industry, are increasing rapidly, either absolutely or relatively, so as to be a significant cause of material injury, or threat thereof, to such domestic industry.*

And the Senate agree to the same.

## Amendment numbered 393:

That the House recede from its disagreement to the amendment of the Senate numbered 393, and agree to the same with the following amendments:

On page 171, lines 19 and 20 of the Senate engrossed amendments, strike out "402(b), 403(b), 409(b), or 411(b)" and insert the following: *402(b) or 409(b).*

On page 171, line 23, of the Senate engrossed amendments, strike out the comma.

On page 172, line 1, of the Senate engrossed amendments, strike out "403(b), 409(b), or 411(b)" and insert the following: *or 409(b)*.

And the Senate agree to the same.

Amendment numbered 394:

That the House recede from its disagreement to the amendment of the Senate numbered 394, and agree to the same with the following amendments:

On page 173, line 9, of the Senate engrossed amendments, strike out "402(b), 403(b), 409(b), or 411(b)" and insert the following: *402(b) or 409(b)*.

On page 174 of the Senate engrossed amendments, beginning with "Clause" in line 4, strike out all through line 6.

And the Senate agree to the same.

Amendment numbered 396:

That the House recede from its disagreement to the amendment of the Senate numbered 396, 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:

*"Sec. 408. Payment by Czechoslovakia of Amounts Owed United States Citizens and Nationals.*

*(a) The arrangement initiated on July 5, 1974, with respect to the settlement of the claims of citizens and nationals of the United States against the Government of Czechoslovakia shall be renegotiated and shall be submitted to the Congress as part of any agreement entered into under this title with Czechoslovakia.*

*(b) The United States shall not release any gold belonging to Czechoslovakia and controlled directly or indirectly by the United States pursuant to the provisions of the Paris Reparations Agreement of January 24, 1946, or otherwise, until such agreement has been approved by the Congress.*

And the Senate agree to the same.

Amendment numbered 400:

That the House recede from its disagreement to the amendment of the Senate numbered 400, and agree to the same with the following amendments:

On page 178, line 6, of the Senate engrossed amendments, strike out "411" and insert the following: *409*

On page 180 of the Senate engrossed amendments, after line 2 insert the following:

*(c) This section shall not apply to any country the products of which are eligible for the rates set forth in rate column numbered 1 of the Tariff Schedules of the United States on the date of enactment of this Act.*

*(d) During any period that a waiver is in effect with respect to any nonmarket economy country under section 402(c), the provisions of subsections (a) and (b) shall not apply with respect to such country.*

And the Senate agree to the same.

Amendment numbered 401:

That the House recede from its disagreement to the amendment of the Senate numbered 401, and agree to the same with an amendment, as follows:

On page 180, line 3, of the Senate engrossed amendments, strike out "412" and insert the following: *410*; and the Senate agree to the same.

Amendment numbered 402:

That the House recede from its disagreement to the amendment of the Senate numbered 402, and agree to the same with an amendment, as follows:

On page 181, beginning with line 4, of the Senate engrossed amendments, strike out through line 17 on page 185 and insert in lieu thereof the following:

*Sec. 411. East-West Foreign Trade Board.*

*(a) The President shall establish an East-West Foreign Trade Board (hereinafter referred to as the "Board") to monitor trade between persons and agencies of the United States Government and non-market economy countries or instrumentalities of such countries to insure that such trade will be in the national interest of the United States.*

*(b) (1) Any person who exports technology vital to the national interest of the United States to a nonmarket economy country or an instrumentality of such country, and any agency of the United States which provides credits, guarantees or insurance to such country or such instrumentality in an amount in excess of \$5,000,000 during any calendar year, shall file a report with the Board in such form and manner as the Board requires which describes the nature and terms of such export or such provision.*

*(2) For purposes of paragraph (1), if the total amount of credits, guarantees and insurance which an agency of the United States provides to all nonmarket economy countries and the instrumentalities of such countries exceeds \$5,000,000 during a calendar year, then all subsequent provisions of credits, guarantees or insurance in any amount, during such year shall be reported to the Board under the provisions of paragraph (1).*

*(c) The Board shall submit to Congress a quarterly report on trade between the United States and nonmarket economy countries and instrumentalities of such countries. Such report shall include a review of the status of negotiations of bilateral trade agreements between the United States and such countries under this title, the activities of joint trade commissions created pursuant to such agreements, the resolution of commercial disputes between the United States and such countries, any exports from such countries which have caused disruption of United States markets, and recommendations for the promotion of east-west trade in the national interest of the United States.*

And the Senate agree to the same.

Amendment numbered 407:

That the House recede from its disagreement to the amendment of the Senate numbered 407, and agree to the same with amendments:

On page 186, beginning with line 21, of the Senate engrossed amendments, strike out through line 4 on page 187 and insert in lieu thereof the following:

(2) *if such country is a member of the Organization of Petroleum Exporting Countries, or a party to any other arrangement of foreign countries, and such country participates in any action pursuant to such arrangement the effect of which is to withhold supplies of vital commodity resources from international trade or to raise the price of such commodities to an unreasonable level and to cause serious disruption of the world economy;*

On page 187, line 5, strike out "(4)" and insert in lieu thereof the following: (3).

On page 187, line 15, of the Senate engrossed amendments, strike out "(5)" and insert in lieu thereof the following: (4).

On page 189, line 7, of the Senate engrossed amendments, strike out "(6)" and insert in lieu thereof the following: (5).

On page 189, line 7, of the Senate engrossed amendments, immediately after "to", insert the following: *cooperate with the United States to.*

On page 189, line 14, strike out "(7)" and insert in lieu thereof the following: (6).

On page 189, after line 21 on the Senate engrossed amendments, insert the following: *Paragraphs (4), (5), and (6) shall not prevent the designation of any country as a beneficiary developing country under this section if the President determines that such designation will be in the national economic interest of the United States and reports such determination to the Congress with his reasons therefor.*

And the Senate agree to the same.

Amendment numbered 409:

That the House recede from its disagreement to the amendment of the Senate numbered 409, and agree to the same with an amendment, as follows:

On page 190, line 10, of the Senate engrossed amendments, strike out "Reform"; and the Senate agree to the same.

Amendment numbered 410:

That the House recede from its disagreement to the amendment of the Senate numbered 410, and agree to the same with an amendment, as follows:

On page 190, line 19, of the Senate engrossed amendments, strike out "paragraphs (2) and (3)" and insert in lieu thereof the following: *paragraph (2)*; and the Senate agree to the same.

Amendment numbered 411:

That the House recede from its disagreement to the amendment of the Senate numbered 411, and agree to the same with amendments, as follows:

On page 193, line 6, of the Senate engrossed amendments, strike out "footwear" and insert the following: *footwear.*

On page 193, line 10, of the Senate engrossed amendments, immediately after "(F)", insert the following: *import-sensitive.*

And the Senate agree to the same.

Amendment numbered 412:

That the House recede from its disagreement to the amendment of the Senate numbered 412, and agree to the same with an amendment, as follows:

On page 195, line 24, of the Senate engrossed amendments, immediately after "produced", insert the following: *on the date of enactment of this Act*; and the Senate agree to the same.

Amendment numbered 430:

That the House recede from its disagreement to the amendment of the Senate numbered 430, and agree to the same with an amendment, as follows:

On page 199, beginning with line 23, of the Senate engrossed amendments, strike out through line 25 and insert in lieu thereof the following:

(b) *In carrying out the responsibilities under section 484(e), Tariff Act of 1930 and other pertinent statutes, the Secretary of Commerce and the United States International Trade Commission shall conduct jointly a study of existing commodity classification systems with a view to identifying the appropriate principles and concepts which should guide the organization and development of an enumeration of articles which would result in comparability of United States import, production, and export data. The Secretary and the United States International Trade Commission shall submit a report to both Houses of Congress and to the President with respect to such study no later than August 1, 1975.*

(c) *In further connection with its responsibilities pursuant to subsections (a) and (b), the United States International Trade Commission shall undertake an investigation under section 332(g) of the Tariff Act of 1930 which would provide the basis for—*

(1) *a report on the appropriate concepts and principles which should underlie the formulation of an international commodity code adaptable for modernized tariff nomenclature purposes and for recording, handling, and reporting of transactions in national and international trade, taking into account how such a code could meet the needs of sound customs and trade reporting practices reflecting the interests of United States and other countries, such report to be submitted to both Houses of Congress and to the President as soon as feasible, but in any event, no later than June 1, 1975; and*

(2) *full and immediate participation by the United States International Trade Commission in the United States contribution to technical work of the Harmonized Systems Committee under the Customs Cooperation Council to assure the recognition of the needs of the United States business community in the development of a Harmonized Code reflecting sound principles of commodity identification and specification and modern producing methods and trading practices,*

*and, in carrying out such responsibilities, the Commission shall report to both Houses of Congress and to the President, as it deems appropriate.*

(d) *The President is requested to direct the appropriate agencies to cooperate fully with the Secretary of Commerce and the United States International Trade Commission in carrying out their responsibilities under subsections (a), (b), and (c).*

(e) *The amendment made by subsection (a) insofar as it relates to export declarations shall take effect on January 1, 1976.*

And the Senate agree to the same.

Amendment numbered 431:

That the House recede from its disagreement to the amendment of the Senate Numbered 431, and agree to the same with an amendment, as follows:

On page 200, line 12, of the Senate engrossed amendments, strike out "current monthly" and insert in lieu thereof the following: *quarterly*; and the Senate agree to the same.

Amendment numbered 435:

That the House recede from its disagreement to the amendment of the Senate Numbered 435, and agree to the same with amendments, as follows:

On page 203, line 21, of the Senate engrossed amendments, strike out "Reform".

On page 203, line 22, of the Senate engrossed amendments, immediately after "United States", insert the following: *, other than the Commodity Credit Corporation,*.

On page 204, line 2, of the Senate engrossed amendments, after "approval" insert the following: *as provided by law.*

And the Senate agree to the same.

AL ULLMAN,  
JAMES A. BURKE,  
MARTHA GRIFFITHS,  
DAN ROSTENKOWSKI,  
H. T. SCHNEEBELI,  
BARBER B. CONABLE, Jr.,  
J. L. PETTIS,

*Managers on the Part of the House.*

RUSSELL B. LONG,  
HERMAN TALMADGE,  
ABE RIBICOFF,  
W. F. MONDALE,  
WALLACE F. BENNETT,  
PAUL FANNIN,  
CLIFFORD P. HANSEN,

*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 amendments of the Senate to the bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system to stimulate the economic growth of the United States, 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 following Senate amendments made technical, clerical, clarifying, or conforming changes: 1, 2, 4, 6, 17, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 38, 46, 47, 48, 49, 50, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 107, 108, 110, 111, 112, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 127, 129, 130, 131, 132, 133, 134, 137, 138, 140, 141, 142, 143, 144, 146, 147, 148, 149, 151, 152, 154, 155, 156, 157, 158, 163, 164, 165, 166, 168, 169, 171, 173, 175, 176, 177, 178, 179, 182, 183, 184, 186, 187, 188, 189, 190, 192, 193, 194, 195, 196, 197, 199, 200, 201, 203, 204, 205, 208, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 255, 256, 257, 258, 259, 260, 261, 263, 269, 277, 278, 279, 280, 282, 283, 285, 286, 287, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 321, 327, 328, 333, 339, 340, 341, 342, 344, 345, 348, 349, 350, 351, 352, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 371, 372, 373, 374, 376, 377, 379, 381, 382, 383, 384, 386, 388, 390, 391, 392, 395, 403, 404, 405, 409, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, and 434. With respect to these amendments (1) the House either recedes or recedes with amendments which are technical, clerical, clarifying, or conforming in nature; or (2) the Senate recedes in order to conform to other action agreed upon by the committee of conference.

Amendment No. 3: Section 2 of the House bill states that the purposes of the bill are to (1) stimulate the economic growth of the United States and to maintain and enlarge foreign markets for the products of United States agriculture, industry, mining, and commerce; and (2) strengthen economic relations with foreign countries through the development of fair and equitable market opportunities and through open and nondiscriminatory world trade. The Senate amendment substitutes for the general purposes stated in the House

bill 15 specific purposes which essentially summarize the major provisions of the bill as amended by the Senate. The House recedes, with the following amendment:

*The purposes of this Act are, through trade agreements affording mutual benefits,*

*(1) to foster the economic growth of and full employment in the United States and to strengthen economic relations between the United States and foreign countries through open and non-discriminatory world trade;*

*(2) to harmonize, reduce and eliminate barriers to trade on a basis which assures substantially equivalent competitive opportunities for the commerce of the United States;*

*(3) to establish fairness and equity in international trading relations, including reform of the General Agreement on Tariffs and Trade;*

*(4) to provide adequate procedures to safeguard American industry and labor against unfair or injurious import competition, and to assist industries, firms, workers and communities to adjust to changes in international trade flows;*

*(5) to open up market opportunities for United States commerce in nonmarket economies; and*

*(6) to provide fair and reasonable access to products of less developed countries in the United States market.*

And the Senate agree to the same.

Amendment No. 5: The House bill authorized the President, in exercising his trade agreement authority, to proclaim tariff reductions but no such proclamation may reduce any rate of duty (1) by more than 60 percent of the rate existing on July 1, 1973, if such rate is 25 percent ad valorem or less; or (2) by more than 75 percent of the rate existing on July 1, 1973, or to a rate of 10 percent ad valorem, whichever results in a higher rate of duty, if the rate existing on July 1, 1973, is more than 25 percent ad valorem. No rate reduction limitation would apply in the case of any rate of duty of 5 percent ad valorem or less. Senate amendment No. 5 authorizes duty reductions of up to 50 percent of the rate existing on January 1, 1975, if that rate is over 10 percent ad valorem, and no limitations are placed on duty reductions if the existing rate on January 1, 1975, is 10 percent ad valorem or less. Under the conference agreement, no reduction limitations are placed on rates which are 5 percent ad valorem or less on January 1, 1975, and duty reductions of up to 60 percent of the rate existing on January 1, 1975, if that rate is over 5 percent ad valorem, are authorized.

Amendments Nos. 7, 8, and 9: Section 102(a) of the House bill (1) set forth the Congressional finding that barriers to (and other distortions of) international trade (nontariff barriers) are reducing the growth of foreign markets for the products of the United States, diminishing intended mutual benefits of reciprocal trade concessions, and preventing the development of open and nondiscriminatory trade among nations; and (2) urged the President to take all steps to limit or reduce such barriers. Senate amendment No. 7 would add additional findings to the House provisions to the effect that nontariff barriers are adversely affecting the United States economy and are

preventing fair and equitable access to supplies, and Senate amendments Nos. 8 and 9 urge the President to take action to harmonize, as well as to eliminate or reduce, such barriers. The House recedes.

Amendment No. 10: Section 102(b) of the House bill authorized the President during the five-year period beginning on the date of the enactment of the bill to enter into trade agreements to eliminate or reduce nontariff barriers if he finds that such barriers of any foreign country or the United States are unduly burdening or restraining the foreign trade of the United States. The Senate amendment retains the provisions of section 102(b) of the House bill but further authorizes the President to enter into agreements if he finds that nontariff barriers are adversely affecting the United States economy, and to enter agreements to harmonize (as well as to reduce or eliminate) such barriers or to provide for the prohibition or limitation on the imposition of such barriers. Section 102(c) of the House bill provided that a principal negotiating objective in entering into trade agreements under section 102 is to obtain with respect to each product sector of manufacturing and to the agricultural sector competitive opportunities for United States exports to the developed countries which are equivalent to the opportunities afforded similar foreign products in United States markets, and also required the Special Representative for Trade Negotiations, together with the Secretaries of Agriculture and Commerce and after consultation with the Advisory Committees established by section 135 of the House bill, to define appropriate sectors of manufacturing.

The Senate amendment deleted the statement of negotiation objectives and the matter relating to the definition of manufacturing sectors from section 102 of the bill and included related provisions in a separate new section (section 104) of the bill. Subsections (d), (e), and (f) of section 102 of the House bill required the President to consult with the Ways and Means and Finance Committees before entering into any trade agreement regarding nontariff barriers and provided that no such agreement, if entered into by the President, which changes domestic law shall enter into force and effect unless (1) the procedure specified in the bill relating to the notification to Congress of his intention to enter into such agreement and the delivery to Congress of a copy of the agreement, proposed implementing actions, if any, and other information, are complied with; and (2) neither House of Congress by resolution disapproves of such agreement before the close of the 90-day period after such delivery. The Senate amendment provided that before the President enters into any negotiations for a trade agreement under section 102, he must report separately to Congress each subject matter area of United States law and administrative practice which he intends to affect under such agreement, and such negotiations may be undertaken with respect to each subject matter area only if negotiation of such area is approved by Congress by resolution pursuant to section 151(b) of the bill. The Senate amendment further requires the President to consult with all appropriate committees of Congress before entering into any such agreement and provides that no agreement (whether or not it would result in any change to domestic law) shall enter into force and effect unless the President appropriately notifies the Congress of his



intention to enter into such an agreement, transmits to Congress a copy of the agreement, a draft bill to implement the agreement, and other relevant information, and the implementing bill is enacted into law.

The Senate amendment also authorizes the President to recommend to Congress in any such implementing bill that the benefits and obligations of the nontariff barrier agreement be limited to the signatories to the agreement and that the agreement distinguish between the benefits and obligations applicable to different classes of signatories. Section 102 of the House bill set forth certain restrictions on converting, pursuant to a trade agreement entered into under section 102, nontariff barriers of the United States to tariff rates which afford substantially equivalent protection (such restrictions were considered necessary because of the one House disapproval procedures regarding nontariff barrier agreements contained in the House bill). The Senate amendment deleted these restrictions. Section 102(g) of the House bill included the American selling price basis of customs evaluation within the definition of barrier for purposes of the section. The Senate amendment included the House definition and defines "distortion" as including any subsidy and defines "international trade" as including trade in both goods and services. The House recedes with respect to Senate amendment No. 10 with amendments which (1) delete the provision under which the President, in addition to the general consultations required with respect to the effect of proposed amendments, must report to Congress with respect to each subject matter area of United States law affected by negotiations and must have further specific approval prior to entering into negotiations which affect specified areas (consumer protection, employee health and safety, labor standards, or environmental standards); and (2) deletes the requirement that an employment impact statement be submitted with each implementing bill.

Amendment No. 11: This Senate amendment adds to the bill a new section 103 which provides that the overall United States negotiating objective under sections 101 (basic trade agreement authority) and 102 (trade agreement authority regarding nontariff barriers) shall be to obtain more open and equitable market access and the harmonization, reduction, or elimination of devices which distort trade or commerce and further provides that, to the maximum extent feasible, the harmonization, reduction, or elimination of agricultural trade barriers and distortions shall be undertaken in conjunction with the harmonization, reduction, or elimination of international trade barriers and distortions. The House bill did not contain a similar provision. The House recedes.

Amendment No. 12: Senate amendment No. 12 adds a new section 104 to the bill which sets forth a sector negotiation objective for trade agreements entered into under sections 101 and 102 of the bill. Section 104 contains essentially the same provisions as section 102(c) of the House bill except that it applies the sector negotiating objective to agreements entered into under section 101 (basic trade agreement authority) as well as to nontariff barrier agreements, requires negotiations to be conducted on the basis of appropriate product sectors to the extent consistent with maximizing the overall economic benefit

to the United States, and requires the President, if he determines that competitive opportunities in any product sector will be significantly affected by a trade agreement, to submit to Congress an analysis of the extent to which the agreement achieves the objective with respect to that sector. The requirement for such an analysis is in lieu of the provisions in section 102(c) of the House bill which requires the President to include, when submitting a nontariff trade barrier agreement to Congress, a sector-by-sector analysis of the extent to which the negotiating objective has been achieved. The House recedes with an amendment, striking the phrase "and consistent with the provisions of section 103," (the overall negotiating objective).

Amendment No. 13: This amendment added a new section 105 to the bill which provides that if the President determines that bilateral trade agreements will effectively promote the economic growth of the United States, then a principal negotiating objective under sections 101 and 102 of the bill shall be to enter into bilateral trade agreements providing for mutually advantageous economic benefits. No similar provision was contained in the House bill. The House recedes with a clarifying amendment, deleting the word "principal" qualifying negotiating objective.

Amendment No. 14: This amendment sets forth as a principal United States negotiating objective under sections 101 and 102 the entering into of trade agreements which promote the economic growth of both developing countries and the United States and the mutual expansion of market opportunities. No similar provision was contained in the House bill. The House recedes with an amendment, deleting the word "principal" qualifying negotiating objective.

Amendment No. 15: This amendment provides that a principal negotiating objective under section 102 (trade agreement authority regarding nontariff barriers) shall be to obtain internationally-agreed-upon rules and procedures which shall permit the use of temporary measures to ease adjustments to changes occurring in competitive conditions in the domestic market of parties to an agreement which could result from the expansion of international trade. The amendment provides that any agreement entered into under section 102 may include "safeguard" provisions establishing procedures for:

- (1) notification of affected exporting countries,
- (2) international consultations,
- (3) international review of changes in trade flows,
- (4) such adjustments in trade flows which may be necessary to avoid injury,
- (5) international mediation of disputes,
- (6) appropriate hearings and other public procedures in which interested parties would have the right to participate, and
- (7) exclusion of parties from compensation, obligations, and retaliation under specified conditions.

The House bill did not contain similar provisions. The House recedes on the understanding that the criteria pursuant to which any import restrictions may be imposed under a safeguard arrangement must be submitted to the Congress for affirmative approval.

Amendment No. 16: This amendment adds a new section 108 to the House bill which provides that a principal United States negotiating

objective under section 102 of the bill shall be to enter into trade agreements with foreign countries and instrumentalities to assure the United States of fair and equitable access at reasonable prices to supplies of articles of commerce which are important to the economic requirements of the United States and for which the United States does not have, or cannot easily develop, the necessary domestic productive capacity to supply its own requirements. The House bill did not contain a similar provision. The House recedes.

Amendments Nos. 18 and 19: The House bill provided that tariff reductions proclaimed pursuant to a trade agreement could not be staged in less than 15 annual installments or by annual reductions of a maximum of 3 percent ad valorem, or one-fifteenth, whichever is greater; and that such staging limitations do not apply in cases where the total reduction of duty is 10 percent or less of the rate before reduction. Senate amendments Nos. 18 and 19 require that duty reductions be staged in equal installments over a period of ten years and in cases where duty reductions are less than 20 percent ad valorem, the duty may be reduced by a maximum of 2 percent ad valorem per year. Under the conference agreement, the 10-year staging limitation contained in the Senate amendment is adopted, but annual reductions of up to 3 percent ad valorem or one-tenth of the total, whichever is greater are authorized.

Amendments Nos. 30, 31, 32, 33, 34, 35, 36, 37, 39, 40, and 41: Section 121 of the House bill directed the President to take such action as may be necessary to bring trade agreements into conformity with principles of promoting the development of open, nondiscriminatory, and fair world economic systems, including the revision of decisionmaking procedures in the General Agreement or Tariffs and Trade (GATT); the revision of article XIX of GATT into a truly international safeguard mechanism; the extension of GATT articles to conditions of trade not presently covered; the adoption of international fair labor standards and of public petition and confrontation procedures in the GATT; the revision of GATT articles with respect to the treatment of border adjustments for internal taxes; and the revision of balance-of-payments provisions in the GATT. Senate amendments Nos. 30, 31, 32, 33, 34, 35, 36, and 37 added to the principles specified in the House provision the following additional trade principles:

- (1) access to supplies, including rules governing export controls, denial of supplies and consultations on supply shortages;
- (2) the extension of GATT to deal with countries which deny goods and thereby injure the international community;
- (3) any revisions necessary to establish regular consultations;
- (4) elimination of special reverse preferences;
- (5) flexible monetary mechanisms;
- (6) code on subsidies and foreign investment incentives;
- (7) agreements on extraterritorial application of national laws; and
- (8) revisions to establish within GATT an international agreement on footwear;

Senate amendment No. 39 added to section 121 a provision requiring the President, to the extent feasible, to enter into agreements with foreign countries to establish the principles set forth above with re-

spect to international trade between the United States and such countries. Senate amendment 40 provided that no agreements to implement the principles of section 121 shall take effect unless legislation implementing those principles is enacted by Congress. Senate amendment 41 added to the provision in the House bill authorizing appropriations for payment by the United States of its share of expenses to GATT a proviso that such authorization does not imply approval or disapproval by Congress of all articles of the GATT. The House recedes with respect to all the Senate amendments (with conforming and clarifying amendments in some cases) except amendments Nos. 34 (relating to flexible monetary mechanisms) and 36 (relating to the extra territorial application of national laws), from which the Senate recedes. Under the conference agreement the phrase "such as" was added before "footwear" in Senate amendment 37.

Amendments Nos. 42 and 43: Section 122(a) of the House bill provides authority for the President to take certain import restraining actions in order to deal with large and serious United States balance-of-payment deficits, to prevent depreciation of the dollar in foreign exchange markets, and to cooperate in correcting international balance-of-payments disequilibrium. Senate amendment No. 42 amended the House provision to require the President to take such action in order to deal with such deficit and extends the effective period of any presidential action to 180 days (150 days under the House bill) unless such period is extended by Act of Congress. Senate amendment No. 43 permits the President to refrain from taking action under section 122(a) if such action would be contrary to the national interest. The House recedes with an amendment providing for the 150-day effective period contained in the House bill.

Amendments Nos. 45 and 51: Section 122(b) of the House bill (re-designated as section 122(c) by the Senate) provides authority for the President to take certain action to increase imports in order to deal with large or persistent United States balance-of-payments surpluses or to prevent significant appreciation of the dollar in foreign exchange markets. Senate amendment No. 45 would change the House version of section 122(b) to authorize the President to deal with large and persistent balance-of-trade surpluses determined on the basis of cost-insurance-freight value of imports and Senate amendment No. 51 requires import liberalizing actions taken under section 122(b) to be of broad and uniform application with respect to product coverage. The House recedes.

Amendment No. 69: Section 123 of the House bill provided authority for the President to promulgate temporary reductions in duty and temporary increases in quantities of articles permitted to be imported for purposes of restraining inflation. Senate amendment No. 69 deleted this section from the bill. The House recedes.

Amendment No. 80: This amendment amends section 124 of the House bill (section 123 as redesignated by the Senate), which gives the President authority to compensate foreign countries for increases in United States tariffs or other import restrictions when the United States is obligated to pay such compensation for trade restrictions imposed pursuant to an import relief finding under section 203 of this bill. The Senate amendment prohibits the entering into any agreement

under section 123 with any foreign country if such country has violated trade concessions of benefit to the United States and such violation has not been adequately offset by action of the United States or by such country. The House recedes with an amendment making the application of the Senate amendment effective at the discretion of the President, rather than mandatory.

Amendment No. 91: This amendment adds to section 126 of the House bill (section 125 as redesignated by the Senate), which sets forth termination and withdrawal authority of the United States with respect to trade agreements; a new subsection (d) which requires the President to withdraw, suspend, or modify trade agreement concessions whenever a foreign country withdraws, suspends, or modifies the application of trade agreement obligations of benefit to the United States without granting adequate compensation. The House recedes with an amendment which makes action by the President under the Senate amendment discretionary rather than mandatory.

Amendments Nos. 104, 105, and 106: Senate amendment No. 104 amends section 127 of the House bill (section 126 as redesignated by the Senate), which applies the principle of nondiscriminatory treatment (most-favored nation principle) to all products of foreign countries to require the President to determine after conclusion of all negotiations entered into under the bill, or at the close of the 5-year period after its effective date (whichever is earlier) whether any major industrial country (defined by Senate amendment No. 106 to mean Canada, the European Economic Community, each nation in such Community, Japan, and any other country designated by the President) has failed to make concessions under trade agreements providing competitive opportunities for United States commerce in that country which are substantially equivalent to competitive opportunities provided by the United States under trade agreements for the commerce of such country in the United States. Senate amendment No. 105 provides that if the President determines that any major industrial country has not made such concessions, he shall (1) proclaim the termination of United States concessions, or refrain from proclaiming such concessions, with respect to that country or articles thereof; and (2) recommend to Congress that any legislation necessary to carry out a trade agreement relating to nontariff barriers shall not apply to such country. The House recedes with respect to Senate amendment No. 104 with an amendment restricting the President's determination of whether a major industrialized country has made concessions providing substantially equivalent competitive opportunities for the commerce of the United States to trade agreements entered into under this Act.

The House recedes with respect to Senate amendment No. 105 with an amendment which deletes the President's authority to proclaim the termination of, or to refrain from proclaiming, trade agreement benefits to foreign countries failing to make reciprocal concessions and provides that the President shall recommend to the Congress any legislation necessary to restore the balance of competitive opportunities; and recedes with respect to Senate amendment No. 106.

Amendment No. 109: This amendment amends section 232 of the Trade Expansion Act of 1962 to transfer to the Secretary of the

Treasury functions relating to investigations and determinations regarding whether articles are being imported in such quantities and under such circumstances so as to threaten to impair the national security. The amendment requires the Secretary of the Treasury to consult with the Secretaries of Defense and Commerce and other appropriate officers of the United States when making any such investigation. The Senate amendment further provides a procedure for holding public hearings incident to any such investigations (which must be completed within one year). The Secretary of the Treasury is required under the amendment to report his findings and recommendations resulting from any investigation to the President who may (unless he finds that the imports in question are not threatening the national security) take such action, and for such time, as he deems necessary, to adjust imports so as to prevent impairment of the national security. The House recedes.

Amendment No. 113: This amendment requires the Tariff Commission (redesignated as the International Trade Commission by the Senate) to provide the President with advice with respect to articles proposed to be included in any trade agreement proposed to be entered into under section 123 (124) of the bill (compensation authority) within 90 days after the date of receipt of the list of such articles by the Commission. Under the House bill, such advice is required to be submitted within 6 months after date of receipt. The House recedes.

Amendment No. 126: This amendment provides for the inclusion of representatives of small business, service industries and retailers on the Advisory Committee for Trade Negotiation.

The House recedes.

Amendment No. 128: This amendment authorizes the President, on his own initiative or at the request of interested persons, to establish general policy advisory committees for industry, labor, and agriculture to provide general policy advice on any trade agreement proposed to be entered into under section 101 or 102 of the bill. The amendment requires such committees to be representative of all industry, labor, or agricultural interests (including small business interests and to be organized by the President acting through the Special Representative for Trade Negotiations, and the Secretaries of Commerce, Labor, and Agriculture, as appropriate. The House recedes.

Amendment No. 135: This amendment provides that representatives from each committee established under section 135(c) of the bill (general policy advisory committees and industry, labor, and agricultural sector advisory committees) shall participate directly in any negotiation of any trade agreement under section 101 or 102 to the same extent as any representative of a comparable committee or sector participates in such negotiations on behalf of any foreign country. The Senate recedes, on the understanding that the negotiators shall inform the advisory committees of all relevant information during the negotiations. The conferees believe strongly that, to the extent consistent with the domestic laws, the private sector should fully contribute to the negotiation process.

Amendment No. 145: This amendment deleted a provision of the House bill stating that nothing in section 135 is intended to authorize direct participation by individuals in trade agreement negotiations.

The Senate recedes.

Amendment No. 136: This amendment requires the Advisory Committee for Trade Negotiations (established under section 135(b) of the bill) and each appropriate policy advisory committee and sector advisory committee to meet at the conclusion of each trade agreement entered into under this Act and to provide to the President, the Congress, and to the Special Representative for Trade Negotiations a report on the agreement. Each such report is required to include an advisory opinion as to whether and to what extent the agreement promotes the economic interests of the United States and each report by a sector advisory committee is required to include an advisory opinion as to whether the agreement provides for equity and reciprocity within the sector. The amendment further provides that the Advisory Committee and each policy advisory committee shall, as soon as practical after the close of the 5-year period after the effective date of the bill, submit to Congress a report including an advisory opinion as to whether and to what extent the trade agreements entered into under this Act, taken as a whole, serve the economic interests of the United States. Each sector advisory committee is required to submit to Congress, within the same time limitation, a report including an advisory opinion on the degree to which trade agreements entered into under this Act which affect the sector, taken as a whole, provide for equity and reciprocity within that sector. The House recedes.

Amendment No. 139: This amendment is a substitute for section 135(f) of the House bill which provided that information received in confidence by the Advisory Committee for Trade Negotiations or any advisory committee shall not be disclosed to other than Federal officers or employees designated by the Special Representative for Trade Negotiations or the Committees on Ways and Means and Finance to receive such information for use in connection with the negotiation of trade agreements. The Senate amendment provides that trade secrets and commercial or financial information submitted in confidence in connection with trade negotiations may not be disclosed for use in connection with such negotiations to other than Federal officers designated by the Special Representatives for Trade Negotiations, members of the Ways and Means and Finance Committees accredited as advisors under section 161(a) of the bill or designated by the chairman of either such committee under section 161(b), and staff members of either such committee designated by such chairman under section 161(b)(2). The Senate amendment further provides that (1) other private information submitted in confidence to Federal officers, the Advisory Committee for Trade Negotiations, policy advisory committees, and sector advisory committees may not be disclosed except to individuals authorized to receive trade secrets and commercial or financial information and to such Advisory Committee or committees, and (2) information submitted in confidence by Federal officers to such Advisory Committee or committees shall not be disclosed except in accordance with rules issued by the Special Representatives for Trade Negotiations and the Secretaries of Commerce, Labor, and Agriculture, as appropriate. The House recedes.

Amendment No. 150: This amendment provides that the Special Representative for Trade Negotiations shall be compensated at the rate provided for at Level I of the Executive Schedule, and that the

two Deputy Special Representatives for Trade Negotiations be compensated at the rate provided for at Level III of the Executive Schedule. Under the House bill, the Special Representative would receive the same compensation as a chief of mission. The House recedes.

Amendment No. 153: This amendment amends section 141 of the House bill (which establishes the Office of the Special Representatives for Trade Negotiations) to authorize the appropriation to such Office of such funds as may be necessary for the purpose of carrying out its functions for fiscal year 1976 and each fiscal year thereafter any part of which is within the 5-year period beginning on the date of the enactment of the bill. The House bill did not provide an authorization for the Office. The House recedes.

Amendments Nos. 159, 160, 161, and 162: Section 151 of the bill as passed by the House contained a procedure for congressional disapproval with respect to nontariff barrier trade agreements submitted to Congress, to escape clause actions to retaliation against unfair trade practices, and to extension or continuation of nondiscriminatory tariff treatment. Under this procedure, the President was to transmit a proclamation or agreement to the Congress, after 7 days it was in order to discharge the committee to which a resolution of disapproval had been referred, and, if either House approved the resolution of disapproval within a 90-day period, the agreement or proclamation was not to take effect.

The Senate amendments strike out section 151 of the House bill and insert new sections 151, 152, and 153. Under these amendments, a congressional approval procedure applies to all nontariff barrier trade agreements, to agreements establishing certain principles in international trade (including GATT revisions) which change federal law (including a material change in an administrative rule), and to bilateral trade agreements with nonmarket countries entered into after the date of the enactment of the bill. Under this procedure, an implementing bill or approval resolution is submitted by the President and introduced in each House (with no amendments permitted), time limits are established for committee consideration, and floor votes. If the bill is not enacted or the resolution is not approved as the case may be, the agreement or revision cannot enter into force.

Under the Senate amendments, provision is also made for two-House disapproval for Presidential import relief which differs from the Commission's recommendation, and for Presidential retaliation on an MFN basis against unjustifiable or unreasonable restrictions. Under these procedures, if both Houses do not adopt a concurrent resolution within the applicable time period, the Presidential action enters into force.

Finally, under the Senate amendments, a one-House disapproval procedure is established (1) for the determination of the Secretary of the Treasury not to apply countervailing duties during a 2-year discretionary period, (2) for extension of benefits under bilateral trade agreements with nonmarket countries entered into before the date of the enactment of the bill, (3) to all annual reviews of MFN treatment and government credits and guarantees to countries receiving benefits negotiated under title IV of the bill, and (4) to U.S. Government credits and investment guarantees extended after the date of the en-



actment of the bill. This one-House disapproval procedure is the same as the two-House procedure provided by the Senate amendments except that adoption by majority vote of those present and voting in *either* House is sufficient to prevent action. The House recedes with clarifying and conforming amendments.

Amendment No. 167: Section 161 of the bill as passed by the House provided for congressional delegates to international conferences, meetings, and negotiation sessions with respect to trade agreements. Five members were to be appointed by the Speaker from the Ways and Means Committee of the House, and five members of the Senate Finance Committee were to be appointed by the President pro tempore of the Senate.

Under the Senate amendment, the appointment of the House delegates by the Speaker is to be upon the recommendation of the chairman of the Ways and Means Committee, and the appointment of the Senate delegates is to be upon the recommendation of the chairman of the Senate Finance Committee.

In addition, the Senate amendment provides that the Special Representative for Trade Negotiations is to keep each official adviser currently informed, and that the chairmen of the Ways and Means and Finance Committees can designate additional members of their committees and staff members who will have access to the current information provided the official advisers. The House recedes.

Amendment No. 170: The bill as passed by the House contained a requirement (in section 162(a)) that, as soon as practicable after a trade agreement entered into under chapter 1 or under the compensation authority or the authority to renegotiate duties has entered into force with respect to the United States, the President is to transmit to each House a statement of his reasons for entering into the agreement. This amendment provides that this statement is to include an employment impact statement setting forth in detail job losses and gains which may be expected as a result of the trade agreement. The Senate recedes.

Amendment No. 172: The bill as passed by the House contained a requirement (in section 163(a)) that the President submit to the Congress an annual report on the trade agreements program and on import relief and adjustment assistance. Under this amendment, the annual report is to include additional specified information. The House recedes with an amendment which deletes from such additional specified information with respect to the estimated effect under the program on employment and consumers.

Amendment No. 174: This amendment adds a new chapter 7 (consisting of sections 171 through 175) to title I of the bill. Under this amendment:

- (1) the United States Tariff Commission is renamed as the "United States International Trade Commission",
- (2) the membership is increased from 6 to 7 commissioners (no more than 4 from the same political party),
- (3) the term of office of commissioner is increased from 6 to 14 years, with one term expiring every other year,

(4) an individual who has served for more than 7 years after the date of the enactment of the bill will be ineligible for reappointment,

(5) the chairman and vice chairman positions are to rotate, with assignment as such normally determined by seniority,

(6) the pay of the commissioners is up-graded,

(7) the voting record of the commissioners is to be published,

(8) the Commission is to be represented in court by its own attorneys or, at the request of the Commission, by the Attorney General of the United States, and

(9) the Commission is given an independent budget, and appropriations for the Commission for each fiscal year are authorized.

The House recedes with the following amendments:

(1) the Commission membership remains at six with an understanding that the commissioners shall, to the maximum extent feasible, avoid tie votes; (2) each Commissioner will serve for one 9-year term (rather than fourteen years). The House recedes from the Senate amendment with a modification to require the Commission Chairman to rotate every eighteen months, beginning June, 1975.

The House recedes from Senate amendment to upgrade Commissioners' pay and to require voting records to be published. The Conference agreement permits the Commission to represent itself in judicial proceedings relative to its own functions, whereas the Attorney General would represent the Commission in judicial proceedings involving matters of Presidential decision. The House recedes from the Senate amendment requiring the Commission's budget to be submitted directly to Congress, rather than through OMB, beginning in 1976, with approval of both the Senate Finance and House Committee on Ways and Means.

Amendments Nos. 180 and 181: Under section 201 of the House bill, the Tariff Commission, when investigating petitions for eligibility for import relief, must take into account all economic factors which it considers relevant, including, with respect to substantial cause of serious injury to domestic injury caused by imports, an increase in imports (either actual or relative to domestic production). Senate amendments Nos. 180 and 181 provide that with respect to substantial injury, the Commission shall take into account only an absolute increase in imports. The Senate recedes.

Amendment No. 185: Section 201(b)(3) of the House bill provides that in determining the domestic industry producing an article like or directly competitive with an imported article, the Tariff Commission may (1) in the case of a domestic producer which also imports, treat as part of such domestic industry only its domestic production, and (2) in the case of a domestic producer which produces more than one article, treat as part of such domestic industry only that portion or subdivision of the producer which produces the like or directly competitive article. The Senate amendment adds to the House language a third standard under which the Commission may, in the case of a domestic producer located in a major geographic area of the U.S.

and serving a market in that area, treat as part of such domestic industry only that segment of the producer which is located in the area. The House recedes with an amendment authorizing the Tariff Commission to treat as a domestic industry only the segment of the national production that is produced in a major geographic area if (1) the production in such area constitute a substantial portion of the national industry, (2) such producers serve primarily the market of such major geographic area and (3) imports are concentrated in such geographic area.

Amendment No. 191: This amendment amends the House provision which requires the Tariff Commission, if it finds serious injury or threat thereof to a domestic industry caused by an imported article, to include in its report thereon to the President its finding as to the amount of increase in, or imposition of, any duty or import restriction on such article which is necessary to prevent or remedy such injury. The Senate amendment further requires that if the Commission finds that adjustment assistance under chapters 2, 3, and 4 of title II of the bill can effectively remedy such injury, the Commission shall recommend the provision of such assistance in its report to the President. The House recedes.

Amendment No. 198: Section 202 of the House bill provided that the President, after receiving an affirmative finding of import injury from the Tariff Commission, shall evaluate the extent to which adjustment assistance has, or can be, made available to workers and firms in the injured domestic industry and may direct the Secretaries of Labor and Commerce to give expeditious consideration to petitions for adjustment assistance, and may provide import relief to the industry pursuant to section 203 of the bill. The House provision required the President to make a determination whether to provide such import relief within 60 days after receipt of the Commission's affirmative finding, and to notify Congress immediately if he determined not to provide such relief. The Senate amendment changes the House provision in that (1) if an affirmative injury finding is made by the Commission, the President is required to provide import relief, and (2) if the Commission recommends the provision of adjustment assistance along with its finding, the President is to direct the Secretaries of Commerce and Labor to give expeditious consideration to assistance petitions. The Senate amendment further requires the President, within 60 days after receiving an affirmative finding of injury (1) to determine what method and amount of import relief he will provide and whether he will direct expeditious consideration of adjustment assistance petitions (and publish in the Federal Register that he has made such determination); and (2) publish his order to the Secretaries of Labor and Commerce directing them to give such expeditious consideration, if the Tariff Commission recommends the provision of adjustment assistance.

The House recedes with an amendment under which, after receiving an affirmative determination of injury (or threat thereof) the President shall (in addition to recommending whatever adjustment assistance that he deems advisable):

- (1) provide import relief as recommended by the Commission;
- (2) provide such other import relief as he deems appropriate; provided however, if he determines it is not in the national economic interest, he may provide no import relief.

However, if the President does not provide any import relief (because he determines it is not in the national economic interest) or if he provides relief other than recommended by the Commission he must report his reasons to the Congress, and the Congress by an approval of a concurrent resolution under the procedures established by section 151 may provide import relief, as recommended by the Commission, or otherwise.

Amendments Nos. 202 and 206: The House bill permits the President, within 45 days after receiving an affirmative finding of injury by the Tariff Commission, to request additional information from the Commission. The Commission in not less than 30 days after such request (60 days in the case extensive additional information is requested) is required to furnish such information. Senate amendment No. 202 requires the President to request additional information within 15 days after receiving the finding and Senate amendment No. 206 deletes the additional 30 day period allowed under the House provision for Tariff Commission report in the case of extensive information. The House recedes with respect to amendment No. 202, the Senate recedes with respect to amendment No. 206.

Amendment No. 207: This amendment deletes from section 203 of the House bill the provision stating that, for purposes of providing import relief, the following methods shall be preferred to the methods listed below it:

- (1) Increases in, or imposition of, duties,
- (2) tariff rate quotas,
- (3) quantitative restrictions,
- (4) orderly marketing agreements.

This amendment further requires the President, if required under section 202(a) (1) to provide import relief, to take one or more of the relief actions set forth in section 203 of the House bill (redesignated section 203(a) by the Senate). The House recedes with an amendment.

Amendment No. 209: This amendment deletes section 203(c) of the House bill, which requires the President to report to Congress when he selects a method or methods of providing import relief (including a statement as to why he selected a method of relief over methods ranking higher in preference under section 203(a) of the House bill and over the provision of adjustment assistance), and provides instead that on the day the President proclaims import relief or announces his intention to negotiate orderly marketing agreements, he shall transmit to Congress a document setting forth the kind of action taken by him, and if such action differs from that recommended by the Tariff Commission in its affirmative finding, the reason for such difference.

Amendment No. 251: Under section 222 of the House bill, the Secretary of Labor shall certify groups of workers as eligible to apply for adjustment assistance if he determines, among other things, that increases of imports of articles like or directly competitive with articles



produced by the workers' firm contributed importantly to the total or partial separation of the workers from employment, or to an absolute decrease in sales or production of the firm. The Senate amendment requires the Secretary to find an absolute increase in such imports. The Senate recedes.

Amendment No. 252: This amendment, which adds a new paragraph to section 222 of the House bill, defines "contributed importantly" (as such term applies to the effect of imports on worker's employment or their firm's production and sales) as meaning a cause which is important but not necessarily more important than any other cause. This definition was not included in the House bill, but was set forth in the House report. The House recedes.

Amendments Nos. 253 and 254: Section 223(c) and (d) of the House bill requires the Secretary of Labor to promptly publish in the Federal Register (1) a summary of his determination made with respect to any petition for worker adjustment assistance, and (2) notice of his determination to terminate any certification of eligibility for assistance by workers. The Senate amendments require the Secretary to also publish at the same time his reasons for each such determination. The House recedes.

Amendment No. 262: Under section 232(a) of the House bill, the trade adjustment allowance payable to an adversely affected worker for a week of unemployment shall be (1) for any week in the first 26 weeks of such allowances 70 percent of his average weekly wage, and (2) any subsequent week of such allowances 65 percent of his average weekly wage. The Senate amendment provides that for any week of allowance, the allowance shall be 75 percent of his average weekly wage. Under both House and Senate versions, no weekly allowance may exceed the average weekly manufacturing wage and each weekly allowance is reduced by 50 percent of the amount of the remuneration for services performed by him during such week. The House recedes with an amendment providing that the allowance shall be 70 percent of the worker's average weekly wage for the entire 52 weeks of entitlement.

Amendment No. 264: Under section 232(e) of the House bill, whenever in any week of unemployment, the total amount payable to a worker as remuneration, unemployment compensation, training allowance, and trade readjustment exceeds (1) in the case of any week in the first 26 weeks of such allowances, 80 percent of his average weekly wage; or (2) in the case of any subsequent week, 75 percent of his average weekly wage, then the workers' trade readjustment allowance must be reduced by the amount of such excess. The Senate amendment eliminates the distinction between the first 26 weeks and subsequent weeks and provides that if the specified amounts payable to the worker exceed 80 percent of his average weekly wage for any week, the readjustment allowance for that week is reduced by the amount of the excess. Under both House and Senate versions, 130 percent of the average weekly manufacturing wage, if less than the percentage of the workers' average weekly wage which otherwise applies, is used for purposes of computing the reduction. The House recedes.

Amendment No. 265: This amendment eliminates the provision in the House bill which provides for Federal reimbursement to the

States for any unemployment insurance provided under State programs to workers who are eligible for adjustment assistance under the bill. Under the bill as amended by the Senate, Federal funding is provided only for that portion of a worker's adjustment benefits which exceed his entitlement under the State unemployment program. The House recedes.

Senate amendments Nos. 266 and 267: Section 233 of the House bill provides that payments of trade readjustment allowances may not be made to any worker for more than 52 weeks, except that payments may be made (1) for an additional 26 weeks to a worker to assist him to complete training, and (2) for an additional 13 weeks to a worker who attained age 60 on or before the date of his total or partial separation from employment. Senate amendment No. 266 would provide for payments for an additional 26 weeks in the case of workers age 60 and over; and Senate amendment No. 267 imposes a maximum limitation of 78 weeks of trade readjustment allowances for any worker. The House recedes.

Amendment No. 268: This amendment provides that no trade adjustment allowance may be paid to a worker for an additional week to assist him in completing training unless the worker makes application for a training program approved by the Secretary within the later of (1) 180 days after the end of the week of his most recent total or partial separation (as the case may be), or (2) the date of his first certification of eligibility to apply for adjustment assistance. The House recedes.

Senate amendments Nos. 270 and 271: Section 236 of the House bill authorized the Secretary of Labor to defray subsistence and transportation expenses for workers undergoing training at facilities not within commuting distance of the worker's residence. The House bill provided subsistence payments not exceeding \$5 per day and transportation expense payments not exceeding 10 cents per mile. Senate amendment No. 270 provides for subsistence payments not exceeding \$15 per day and Senate amendment No. 271 provides for transportation payments not exceeding 12 cents per mile. The House recedes.

Amendment No. 272: The House bill allows a displaced worker to apply for a job search allowance for up to one year after he becomes unemployed. The Senate amendment allows a worker who has been referred to training to apply for a job search allowance within a reasonable period of time after the conclusion of such training. The House recedes.

Amendment No. 273: The House bill requires workers seeking relocation allowances to apply for these allowances before the time in which the relocation move is made. The amendment permits applications for such allowances to be made within a reasonable time after the move has been completed. The Senate recedes.

Amendment No. 274: The House bill contains a provision which states that any determination by a cooperating State agency with respect to entitlement to payments of adjustment assistance allowances is subject to review in the same manner as are determinations under the State unemployment insurance law. The Senate amendment applies State review standards to all adjustment assistance program benefits. The House recedes.

Amendment No. 275: This amendment amends the Internal Revenue Code of 1954 in order to reduce by 15 percent the credits for State unemployment taxes which employers are allowed against their liability for Federal Unemployment Tax if the Secretary of Labor finds that the State has not entered into before July 1, 1975, or fulfilled its commitments under, a cooperative agreement with the Secretary for the administration of adjustment assistance benefits within such State. The House bill did not contain a similar provision. The House recedes.

Amendment No. 276: This amendment provides that final determinations as to entitlement to all adjustment assistance benefits (rather than to only allowance payments as in the House bill) made by the Secretary of Labor absent an agreement under section 239 with a State shall be judicially reviewable as provided in section 205(g) of the Social Security Act. The House recedes.

Amendment No. 281: This amendment authorizes the appropriation (for purposes of training under section 236 of the bill) \$50,000,000 for fiscal year 1975 and such sums as are necessary for the 5 succeeding fiscal years. No separate authorization for training was contained in the House bill. The House recedes with an amendment eliminating the specified \$50,000,000 limitation on appropriations for fiscal year 1975, and an amendment authorizing necessary appropriations for the 7 succeeding fiscal years after fiscal year 1975, thereby conforming the appropriation authorization to the conference agreement on the date of termination of all adjustment assistance programs.

Amendment No. 284: This amendment provides that weeks of unemployment beginning after the effective date of the worker's adjustment assistance chapter for which trade adjustment allowances were payable under the Trade Expansion Act of 1962 shall be deducted from the total number of weeks of unemployment for which the worker is eligible for allowances under such chapter. The House recedes.

Amendment No. 288: The amendment adds a new section to the bill which authorizes the Secretary of Labor to require by subpoena the attendance of witnesses and the production of evidence necessary for him to make determinations under the worker adjustment assistance chapter. U.S. district courts are authorized to issue orders requiring compliance with such subpoenas. The House recedes.

Amendment No. 289: This amendment adds a new section to the bill under which any worker or group of workers may receive judicial review in United States circuit courts of appeals of any final determination by the Secretary of Labor on the eligibility of workers to apply for adjustment assistance. The findings of the Secretary shall be conclusive if supported by substantial evidence. The House recedes with a clarifying amendment.

Amendment No. 320: This Senate amendment creates a new program of adjustment assistance for communities adversely affected by imports. A community, group of communities, or Governor of a State on behalf of a community or communities may file a petition with the Secretary of Commerce for certification of eligibility to apply for community adjustment assistance. The Secretary must certify a community eligible to apply if he determines: (a) a significant number or proportion of workers in the trade impacted area where

the community is located are or are threatened to become totally or partially unemployed; (b) sales and/or production of firms in the trade impacted area have decreased absolutely; and (c) increased import of articles like or directly competitive with those produced by the firms or the transfer of firms from the trade impacted area to foreign countries have contributed importantly to (a) and (b).

Benefits can be extended only if the Secretary approves the adjustment assistance plan. Adjustment assistance for qualified communities consists of:

All forms of assistance other than loan guarantees, as provided a redevelopment area under the Public Works and Economic Development Act of 1965 ("PWEDA") and loan guarantees with a termination date of September 30, 1982, as expressly provided in the Trade Act. Under the PWEDA the Secretary of Commerce is authorized to provide assistance to attract new investment and to create additional long term employment opportunities in the area in the form of:

(1) direct grants for acquisition and development of land and improvements for public works, public service, or development facilities, including authority for additional grants to areas of substantial unemployment;

(2) loans to purchase land and facilities for such purposes as constructing, modernizing, and expanding plant facilities; and

(3) technical assistance which would be useful in alleviating or preventing excessive unemployment or underemployment.

Loan guarantees for working capital and for the acquisition or improvement of plant facilities may be made to private borrowers by private lending institutions are subject to the same terms and conditions as under the Public Works and Economic Development Act of 1965,

The Senate amendment imposed two major conditions upon applicants for loan guarantees: first that officials of the state or locality or both pledge such portion of a future revenue sharing entitlement as necessary to cover fifty percent of any deficiency arising from a default, and second, in the case of corporations, that an amount of stock equal to twenty-five percent of the amount guaranteed be paid by the lender into a trust which is part of an employee stock ownership plan established and maintained solely by the corporation. The House bill contained no such provisions. The House recedes with the following amendments:

First, delete the word "absolute" so as to permit the Secretary to issue certifications whenever he determines that increases of imports, whether absolute or relative, have contributed importantly to the total or partial separation of workers and to the decline in sales or production, of firms, or threat thereof, in the affected area.

Second, extend the expiration on date of the community program from September 30, 1980, to September 30, 1982.

Third, in place of the Senate bill's provisions on joint liability for loan guarantees provide that the Governor of the State, the authorized representative of the community, or both, in which an applicant

for a loan guarantee is located *may* enter into an agreement providing that such State of community or both will pay one half of the amount of any liability arising from the loan guarantee, if the State in which the applicant has established by law a program approved by the Secretary for such purpose. It is the understanding of the managers that an amendment to the State and Local Fiscal Assistance Act of 1972 to include such a use of funds among the enumerated purposes for which funds may be applied under that Act will be considered in 1977 when that legislation is considered for renewal.

Fourth, provide that when considering loan guarantees for qualified corporations, the Secretary shall give preference to corporations which have, or undertake to establish a qualified employee stock ownership plan established and maintained solely by the corporation.

Amendment No. 322: This Senate amendment requires the Comptroller General to conduct a study, assisted by the Departments of Labor and Commerce, of the worker, firm and community adjustment assistance programs. The study by the General Accounting Office, among other things, will evaluate: (1) the effectiveness of the programs in aiding adjustment to import competition and, (2) the coordination of the administration of the programs with other government programs providing unemployment compensation and relief to depressed areas. The report is to be submitted to the Congress by January 30, 1979. The House bill contained no similar provision. The House recedes with an amendment requiring that the report be submitted to the Congress no later than January 31, 1980, instead of January 30, 1979.

Amendment No. 323: This Senate amendment replaces a comparable provision contained in the House bill. An Adjustment Assistance Coordinating Committee is created to consist of a Deputy Special Trade Representative, as Chairman, and officials charged with adjustment assistance responsibilities of the Departments of Labor and Commerce and the Small Business Administration. The Committee is charged with the coordination of the adjustment assistance policies, studies, and programs of the various agencies involved and to promote the efficient and effective delivery of adjustment assistance benefits. The House recedes.

Amendment No. 324: This Senate amendment directs the Secretaries of Commerce and Labor to establish and maintain a program to monitor imports of articles which will reflect changes in the volume of such imports, the relation of such imports to changes in relevant domestic production and employment, and the extent to which such changes in production and employment are concentrated in specific geographic regions of the country. A second provision added by the Senate required the Secretaries to gather additional information concerning the international operations of multinational corporations doing business in the United States. The information would cover direct investment by any such corporation in each foreign affiliate, gross sales, employment data, etc. The information gathered under this provision is to be published regularly. The House bill contained no such provisions. The House recedes with an amendment deleting the provision relating to information concerning the international operations of multinational corporations. It is the understanding of the managers that

nothing in the remaining provision will be construed to require the tracing of articles imported into the United States to their points of sale in specific regions or areas of the country.

Amendment No. 325: This Senate amendment required that every firm, prior to moving production facilities abroad, should: (1) give at least 60 days advance notice to its employees who are likely to become totally or partially unemployed; (2) at the same time give the Secretaries of Labor and Commerce notice of the move; (3) apply for and use all adjustment assistance for which it is eligible; (4) offer employment opportunities, if any exist, to its affected employees; and (5) assist in relocating employees where employment opportunities exist. The House bill contained no such provision. The House recedes with an amendment requiring that items 3, 4, and 5, above, be stated as being the sense of the Congress.

Amendment No. 326: This Senate amendment provides that the worker, firm, and community adjustment assistance provisions of title II of the Senate bill will become effective on the 90th day after the date of enactment of this Act. Such provisions are to terminate on September 30, 1982.

Amendment No. 329: Section 301(a)(4) of the Senate bill adds a provision to bases for retaliation, explicitly applying the discretionary retaliation authority to unjustifiable or unreasonable restrictions on access to supplies which burden or restrict U.S. commerce. The House bill did not contain a similar provision. The House recedes.

Amendment No. 330: The Senate bill extends retaliatory measures to include imposition of fees or restrictions on foreign services, as well as imposition of duties or other import restrictions on foreign goods. The House bill did not contain a similar provision. The House recedes.

Amendment No. 331: Section 301(a) of the Senate bill explicitly defines "commerce" to include services for purposes of the retaliation authority. The House bill did not contain a similar provision. The House recedes.

Amendment No. 332: Section 301(b) of the House bill required the President to consider U.S. international obligations when determining what actions to take under section 301. The Senate bill deleted this requirement. The House bill permitted actions against unjustifiable foreign practices to be taken on a MFN or selective basis. Actions against unreasonable foreign practices were to be on a selective basis. The Senate bill removes the distinction between unreasonable and unjustifiable practices, and authorized action on an MFN or selective basis in all cases. However, actions by the President would be subject to Congressional veto by a concurrent resolution of disapproval under section 302 if the action is MFN rather than only against the country involved. The House recedes.

Amendment No. 334: The Senate bill adds a requirement, in addition to the provision in the House bill providing an opportunity for interested parties to present views, that the Special Trade Representative review complaints, publish them in the *Federal Register*, and hold public hearings upon request of the complainant on the alleged foreign restrictions. Also, the Special Trade Representative must submit a semiannual report to the Congress summarizing the reviews and hear-

ings it has conducted during the preceding 6-month period. The House recedes.

Amendment No. 335: Section 301(e) of the House bill contained a provision requiring the President to provide an opportunity for the presentation of views and public hearings prior to the taking of action under Section 301. The Senate bill would also permit such presentation of views and hearings to take place promptly after the action, if the President determines that holding them prior to taking action would be contrary to the national interest because expeditious action is needed. The House recedes.

Amendment Nos. 336-337: The House bill provided for a one-House veto of any action under 301. The Senate bill provides for a two-House veto of any action taken by the President on an MFN basis. Following the adoption of such a two-House resolution of disapproval, such action would remain in effect only with respect to the country(ies) whose practice was the cause for taking action under Section 301. The House recedes.

Amendment No. 338: Section 321(a) of the House bill required that a preliminary dumping determination be made by the Secretary of the Treasury within six months after the question of dumping was presented to him. In more complicated investigations such determinations could have been made within nine months after such question was presented. The Senate bill permits the period for the preliminary determination to be extended to nine months only after the Secretary of the Treasury concludes that such determination can not be reasonably made in six months and publishes a notice in the Federal Register with a statement of his reasons for such determination.

The Senate bill requires the Secretary to make a final dumping determination within three months after a preliminary determination, whether such preliminary determination was affirmative or negative. The House bill contained no similar provision.

The Senate bill requires the Secretary to determine whether or not to initiate an investigation within thirty days of the receipt of information alleging dumping. The Secretary would publish an affirmative determination to initiate an investigation in the Federal Register and the time limits in the Senate bill would provide from the date of such publication. The time limits in the House bill proceeded from the date on which the question of dumping was deemed to be presented to the Secretary.

Section 321(a) of the Senate bill provides that if, during the thirty day period of his determination whether or not to initiate an investigation, the Secretary of the Treasury concludes there is substantial doubt as to whether a domestic industry is being or is likely to be injured, he must give his reasons for such determination and any preliminary information available to him to the Tariff Commission. If the Commission determines within thirty days of receipt of the reasons and information that there is no reasonable indication of injury to an industry, it will advise the Secretary and any investigation will terminate. Otherwise, the investigation of the Secretary would continue. The House bill did not contain a similar provision.

Under the House bill, foreign manufacturers, exporters, and domestic importers had an automatic right to appear at hearings re-

quired to be conducted by the Secretary and the Commission. The Senate bill would amend Section 201(d)(1) of the Antidumping Act to extend the automatic hearing rights to include U.S. manufacturers, producers, or wholesalers of merchandise of the same class or kind, as well as foreign manufacturers, exporters and domestic importers of such merchandise. Under the Senate bill hearings would be held only at the request of one of the above interested parties.

The Senate bill adds the explicit qualification to the determination procedure that preserves any confidential treatment granted by the Secretary or the Commission during the course of the determination. The House bill did not contain a similar provision.

The House recedes with the understanding that the Secretary of the Treasury is not precluded from issuing an affirmative preliminary determination and withholding of appraisement, following the issuance of a preliminary negative determination. However, the Secretary must issue his final determination within three months of his first preliminary determination under the Antidumping Act.

Amendment No. 343: The Senate bill adds a new subsection 205(d) to the Antidumping Act which authorizes the Secretary of the Treasury to impose dumping duties when a multinational corporation operating in several foreign countries supports low-priced exports to the United States through high-priced sales by other subsidiaries located in protected markets. More specifically, when the Secretary determines that:

(1) merchandise exported to the United States is produced in facilities owned or controlled by person, firm or corporation which also owns or controls facilities producing similar merchandise in other countries;

(2) sales in the home market of the country exporting to the U.S. are nonexistent or inadequate as a basis for comparison with sales of such or similar merchandise in the United States; and

(3) sales of like or similar merchandise made in one or more of the other countries are at prices substantially higher than the prices charged for goods produced in the exporting country;

the Secretary *may* determine the foreign market value by looking at the higher prices (adjusted for differences in cost of production and costs incident to packing) at which such like or similar goods are sold in substantial quantities by one or more of such other foreign facilities located outside the exporting country. The dumping duty could then be assessed in the amount equal to the difference between the purchase price in the United States (or the exporter's sale price) and the higher foreign market value of the goods not actually exported to the United States. The House bill did not contain a similar provision. The House recedes with an amendment making the Senate provision mandatory. Thus, the "may" in italics above is changed to *shall*.

Amendment No. 346: The Senate bill added an amendment to Section 481 of the Tariff Act to direct the Secretary of the Treasury to require that certified import invoices, other than for special transactions, include data on: (1) all rebates, drawbacks, and bounties and grants on the merchandise; and (2) the unit price of the same or similar merchandise in the home market of the country of exports.

The information would not be required if the customs officer determined it is currently available. The provision would apply to goods imported on or after the 90th day after enactment of the Act. The House bill did not contain a similar provision. The Senate recedes.

Amendment No. 347: The Senate bill adds a new section 516(d) to the Tariff Act to provide domestic manufacturers, producers, or wholesalers the right of judicial review in the U.S. Customs Court of negative dumping and countervailing duty determinations. The written notice of desire to contest must be filed with the Secretary of the Treasury within 30 days after the determination. This provision will apply to dumping and countervailing duty complaints made on or after enactment of the Trade Act. Under existing law importers and foreign producers are entitled to judicial review. Further, with respect to an antidumping proceeding or countervailing duty proceeding, upon summons, the Secretary is required to furnish the Customs Court with certified copies of the transcript of all hearings, and all notices, determinations or other matters published in the Federal Register in connection with a particular antidumping or countervailing duty proceeding. The House bill did not contain a similar provision. The House recedes.

Amendment No. 353-4: Section 331 of the Senate bill contains a provision for a countervailing duty investigation to be initiated by the filing of a petition by any person setting forth his reasons for believing a bounty or grant exists, as well as at the initiative of the Secretary, which was required in the House bill. In both bills, there must be Federal Register notice of the initiation of the investigation.

The Senate bill adds a 6-month time limit for a preliminary determination and retains the House 12-month limit for a final determination. In the Senate bill, the time limit begins on the date the petition is filed or the initiation notice is published, rather than from the date the question is presented to the Secretary, as under the House bill. The Senate bill requires that countervailing duties be imposed as of the publication date of the final determination. The House bill provided that such orders would apply 30 days after publication in the Federal Register.

The Senate bill adds to the House bill's extension of the injury test to duty-free imports a change in the suspension of liquidation provision, i.e., provides for suspension in the event the Secretary determines a bounty or grant exists with respect to nondutiable imports so as to require the same effective date for imposition of countervailing duties regardless of whether the merchandise in question is dutiable. Liquidation would be suspended immediately under the Senate bill, rather than 30 days after publication of the determination, as under the House bill.

The Senate bill deletes the provision in the House bill that the imposition of a countervailing duty shall not be required on any article subject to quantitative limitations where such limitations are determined to be an adequate substitute for a countervailing duty.

The Senate bill replaces the temporary waiver provision in the House bill, applicable while negotiations are in progress, with a new discretionary provision adding an explicit Congressional mandate for the President to negotiate internationally-agreed rules and procedures

governing the use of subsidies and other export incentives, and the application of countervailing duties. The Senate bill deletes the one-year carve-out in the House bill for cases where an article is produced in facilities owned or controlled by a developed country, which are subsidized. Discretion under the Senate bill in the imposition of countervailing duties is permitted during the *two* year, rather than the *four* year period, following enactment under the House bill if the Secretary determines, after seeking advice from appropriate agencies that:

- (1) adequate steps have been taken to eliminate or substantially reduce the adverse effect of the bounty or grant;
- (2) there is a reasonable prospect that successful trade agreements under Section 102 will be entered into; and
- (3) the imposition of countervailing duties would be likely to seriously jeopardize negotiations.

The Senate bill prohibits the waiver of otherwise mandated countervailing duties in cases involving import-sensitive items such as footwear. The House bill did not contain a similar provision.

The House bill requires only that the third condition exist for the Secretary to be able to exercise the waiver, whereas the Senate version permits the waiver only if *all* of the three conditions exist. Under the Senate, the Secretary may revoke his determination at any time, and must revoke it if a basis supporting such waiver no longer exists.

The Senate bill requires the Secretary of the Treasury to promptly report his determination not to impose duties and reasons therefor to both Houses of Congress. Countervailing duties will be imposed if a majority of those present and voting of either House adopts at any time a disapproval resolution under Section 152 procedures. The House bill did not contain a similar provision.

The House recedes with amendments. The discretion of the Secretary of the Treasury to waive countervailing duties under the conditions specified in the Senate provision are to be effective for a four year period following date of enactment. The prohibition against the application of the waiver will apply only with respect to nonrubber footwear imports. It is the understanding of the conferees that the requirement concerning the elimination or reduction of adverse effects in the waiver provision is not to be construed as the intent of Congress that this language inject an injury concept into countervailing duty cases regarding durable goods, nor that the President negotiate, in every case, orderly marketing agreements with countries who are subsidizing exports to the United States in order to avoid the imposition of countervailing duties through use of such waiver.

Amendment No. 368: This Senate amendment amends section 515 (d) of the Tariff Act of 1930 by inserting before the period at the end thereof the phrase "or the imposition of countervailing duties under Section 303." The House did not contain a similar provision. The House recedes.

Amendment No. 369: Section 321 (d) of the Senate bill provides that for purposes of applying the provisions of Section 303(a) (4) (time limits on preliminary and final determinations) with respect to any countervailing duty investigation initiated before the date of enactment, such investigation shall be considered initiated on the day after such date of enactment. The amendment further provided that Secre-



tary's final determination on all countervailing complaints filed more than six months before enactment will be reached within six months after enactment. The House recedes with respect to the first provision relating to Section 303(a) (4) of the Tariff Act of 1930 (as amended). The Senate recedes with respect to the second provision relating to complaints filed more than six months before enactment, with the understanding that Section 321(d) of the Senate bill is adequate to subject pending complaints to the time limits of the countervailing duty statutes, as now amended.

Amendment No. 370: This Senate amendment extensively revises Section 337 of the Tariff Act of 1930, relating to unfair import practices, so as to vest solely in the International Trade Commission (subject to Presidential intervention for policy reasons only) final authority to exclude articles concerned in all unfair methods of import competition under Section 337, and to make other changes relating to the disposition of such cases. The House recedes with one amendment, striking the Senate provision requiring the International Trade Commission to consider, in cases based upon claims of U.S. letters patents, price gouging.

Amendment No. 375: This amendment adds to section 402 of the House bill (relating to freedom of emigration in East-West trade) a new subsection (c) which authorizes the President to waive the freedom of emigration requirements in such section for a period of 18 months after the date of the enactment of the bill for any nonmarket country if he reports to Congress that the waiver will substantially promote the freedom of emigration objectives of the section and that he has received assurances that the emigration practices of that country will substantially lead to the achievement of the objectives of such section. The amendment further authorizes the President to extend the waiver at the end of the 18-month period, and every year thereafter, subject to an affirmative approval and thereafter congressional veto requirement. The House recedes.

Amendment No. 378: This amendment adds a new section 403 to the bill which provides that no nonmarket economy country may receive nondiscriminatory treatment or participate in a program under which the U.S. extends credit, credit guarantees, or investment guarantees, and no commercial agreement between the U.S. and any such country may enter into effect, during any period in which the President determines that such country is not cooperating with the U.S. to account for all U.S. personnel missing in action in Southeast Asia, to repatriate such personnel who are alive, and to return the remains of such personnel who are dead. The amendment further provides that any such country may receive such treatment and participate in such program, and that any such agreement shall enter into effect, if the President submits a report to Congress indicating that such country is so cooperating. Such report must include information on the nature of the cooperating and semiannual reports on the degree of cooperation by that country is required for so long as the nondiscriminatory treatment and credit or guarantees, or any such agreement, is in effect. The amendment does not apply to countries eligible for column 1 tariff treatment. The House recedes with an amendment which authorizes the President to deny the extension of most favored

nation treatment, credits and guarantees, to countries which he determines are not cooperating with the United States in achieving the objectives of the Senate amendment. The President's reports to Congress would relate generally to compliance of countries involved in the MIA problem.

Amendment No. 380: Subsection (a) of section 403 of the House bill (section 404 as redesignated by the Senate) stated that the President may by proclamation extend nondiscriminatory treatment to products of a foreign country which has entered into a bilateral commercial agreement or is party to an appropriate multilateral trade agreement to which the U.S. is a party. The Senate amendment replaces the House provision with language stating that the President may only extend nondiscriminatory treatment to a country which has entered into a bilateral agreement with the U.S. The House recedes.

Amendment No. 385: This amendment provides that any bilateral commercial agreement entered into by the President may be renewed if during the life of the agreement a satisfactory balance of concessions in trade and services (balance of trade concessions under the House version) was maintained. The House recedes.

Amendment No. 387: This amendment amends section 405 of the House bill (relating to the authority of the President to enter into bilateral commercial agreements providing nondiscriminatory treatment to products of countries heretofore denied such treatment) to require that any such agreement—

(1) include safeguard arrangements providing for prompt consultations when actual or prospective imports cause, threaten, or significantly contribute to market disruption, and the imposition of import restrictions appropriate to prevent such disruption (a more detailed statement of such arrangements than provided for in the House bill);

(2) if the party to the agreement is not a party to such Convention, provide rights for United States nationals with respect to patents and trade marks not less than the rights specified under the Paris Convention for the Protection of Industrial Property;

(3) if the party to the agreement is not a party to such Convention, provide rights for United States nationals with respect to copyrights not less than the rights specified under the Universal Copyright Convention;

(4) contain arrangements to protect industrial rights and processes (and such arrangements shall apply only to agreements entered into and renewed after the date of enactment of the bill);

(5) contain arrangements for trade promotion; and

(6) contain other commercial arrangements necessary to promote the purposes of the bill.

The rights and arrangements required under paragraphs (2), (3), (4), (5), and (6) were discretionary under the House bill. The Senate amendment further requires that no bilateral commercial agreement, nor any proclamation extending nondiscriminatory treatment, shall be effective unless approved by Congress by concurrent resolution under the procedures in section 151 of the bill and provided that any such agreement entered into before the date of enactment of the bill, and any proclamation implementing any such agreement, may enter



into effect subject to the disapproval of either House of Congress under the procedure contained in section 152. The House recedes.

Amendment No. 389: This amendment substantially revises section 405 of the House bill (section 406 as redesignated by the Senate) under which petitions may be filed with the International Trade Commission regarding products of countries receiving nondiscriminatory treatment under title IV of the bill to determine whether such products are causing market disruption and material injury to U.S. industries producing like or directly competitive articles. Under the Senate amendment—

(1) the Commission must determine whether market disruption exists with respect to an article produced by a domestic industry;

(2) market disruption is found to exist within a domestic industry whenever an article is being or is likely to be imported into the United States in such increased quantities as to be a significant cause of material injury or threat thereof to such industry (under the House language disruption exists whenever imports of a like or directly competitive article are substantial, are increasing rapidly both absolutely and relative to total domestic consumption, and are offered at prices substantially below those of comparable domestic article);

(3) disruption determinations are made with respect to the products of any country dominated or controlled by Communism rather than, as under the House version, only countries to which nondiscriminatory treatment has been extended under title IV;

(4) certain procedural and hearing requirements applicable to import relief determination under title II are made applicable;

(5) reduces the time limit for market disruption investigations from six months to three months;

(6) prohibits the Commission from recommending adjustment assistance in such cases;

(7) requires the President to impose import relief after an affirmative finding of market disruption;

(8) prohibits the President from applying import relief measures to imports other than those from the particular country involved in the affirmative determination;

(9) requires the President to initiate an investigation if he finds reasonable grounds that market disruption exists;

(10) authorizes the President to take emergency relief action under section 201 and 203; and

(11) provides that petitions may be filed with the Special Representative for Trade Negotiations requesting that consultations provided for under safeguard arrangements contained in bilateral agreements with Communist countries be initiated.

The House recedes with amendments which (1) provide that petitions requesting consultations under safeguard arrangements be submitted to the President rather than to the Special Trade Representative, and (2) to redefine market disruption to exist whenever imports of a like or directly competitive article are increasing rapidly both absolutely and as a proportion of total domestic consumption, and

such imports are causing or are likely to cause material injury to a domestic industry. The conferees understand that foreign entities would not be eligible to petition for relief under either section 201 or section 406.

Amendments Nos. 393 and 394: These amendments revise the procedures relating to the submission of required documents for, and the effect of, Congressional action on the approval or disapproval of extension of nondiscriminatory treatment to nonmarket economy countries. Under the House bill, Congress could disapprove the extension of nondiscriminatory treatment to a nonmarket economy country. The Senate bill revised the House provisions (1) to require affirmative Congressional approval of any bilateral agreement under section 406 and a proclamation extending MFN treatment if the agreement was entered into after enactment of this Act; (2) to provide for Congressional disapproval of the agreement and implementing proclamation with a nonmarket economy country if the agreement was entered into before enactment of this Act; and (3) to provide for Congressional disapproval of reports submitted under title IV, which disapproval would deny continuation of MFN treatment, deny further participation in United States credit, or guarantee programs and preclude conclusion of a bilateral agreement under section 406.

Amendments Nos. 396 and 397: Amendment No. 396 adds a new section 408 to the bill which provides that (1) Czechoslovakia may not receive nondiscriminatory treatment or participants in any Federal programs extending credit or credit guarantees or investment guarantees, and (2) the United States may not consent to the release to Czechoslovakia of any gold belonging to that country and controlled by the United States pursuant to the Paris Reparations Agreement of January 24, 1946; until the government of Czechoslovakia pays a principal amount it owes to United States citizens under awards rendered against that country by the Foreign Claims Settlement Commission. Amendment No. 397 provides that if Czechoslovakia continues to fail to pay such awards, the United States District Court for the District of Columbia shall have jurisdiction to determine whether Czechoslovakia owns the gold which is controlled by the United States and, upon such finding, issue orders and judgments resulting in the payment of the claims of United States citizens against Czechoslovakia, with any balance remaining to be paid to that country. Under the conference agreement, any bilateral agreement with Czechoslovakia extending most favored nation treatment must include a renegotiation of the claims settlement. However, a more equitable claims settlement may be renegotiated prior to submission of a commercial agreement. The conferees intend that there be a speedy renegotiation of a claims settlement by individuals other than those who negotiated the unreasonable first tentative agreement. No further government credits may be extended to Czechoslovakia until the claims settlement is renegotiated and approved by Congress.

Also, the United States shall not release any gold to Czechoslovakia until the claims settlement is approved.

Amendment No. 398: This amendment adds a new section 409 to the bill which provides that no nonmarket economy country may receive nondiscriminatory treatment or participate in a program under which

the U.S. extends credit, credit guarantees, or investment guarantees, and no commercial agreement between the U.S. and any such country may be concluded, during any period in which the President determines that such country has failed to enter into an agreement with the U.S. providing for a mutual exchange of information on production, consumption, and demand of major agricultural commodities, or after entering into such an agreement fails to fulfill it. The amendment further provides that any such country may receive such treatment and participate in such program, and that any such agreement shall enter into effect, if the President submits a report to Congress indicating that such country has entered into, and is fulfilling, such an agreement. The amendment does not apply to countries currently eligible for column 1 tariff treatment. The House recedes with an amendment which makes the application of the prohibition in this section discretionary on the part of the President. The Senate recedes, but it is the intent of the Conferees that the President must determine that there has been compliance with the intent of the Senate amendment on the part of any foreign country before any bilateral commercial agreement entered into under the authority of section 405 of the bill including the extension of most favored nation treatment with that country is renewed. Under the bill, all bilateral commercial agreements must be renewed every three years.

Amendments Nos. 399 and 400: Amendment No. 399 added a new section 411 to the bill to prohibit the extension of nondiscriminatory treatment and credits, and the concluding of any commercial agreement, with any nonmarket economy country during any period in which the President finds that such country denies its citizens freedom to emigrate to join any close relative living in the United States, or takes other action to dissuade such emigration. Amendment No. 399 added a new section 410 to the bill the intent of which was to provide that during any period in which a waiver is in effect for any country under section 402(c) of the bill (waiver of prohibition against nonmarket countries which restrict emigration in East-West trade) such waiver shall also apply to that country for purposes of section 411. The House recedes with amendments (1) making conforming amendments necessary to apply the waiver provisions of section 410 to 411, and (2) exempting countries entitled to column 1 tariff treatment on the date of the enactment of the bill from the application of section 411. By including section 411, as amended, in the bill, the Conferees intend to underscore the high importance attached to the right and opportunity to emigrate for the purpose of reuniting close relatives with their families in the United States. The Conferees, however, do not intend to change or affect in any way the provisions of the "Jackson-Vanik amendment, which also deals with freedom of emigration, or to imply that any additional requirements are inserted. Indeed, the purpose of the Conferee's modifications is to bring the coverage of this amendment into complete harmony with the "Jackson-Vanik amendment." The amendment, as amended, accordingly will not substantively go beyond the coverage of the Jackson-Vanik amendment, but the Conferees recommend its inclusion as a means of emphasizing this particular aspect of the general area covered by the Jackson-Vanik amendment.

Amendment No. 401: This amendment adds a new section 412 to the bill requiring the International Trade Commission to establish and maintain a program to monitor imports and exports between the U.S. and nonmarket economy countries. The Commission is required to publish a summary of data collected under the program not less than one each calendar quarter and transmit such publication to Congress. The House recedes with a conforming amendment.

Amendment No. 402: This amendment adds a new section 413 to the bill which establishes within the Executive Branch an East-West Foreign Trade Board to coordinate and oversee the orderly development of trade with nonmarket countries. The Board would be empowered to review East-West transactions involving U.S. Government credits or investment guarantees in excess of \$5 million or involving the transfer of technology deemed vital to the U.S. national interest and persons contemplating such transactions would be required to file reports with the Board not less than 90 days before entering into the agreement. The amendment requires the Board to make a determination that any such transaction is in the national interest. Transactions involving more than \$50 million which are determined by the Board to be in the national interest would be made subject to Congressional veto under section 152. The Board generally would be charged with oversight and review of U.S. relations with Communist countries. The House recedes with the following amendment.

*SEC. 411. East-West Foreign Trade Board.*

(a) *The President shall establish an East-West Foreign Trade Board (hereinafter referred to as the "Board") to monitor trade between persons and agencies of the United States Government and nonmarket economy countries or instrumentalities of such countries to insure that such trade will be in the national interest of the United States.*

(b) (1) *Any person who exports technology vital to the national interest of the United States to a nonmarket economy country or an instrumentality of such country, and any agency of the United States which provides credits, guarantees or insurance to such country or such instrumentality in an amount in excess of \$5,000,000 during any calendar year, shall file a report with the Board in such form and manner as the Board requires which describes the nature and terms of such export or such provision.*

(2) *For purposes of paragraph (1), if the total amount of credits, guarantees and insurance which an agency of the United States provides to all nonmarket economy countries and the instrumentalities of such countries exceeds \$5,000,000 during a calendar year, then all subsequent provisions of credits, guarantees or insurance in any amount, during such year shall be reported to the Board under the provisions of paragraph (1).*

(c) *The Board shall submit to Congress a quarterly report on trade between the United States and nonmarket economy countries and instrumentalities of such countries. Such report shall include a review of the status of negotiations of bilateral trade agreements between the United States and such countries under this title, the activities of joint trade commissions created pursuant to such agreements,*

*the resolution of commercial disputes between the United States and such countries, any exports from such countries which have caused disruption of United States markets, and recommendations for the promotion of east-west trade in the national interest of the United States.*

And the Senate agree to the same.

Amendment No. 406: This Senate amendment provides that, for purposes of generalized preferences, those members of an association of countries which constitute a free trade or customs union and which are not otherwise ineligible for designation as beneficiary developing countries may be treated as one country. "Country" is defined to also include any overseas dependent territory or possession of a foreign country, or the Trust Territory of the Pacific Islands. The comparable provision of the House bill provides that any association of countries for trade purposes, no member of which is otherwise barred from designation as a beneficiary developing country, could be treated as one country for purposes of GSP. The House provision also includes within the definition of country any insular possession of the United States. Senate amendment numbered 409 assures insular possessions no less favorable treatment than that afforded articles imported from beneficiary countries.

The House recedes.

Amendment No. 407: Section 502(b) of the House bill lists 26 countries which were expressly ineligible for designation as beneficiary developing countries, and in addition, expressly excluded countries which do not receive most-favored-nation treatment and countries which afford other developed countries reverse preferences, unless the President was assured to his satisfaction that such preferences would be eliminated before January 1, 1976. The Senate bill retained the list of 26 excluded countries, but added the following categories of countries which also are ineligible for preferential treatment:

(1) communist countries, except those which receive MFN treatment, are contracting parties to the GATT and members of the IMF, and are not "dominated or controlled by international communism". This exception is intended to apply only to Yugoslavia and Romania;

(2) members of OPEC or other arrangements the effect of which is to withhold supplies of vital resources from international trade or to raise prices unreasonably causing disruption of the world economy;

(3) countries affording reverse preferences to other developed countries, which have a significant adverse effect on United States commerce, unless the President receives assurances satisfactory to him that such reverse preferences or the adverse effect will be eliminated before January 1, 1976;

(4) countries which have nationalized US-owned property without compensation, negotiation, or arbitration;

(5) countries failing to take adequate steps to prevent drugs from entering the United States from such country illegally; and

(6) countries failing to recognize or enforce arbitral awards not favored of United States Citizens or businesses preferentially owned by United States citizens.

The House recedes with the following amendment:

(1) A country which is a member of OPEC or another cartel-type arrangement will be denied preferential treatment if it takes any action to withhold supplies of vital commodity resources from international trade or to raise the price of such commodities to an unreasonable level. The purpose of this provision is to deny tariff preferences to OPEC members or other cartel countries which cause serious disruption of the world economy.

(2) The mandatory exclusions for nationalization, drug traffic, and failure to recognize arbitral awards are subject to a waiver by the President for reasons of national economic interest. The President must report to the Congress the reasons for not excluding such countries.

Amendment No. 408: Section 502(c) of the House bill provided several discretionary criteria which the President was required to consider in designating beneficiary developing countries, including whether a country had nationalized United States-owned property without payment of prompt, adequate, and effective compensation. The Senate bill deleted this nationalization criterion from the discretionary considerations (and added it to the mandatory exclusions), and added a discretionary criterion based on the extent to which a country has assured the United States of equitable and reasonable access to its markets and basic commodity resources. The House recedes.

Amendment No. 410: This amendment exempts from the exclusion of countries party to arrangements to withhold vital supplies of commodities or to raise the price of vital commodities to an unreasonable of countries party to arrangements to withhold vital supplies of countries which enter into agreements contemplated under section 108, and are not in violation of such agreements.

The House recedes.

Amendment No. 411: This amendment modifies the provisions of the House bill with respect to articles eligible for preferential tariff treatment. The House bill provides that value added in a beneficiary country from which the article is directly imported be not less than 35 percent and not more than 50 percent, as prescribed by the Secretary of the Treasury; this is modified to require that, in the case of a single beneficiary country, at least 35 percent of the value of the article be added in such country and in the case of an association of countries treated as one beneficiary country, at least 50 percent of the value of the article be added in countries that are members of the association. The amendment also excludes imports of textile and apparel articles subject to textile agreements, watches, import-sensitive electronic articles and import-sensitive steel articles, specified footwear articles, semimanufactured and manufactured glass products and other articles determined by the President to be import sensitive in the context of generalized preferences from eligibility for preferential tariff treatment.

The House recedes, with the amendment to add the words "import-sensitive" before semimanufactured and manufactured glass be excluded from eligibility for preferential treatment.

Amendment No. 412: The House bill terminates preferential treatment for a particular article from a particular country (1) whenever the value of United States imports of such article from such country exceed \$25 million in any calendar year, or (2) whenever imports of such article from such country exceed 50 percent of the value of total United States imports of the article for any calendar year. The House bill provided that these limitations could be waived by the President for reasons of national interest.

The Senate bill amends these limitation provisions by inserting a formula by which the \$25 million ceiling changes annually in proportion to annual changes in United States GNP compared with 1974 GNP, and by exempting from the 50 percent limit articles for which no like or directly competitive articles is being produced in the United States on the date of enactment. The Senate bill also restricts the President's authority to waive the \$25 million and 50 percent ceilings to countries with respect to which the following conditions exist: (1) there has been an historical preferential trade relationship between the United States and such country, (2) there is a treating or trade agreement in force covering economic relations between the United States and such country, and (3) such country does not discriminate against, or impose unjustifiable or unreasonable barriers to, United States commerce. The Senate amendment also adds clarifying provisions with respect to the termination of a country's beneficiary status, and the redesignation of beneficiary countries whose status has been terminated.

The House recedes and accepts the Senate amendments.

Amendment No. 428: Section 606 of the House bill states that it is the sense of Congress that effective international cooperation is required to end illicit production, smuggling, trafficking in, and abuse of dangerous drugs. In order to promote such cooperation the President is required to embargo trade and investment with any nation when the President determines that such nation has failed to take adequate steps to prevent narcotics and other controlled substances produced or processed in or transported through such nation from entering the United States unlawfully. This section also requires that such suspension shall continue until the President determines that the Government of such nation has taken adequate steps to carry out the purposes of this section. The Senate amendment substitutes for the House language the requirement that the President shall submit a report to Congress each year listing those foreign countries in which narcotic drugs and controlled substances are produced, processed, or transported for unlawful entry into the United States and states that such report shall include a description of the measures such countries are taking to prevent such production, processing, or transport. The House recedes.

Amendment No. 429: This Senate amendment adds a new section 607 to the House bill stating that no person shall be liable for damages, penalties, or other sanctions under the Federal Trade Commission Act or the Antitrust Acts (or any similar State law) on account of his negotiating, entering into, participating in, or implementing an arrangement (or modification or renewal thereof) providing for the voluntary limitation on exports of steel and steel products to the

United States, if such arrangement was undertaken before the date of enactment of this Act at the request of the Secretary of State and ceases to be effective not later than January 1, 1975. The House recedes.

Amendment No. 430: This Senate amendment amends section 484 (e) of the Tariff Act of 1930 to require the Secretaries of the Treasury and Commerce and the International Trade Commission to establish a single enumeration of articles for import and export purposes, and to seek to provide comparability of statistics on domestic production with such enumeration. All import entries and export declarations are to be in terms of such enumeration.

The House recedes with an amendment which would require the Secretary of Commerce and the International Trade Commission to conduct a joint study of existing commodity classification systems with a view to identifying appropriate principles and concepts to guide the organization and development of an enumeration of articles which would permit comparability of United States import, production, and export data. A report with respect to such study is to be submitted to Congress and to the President no later than August 1, 1975. Further, the International Trade Commission is to conduct an investigation under section 332 (g) of the Tariff Act of 1930 to provide the basis for a report on the appropriate concepts and principles which should underlie the formulation of an international commodity code adaptable for modernized tariff nomenclature purposes and for recording, handling, and reporting of transactions in national and international trade; such report is to be submitted no later than June 1, 1975. Also, the International Trade Commission is to begin full and immediate participation in the United States contribution to technical work on the Harmonized Systems Committee under the Customs Cooperation Council.

Amendment No. 431: This Senate amendment adds a new section 609 to the House bill which requires the Secretary of Commerce to submit to the Ways and Means and Finance Committees, on monthly and cumulative basis, statistics on U.S. imports for consumption and U.S. exports by country and product. The amendment sets forth detailed statistical categories and requires that the value of goods and agricultural commodities exported under agricultural and foreign assistance laws, and the total amount of U.S. subsidies paid with respect to agricultural commodities, be separately reported. The Secretaries of Agriculture and State are required to furnish the Secretary of Commerce certain information related to the reporting required under this section. The House recedes with an amendment that requires quarterly and cumulative basis submission of statistics, rather than monthly and cumulative.

Amendment No. 432: This Senate amendment amends section 321 of the Tariff Act of 1930 to increase the duty-free tourist exemption for mail gift items to the United States from American Samoa, Guam, or the Virgin Islands from \$10 to \$20 retail value. The House recedes.

Amendment No. 433: This Senate amendment adds a new section 611 to the bill which provides that in the case of any protest under section 514 of the Tariff Act of 1930 involving the imposition of an import surcharge in the form of a supplementary duty pursuant to

Presidential action on August 17, 1971, the time for review and allowing or denying the protest shall not expire until 5 years after the date the protest was filed in accordance with such section 514. The House recedes.

Amendment No. 434: This Senate amendment added a new section 612 to the bill stating that it is the sense of Congress that the United States should enter into a trade agreement with Canada guaranteeing continued stability to the economies of the United States and Canada and that in order to promote such stability the President is authorized to initiate negotiations for a trade agreement with Canada to establish a free trade area covering the United States and Canada. Any agreement entered into must be reciprocal. It is required that nothing in this section shall be construed as prior approval of any legislation which may be necessary to implement such an agreement. The House recedes.

Amendment No. 435: This amendment added a new section 613 to the bill to provide that after the date of enactment of the bill, no Federal agency may approve any loans, guarantees, insurance, or any combination thereof in connection with exports to the Soviet Union in an aggregate amount which exceeds \$300,000,000 without prior Congressional approval.

The House recedes, with an amendment exempting the Commodity Credit Corporation from the provisions of this section, and specifying that the Congressional approval of any loan, guaranty, insurance, or any combination thereof in excess of \$300,000,000 must be approved as provided by law.

Approval, under the provisions of the Export-Import Bank Amendments of 1974, of any increase in the \$300,000,000 limit contained in such Act on loans, guarantees, insurance, or any combination thereof shall be deemed approval of loans, guarantees, insurance, or any combination thereof in excess of \$300,000,000 "as provided by law" under this Act.

AL ULLMAN,  
JAMES A. BURKE,  
MARTHA GRIFFITHS,  
DAN ROSTENKOWSKI,  
H. T. SCHNEEBELI,  
BARBER B. CONABLE, Jr.,  
J. L. PETTIS,

*Managers on the Part of the House.*

RUSSELL B. LONG,  
HERMAN TALMADGE,  
ABE RIBICOFF,  
W. F. MONDALE,  
WALLACE F. BENNETT,  
PAUL FANNIN,  
CLIFFORD P. HANSEN,

*Managers on the Part of the Senate.*



December 24, 1974

Dear Mr. Director:

The following bills were received at the White House on December 24th:

S.J. Res. 40	✓ S. 3481 ✓	H.R. 8958 ✓	✓ H.R. 14600 ✓
S.J. Res. 133	✓ S. 3548 ✓	H.R. 8981 ✓	H.R. 14689 ✓
S.J. Res. 262	✓ S. 3934 ✓	H.R. 9182 ✓	✓ H.R. 14718 ✓
✓ S. 251 ✓	✓ S. 3943 ✓	H.R. 9199 ✓	✓ H.R. 15173 ✓
S. 356 ✓	S. 3976 ✓	H.R. 9588 ✓	✓ H.R. 15223 ✓
S. 521 ✓	S. 4073 ✓	H.R. 9654 ✓	✓ H.R. 15229 ✓
S. 544 ✓	✓ S. 4206 ✓	H.R. 10212 ✓	✓ H.R. 15322 ✓
S. 663 ✓	H.J. Res. 1178 ✓	✓ H.R. 10701 ✓	H.R. 15977 ✓
✓ B. 754 ✓	✓ H.J. Res. 1180 ✓	✓ H.R. 10710 ✓	✓ H.R. 16045 ✓
S. 1017 ✓	✓ H.R. 421 ✓	H.R. 10827 ✓	✓ H.R. 16215 ✓
S. 1083 ✓	H.R. 1715 ✓	✓ H.R. 11144 ✓	H.R. 16596 ✓
✓ S. 1296 ✓	H.R. 1820 ✓	✓ H.R. 11273 ✓	✓ H.R. 16925 ✓
S. 1418 ✓	H.R. 2208 ✓	✓ H.R. 11796 ✓	✓ H.R. 17010 ✓
S. 2149 ✓	✓ H.R. 2933 ✓	✓ H.R. 11802 ✓	H.R. 17045 ✓
S. 2446 ✓	H.R. 3203 ✓	✓ H.R. 11847 ✓	✓ H.R. 17085 ✓
S. 2807 ✓	H.R. 3339 ✓	✓ H.R. 11897 ✓	✓ H.R. 17468 ✓
S. 2854 ✓	H.R. 5264 ✓	✓ H.R. 12044 ✓	✓ H.R. 17558 ✓
S. 2888 ✓	H.R. 5463 ✓	✓ H.R. 12113 ✓	H.R. 17597 ✓
S. 2994 ✓	✓ H.R. 5773 ✓	✓ H.R. 12427 ✓	✓ H.R. 17628 ✓
✓ S. 3022 ✓	H.R. 7599 ✓	✓ H.R. 12884 ✓	✓ H.R. 17655 ✓
S. 3289 ✓	H.R. 7684 ✓	✓ H.R. 13022 ✓	
S. 3358 ✓	H.R. 7767 ✓	✓ H.R. 13296 ✓	
S. 3359 ✓	H.R. 8214 ✓	✓ H.R. 13869 ✓	
S. 3394 ✓	H.R. 8322 ✓	H.R. 14449 ✓	
✓ S. 3433 ✓	H.R. 8591 ✓	✓ H.R. 14461 ✓	

Please let the President have reports and recommendations as to the approval of these bills as soon as possible.

Sincerely,

Robert D. Linder  
Chief Executive Clerk

The Honorable Roy L. Ash  
Director  
Office of Management and Budget  
Washington, D. C.

