1 Part IV-Tariff Adjustment Procedure, vtub yna in Procedure (1) "SEC. 361. EXISTING RATES OF DUTY AND OTHER ; yib Isnoitable to wan yis to memorial date to 3 3 (2) any modification of deletron of any classifica-4 (a) On and after the date of enactment of this part, the 83D CONGRESS 2D SESSION HI. R. 9189 rates of duty 7 modified by any proclamation of the President made pursuant to any foreign trade agreement entered into under part IN THE HOUSE OF REPRESENTATIVES MAY 18, 1954 dufy shall remain in means the existence or Mr. FOGARTY introduced the following bill; which was referred to the Committee on Ways and Means 11 the termination or abrogation, in whole or part, of the foreign trade agreement entered into under part 111 of title 111:22 BILL of by the Silve ar 13 ion pursuant to the provisions 14of this part; or (iii) modified spealed by Act of Congress. To amend the Tariff Act of 1930 so as to provide a perma-

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nent procedure for adjustment of tariff rates on a selective basis, to regulate the flow of imported articles on a basis of fair competition with domestic articles, and for other purposes.

Be it enacted by the Senate and House of Representa tives of the United States of America in Congress assembled,
 That this Act may be cited as the "Tariff Adjustment Act of
 1954".

- 5 TITLE I—AMENDMENT TO TARIFF ACT OF 1930
- 6 SEC. 101. Title III of the Tariff Act of 1930 is amended
 7 by adding at the end thereof the following:

"Part IV—Tariff Adjustment Procedure "SEC. 361. EXISTING RATES OF DUTY AND OTHER PROVI SIONS OF LAW.

"(a) On and after the date of enactment of this part, the 4 rates of duty applicable to articles imported into the United 5 States shall be the rates prescribed by title I of this Act as 6 modified by any proclamation of the President made pur-7 suant to any foreign trade agreement entered into under part 8 II of this title. Such modified rates of duty shall remain in 9 full force and effect until (i) further modified by reason of 10 the termination or abrogation, in whole or part, of the foreign 11 trade agreement entered into under part III of title III; or 12 (ii) modified by the Commission pursuant to the provisions 13 14 of this part; or (iii) modified or repealed by Act of Congress.

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- 15 "(b) The standards and procedures provided in this part 16 for tariff adjustment shall supersede all other existing pro-
- 17 visions of law relating to tariff adjustment, except-
- 18 "(1) the provisions of section 22 of the Agricultural
- 19 Adjustment Act;
- (2) "(2) the provisions of sections 336 and 337 of this
- 21 Act; and
- ²² "(3) the provisions of the Sugar Act of 1948.
- 23 "SEC. 362. DEFINITIONS.
- 24 "As used in this part-
- ²⁵ "(a) The term 'tariff adjustment' means—

"(1) any increase, decrease, or removal of any duty, 1 2 or establishment of any new or additional duty; 3 "(2) any modification or deletion of any classifica-4 tion, or establishment of any new or additional classifica-5 lish and maintain fair competition betweebne; noific articles 6 "(3) any establishment, modification, or removal 7 of any quantitative restriction on the importation of any 8 article in any classification. 9 "(b) The term 'import injury' means the existence or 10 threat of existence of any materially adverse effect upon in-11 dustry, agriculture, or labor, or segment thereof, engaged in the production or sale of any domestic article, caused in whole 12 or in part by the importation of any competitive article. 13 14 "(c) The term 'competitive article' means, with re-

15 spect to any other article, any article (1) of the same or 16 a similar kind, or (2) sold or used for substantially the same 17 purpose, and (3) sold in substantially the same marketing 18 areas. The determination of whether articles are of the same or a similar kind, or sold or used for substantially the 19 20 same purpose, may be based upon a classification of articles according to grade or quality determined by trade standards, 21 price, or otherwise; but a wide differential in the sales prices 2223 of articles shall not be considered conclusive that such articles are not of the same or a similar kind or sold or used for sub-24stantially the same purpose. 25

1 "SEC. 363. TARIFF ADJUSTMENTS.

"The Commission is authorized and directed, in con-2 formity with the provisions of this part, to make from time 3 to time such tariff adjustments as may be necessary to estab-4 lish and maintain fair competition between domestic articles 5 and competitive imported articles. For the purpose of this 6 part, fair competition between domestic articles and com-7 petitive imported articles shall exist when, insofar as the 8 application of this Act is concerned, the largest possible quan-9 tity of the imported articles may be imported into the United 10 States consistent with absence of import injury by reason of 11 such importation. 12

13 "SEC. 364. IMPORT INJURY.

14 "(a) Without excluding other factors of import injury,

15 the Commission shall consider any of the following factors 16 as constituting import injury with respect to a domestic 17 article when caused or threatened to be caused, in whole 18 or in part, by the importation of competitive imported 19 articles—

- 20 "(1) unemployment, layoffs, or curtailment of
 21 workweek;
- "(2) reduction in actual or relative wages, including reduction of 'fringe benefits' enjoyed in lieu of
- 24 wages;
- 25 "(3) decline in prices or sales:

1 "(4) rising inventory; 2 "(5) decline in profits of, or operation at a loss by, the manufacturer, producer, grower, or wholesaler; 3 4 "(6) in the case of an agricultural product, a re-5 turn to the grower or producer below the established 6 parity price for such product; 7 "(7) decline in flow of investment into plant ex-8 pansion, new equipment, or other improvements; 9 "(8) decline in proportionate share of the domestic 10 market enjoyed by the domestic article; 11 "(9) increase in the importation of competitive 12 imported articles accompanied by unused, but available and suitable, capacity to produce, manufacture, or grow 13 domestic articles; 14 15 "(10) inability to meet promotion, advertising, 16 and customer services provided for a competitive im-17 ported article, to the extent that such inability is due 18 to the lower landed costs of the imported article or to 19 payments from foreign sources not included in the landed cost of the imported article; and 20 21 "(11) in the case of any natural-resource industry or of any industry determined to be essential to the national security by the National Security Council, a pro-23 24 ductive capacity of the domestic industry which is less than the peacetime requirements of the domestic market 25

for the article produced or manufactured by the domestic 1 2 industry, plus a reasonable reserve over and above peacetime requirements for emergency use. 3 "(b) Evidence of import injury may show that such 4 injury exists, or is threatened to exist, with respect to 5 domestic articles produced or sold by an entire industry, or 6 7 produced or sold by any substantial or otherwise readily determinable segment thereof. Where a particular business 8 enterprise is engaged in operations involving more than one 9 such industry, or more than one such segment of a single 10 industry, the Commission shall, insofar as practicable, dis-11 tinguish or separate the respective operations of such business 12 enterprise for the purpose of determining import injury. 13 8E 14 "SEC. 365. SUBSTANTIAL SALES PRICE PARITY.

15 "(a) For the purpose of determining the largest possible

16 quantity of imported articles that may be imported into the 17 United States under the provisions of sections 363 and 364, 18 the Commission is directed to take into consideration the 19 existence of substantial parity of sales price between domestic 20 articles and competitive imported articles. If the Commis-21sion determines, under the applicable provision of this part, 22that there is no import injury or threat thereof, the provisions 23 of its tariff adjustment order shall be so framed as to arrive at 24 a substantial parity of sales price between the domestic article 25 and the competitive imported article. If there is evidence

1 tending to establish the existence or the threat of the exist-2 ence, of import injury, the Commission shall first make such 3 calculated adjustments as would tend to eliminate such import 4 injury, or threat thereof, and then include such calculations in its final tariff adjustment order in such manner as to con-5 6 form to the requirements of section 363. 7 "(b) Substantial parity of price shall be calculated at 8 the same, or a comparable, level of distribution. The Com-9 mission shall, insofar as possible, compare such sales prices 10 at the level of distribution nearest the point of production, 11 manufacture, or growth, in the case of a domestic article, and nearest the first point of distribution after landing, in the 12 13 case of an imported article; but the Commission may make such comparison at any other level of distribution which it 14 15 determines more equitable in any particular case. 16 "(c) The Commission shall base its determination of 17 the sales prices of domestic and imported articles upon the 18 actual sales prices of such articles in the principal markets 19 of the United States in which such articles are in competi-20 tion; but the Commission shall adjust the actual sales price 21 of any domestic article in any particular case in which it² 22 determines that such sales price is adversely affected by the 23 importation of competitive imported articles, and may adjust 24 the actual sales price of either a domestic article or a competitive imported article to account for such other factors as 25

it determines necessary in order to make a fair comparison 1 of such sales prices. For the purpose of this section the sales 2 price of any article shall be the actual sales price as de-3 termined and adjusted by the Commission under this section. 4 5 "SEC. 366. PROTECTION OF THE NATIONAL SECURITY. 6 "(a) It is the policy of the Congress that the United States shall be self-sufficient, to the largest extent possible, 7 in materials and personnel essential to the national security. 8 In order to further this policy it is the purpose of the 9 Congress that the authority conferred upon the Commission 10 in this part shall be exercised in a manner that gives full 11 12 consideration to the national security of the United States. 13 "(b) In order to carry out the policy and purpose of this section, the Commission shall, with respect to natural-14

15 resource industries and such other industries as may be 16 determined to be essential to the national security by the 17 National Security Council, exercise its authority under this 18 part in such manner that will assure the development and 19 maintenance of such adequate productive capacities of such 20 industries as may be necessary in the interests of the national 21 security. To this end the Commission, in exercising its 22authority under this part with respect to such industries, 23 shall give separate and particular consideration to the factors of import injury specified in paragraphs (8), (9), and 24 25 (11) of section 364 (a). Part of the installed and the tracks

1 "(c) The National Security Council shall, whenever 2 practicable, be represented in any preliminary investigation 3 and full investigation conducted by the Commission under this part. The representative of the National Security Coun-4 5 cil shall be entitled to participate in the proceedings of any 6 such investigation, including meetings of the Commission in 7 connection therewith. 8 "(d) Prior to transmitting any tariff adjustment order 9 to the Congress under section 370, the Commission shall submit a copy of such order to the National Security Council, 10 11 together with a statement of its findings and conclusions upon which such order is based. If the National Security Council 12 determines that the order would adversely affect the national 13 14 security, it shall notify the Congress, as soon as practicable after the proposed order has been transmitted to the Con-15 gress, by submitting its views, with findings of fact on which 16 such views are based, to the Committee on Finance of the 17 Senate and to the Committee on Ways and Means of the 18 House of Representatives. Such views shall be published, 19 except for classified security information, and made available 20 sold syng Totsmell (arebell or substantial or representat to all interested parties. 21 22 **"SEC. 367. INITIATION OF REQUESTS FOR TARIFF ADJUST**person having a substantial or repre-TNAM ve interest 23 "(a) The Commission, on its own initiative, may con-24 H.R. 9189-2

1 duct a preliminary investigation or a full investigation to
2 determine whether any tariff adjustment with respect to any
3 imported article should be made under this part.

4 (b) The Commission shall, upon the request of (1) the 5 President, (2) either House of Congress, (3) the Commit-6 tee on Finance of the Senate, or (4) the Committee on 7 Ways and Means of the House of Representatives, conduct 8 a preliminary investigation or full investigation, as the request 9 may specify, to determine whether any tariff adjustment with 10 respect to any imported article should be made under this 11 part. A request of either House of the Congress shall be 12 contained in a resolution agreed to by that House, and a 13 request of the Committee on Finance or of the Committee on 14 Ways and Means shall be contained in a resolution agreed

- ¹⁵ to by either such committee.
- 16 "(c) The Commission shall conduct a preliminary in-17 vestigation to determine whether any tariff adjustment with 18 respect to any imported article should be made under this 19 part upon the request of (1) any industry advisory commit-20 tee established under section 374, (2) any person having a 21 substantial or representative interest in a domestic article 22 which is competitive with such imported article, or (3) any 23 person having a substantial or representative interest in such 24 imported article.
 - ²⁵ "(d) The Commission shall proceed to a final disposi-

1 tion of any request for a tariff adjustment initiated under this 2 section as expeditiously as possible and within a period of 3 not exceeding nine months from the date such request is 4 'received by the Commission. In case the Commission deter-5 mines under section 368 (b) to conduct a full investigation as 6 a result of any preliminary investigation, such final disposi-7 tion shall include all proceedings incident to both the prelimi-8 nary investigation and the full investigation conducted as a 9 result of such request. "(e) A request for modification of a quantitative re-10 striction under section 373 may be initiated in the same 11 manner as provided in this section for requests for tariff 12 adjustment. Init have sti norm moinestigention into ovi (d) 81. 13 "SEC. 368. PRELIMINARY INVESTIGATIONS. 14

15 "(a) The Commission shall, upon receipt of any re16 quest therefor, or upon its own initiative, as provided in
17 section 367, conduct a preliminary investigation with re18 spect to an imported article to determine whether there is
19 evidence of lack of fair competition between such imported
20 article and competitive domestic articles. The Commis21 sion shall, by publication in the Federal Register, give notice
22 of any preliminary investigation.
23 "(b) If, as a result of any preliminary investigation
24 with respect to an imported article, the Commission finds
25 that there is evidence of lack of fair competition between

such imported article and competitive domestic articles, it
 shall conduct a full investigation under section 369 to de termine whether any tariff adjustment with respect to such
 imported article should be made under this part.

5 "(c) If, as a result of any preliminary investigation 6 with respect to an imported article, the Commission does 7 not find that there is evidence of lack of fair competition 8 between such imported article and competitive domestic 9 articles, it shall issue a statement setting forth the facts 10 upon which its decision is based.

11 "SEC. 369. FULL INVESTIGATIONS.

"(a) Upon receipt of any request under section 367
(b) for a full investigation, upon its own initiative, or upon
its finding under section 368 (b) that there is evidence of

15 lack of fair competition between an imported article and 16 competitive domestic articles, the Commission shall conduct 17 a full investigation to determine whether any tariff adjustment with respect to an imported article should be made 18 19 under this part. The Commission shall, by publication in 20the Federal Register, give notice of any full investigation. 21 Such notice shall include a statement of the scope and ob-22 jectives of such full investigation and, when feasible, a state-23 ment of any proposed tariff adjustment which may be made 24 as a result of such full investigation. In the conduct of any 25 full investigation the Commission shall hold such hearings,

take such testimony, and require the production of such evi-1 dence as it determines necessary to enable it to reach a 2 3 determination of the questions pertaining to such full investigation. In reaching a decision in any full investigation, 4 the Commission may consider evidence other than that pre-5 sented at the hearings conducted in the course of the investi-6 gation, but any such evidence relied upon by the Commission 7 shall be made a part of the record of the investigation 8 proceedings. 9 the Lower and the second s

"(b) If as a result of any full investigation the Commission determines that a tariff adjustment should be made
with respect to the imported article which is the subject
of such investigation, it shall prepare and issue a tariff
adjustment order to put into effect the tariff adjustment
determined necessary by it.

"(c) If as a result of any full investigation the Com-16 mission determines that no tariff adjustment should be made 17 with respect to the imported article which is the subject 18 of such investigation, it shall submit to the Congress a re-19 port of the findings and conclusions upon which its deci-20 sion is based. In the event the decision of the Commis-21 sion is not concurred in by all members of the Commission, 22 such report may include the separate views of any members 23 not concurring in the decision. 24 painter and the second se

"SEC. 370. TARIFF ADJUSTMENT ORDERS. 1 2 "(a) A tariff adjustment order shall be transmitted to the Congress and shall become effective in the manner pro-3 4 vided in section 371. All orders shall be numbered serially 5 without regard to the year in which transmitted. The delivery of any order shall be made to both Houses of the 6 Congress on the same day and shall be made to each House 7 while it is in session. The Commission shall also submit 8 in connection with each tariff adjustment order a statement 9 setting forth its findings and conclusions upon which such 10 order is based. In the event a tariff adjustment order is 11 not concurred in by all members of the Commission, such 12 statement may include the separate views of any members 13 not concurring in the order. 14 15 "(b) A tariff adjustment order shall be concurred in by at least one-half of the members of the Commission partici-16 17 pating in the issuance of the order. In any case in which the members of the Commission are evenly divided with respect 18 to the issuance of a tariff adjustment order, the order of the 19 20Commission shall be based upon the decision of the members which most nearly fulfills the tariff adjustment proposed in 21 22the notice under which the full investigation preceding the 23issuance of such order was conducted. 24 "(c) The Commission shall transmit to the Secretary of 25State a copy of each tariff adjustment order and of the state-

1 ment required to be submitted in connection therewith on the same date on which the order is transmitted to the Con-2 3 gress. The Secretary of State is authorized, without further request, to present to the Congress through the Committee on 4 5 Finance of the Senate and the Committee on Ways and 6 Means of the House of Representatives his views and recom-7 mendations with respect to the effects of such tariff adjust-8 ment order upon the foreign relations of the United States. 9 "SEC. 371. TAKING EFFECT OF TARIFF ADJUSTMENT 10 ORDERS. "(a) A tariff adjustment order transmitted to the Con-11 12 gress pursuant to section 370 shall become effective at 12:01 13 antemeridian, eastern standard time, on the tenth day follow-

14 ing the expiration of the first period of sixty calendar days of

continuous session of the Congress following the date on 15 which the order is transmitted to the Congress; but only if, 16 between the date of transmittal and the expiration of such 17 sixty-day period, there has not been passed by either of the 18 19 two Houses a resolution stating in substance that that House does not favor the order. 20 "(b) For the purposes of subsection (a) — 21 22 "(1) the continuity of session of the Congress shall 23 be considered as broken only by an adjournment of the 24Congress sine die; but 25 "(2) in the computation of the sixty-day period

1 there shall be excluded the days on which either House 2 is not in session because of an adjournment of more than 3 three days to a day certain. 4 "(c) Notwithstanding the provisions of subsection (a), 5 a tariff adjustment order may take effect— 6 "(1) at a later date than the date on which it would 7 otherwise take effect under the provisions of subsection 8 (a), if such later date is specified in the order; or 9 (2) at an earlier date or later date than the date 10 on which it would otherwise take effect under the prothe (II visions of subsection (a) or paragraph (1) of this sub-12 section, if both Houses of the Congress, prior to the 13 expiration of the sixty-day period, agree to a concurrent resolution specifying such an earlier date or later date. 14

15 "SEC. 372. EMERGENCY TARIFF ADJUSTMENT ORDERS.
16 "(a) If, at any time when the Congress is not in
17 session because of an adjournment of the Congress sine die
18 or of an adjournment or a recess of both Houses for a period
19 in excess of sixty calendar days, the Commission determines
20 that an emergency exists with respect to a tariff adjustment
21 order which—
22 "(1) has been transmitted to the Congress pur23 suant to section 370 but with respect to which the
24 sixty-day period described in section 371 has not expired; or

"(2) has been prepared for transmittal to the
Congress since the date of such adjournment or recess
of the Congress, it may issue an emergency tariff adjustment order, identical with the tariff adjustment order,
which shall be effective during the period provided in
subsection (c).

"(b) Any tariff adjustment order described in subsection
(a) (2) which the Commission makes the basis for issuance
of an emergency tariff adjustment order under the authority
of this section shall be transmitted to the Congress not later
than ten calendar days after the commencement of the next
session of the Congress; or the reconvening of the two
Houses, as the case may be.

"(c) An emergency tariff adjustment order shall be-14 15 come effective at 12:01 antemeridian on the tenth day following the date of issuance of the emergency order. Notice 16 of the issuance of such emergency order shall be given by 17 18 publication in the Federal Register. An emergency tariff adjustment order shall remain in effect only until whichever 19 20of the following first occurs: 21 "(1) In the case of an emergency tariff adjustment order 22 issued with respect to a tariff adjustment order described

- 23 in subsection (a) (1), until the date on which either House
- 24 disapproves the tariff adjustment order pending before the
- 25 Congress; or, in the case of an emergency tariff adjustment

1 order issued with respect to a tariff adjustment order described in subsection (a) (2), until the date on which either 2 House disapproves the tariff adjustment order transmitted 3 4 as required by subsection (b); or 5 "(2) If neither House disapproves the tariff adjustment order with respect to which the emergency tariff ad-6 7 justment order is issued, until the time at which the tariff adjustment order becomes effective under section 371. 8 9 "(d) The Commission shall not issue any emergency 10 tariff adjustment order under authority of this section which 11 is identical with, or substantially identical with, any tariff adjustment order which either House has disapproved within a 12period of one year from the date of issuance of the emergency 13 14 tariff adjustment order. ¹⁵ "SEC. 373. MODIFICATION OF QUANTITATIVE RESTRIC-16 19 the date of issuance of the en. ZNOITy order. Note 17 "(a) The Commission is authorized, in the manner 18 provided in this section, to modify from time to time the 19 quantitative restrictions imposed upon the importation of 20any imported article in any tariff adjustment order which 21 has become effective within a limit of 20 per centum of 22 the quantitative restrictions set forth in the tariff adjust- 23 ment order. The Commission shall exercise the authority ²⁴ conferred upon it by this section to meet emergency condi- 25 tions caused by the development of either a surplus or a

shortage, from both domestic and foreign sources, of the 1 article subject to the quantitative restriction. 2 3 "(b) Any modification of a quantitative restriction upon the importation of any imported article under author-4 ity of this section shall be made only after notice of not 5 6 less than five days nor more than fifteen days, published in the Federal Register, giving interested parties an oppor-7 tunity to show cause why an order embodying such modi-8 9 fication should not be issued. A decision of the Commission to modify a quantitative restriction under this section 10 shall be made within thirty days from final date specified 11 12 in the notice to show cause. Such decision shall be em-13 bodied in a final order which shall become effective in ac-14 cordance with its terms upon publication in the Federal

- Register. 15
- 16 "(c) Any decision of the Commission to modify a quan-
- 17 titative restriction upon the importation of any imported
- 18 article under the authority of this section shall be made in
- 19 pursuance of the standard of fair competition set forth in
- 20section 363. 2011年後、「ARESSERTER」「「AREA」」の1971年1月1日の1971年1月1日の1971日
- 21 "SEC. 374. INDUSTRY ADVISORY COMMITTEES.
- 22 "(a) The Commission is authorized to form, and to use,
- 23 for advisory purposes only such industry advisory committees
- 24 as it deems advisable. Such committees shall be representa-
- 25 tive of the industries, or of readily identifiable segments

thereof, marketing domestic or imported articles that are 1(1) competitive. 2 3 "(b) Subject to such restrictions as the Attorney General may prescribe by regulations, the services of any person 4 5 as a member of any industry advisory committee formed under subsection (a) and any act, or omission to act, of any 6 7 person in the performance of services as a member of any 8 such committee requested by the Commission or in the per-9 formance of duties imposed upon the committee by the 10 Commission, shall be deemed to be in the public interest and 11 no prosecution or civil action shall be commenced with ref-12 erence thereto under the antitrust laws of the United States 13 or of the Federal Trade Commission Act. 4ľ 14 **"SEC. 375. TESTIMONY AND PRODUCTION OF EVIDENCE.**

"For the purposes of carrying out the duties and func-15 16 tions imposed upon the Commission by this part, the pro-17 visions of section 333 of this Act shall be applicable to 18 preliminary investigations and full investigations conducted 19 by the Commission under this part. 20 "SEC. 376. INFORMATION FROM OTHER DEPARTMENTS 21 AND AGENCIES. 22 "The Secretary of State, the Secretary of Commerce, 23 and the Secretary of Labor shall, at the request of the 24 Commission, furnish to the Commission such information 25 as it determines necessary to enable it to perform its duties

and functions under this part. The Commission may, from
time to time, request from any other department or agency
of the executive branch of the Government any information
which such department or agency may have in its possession, or which is available to it, and which the Commission determines necessary to enable it to perform its duties
and functions under this part.

8 "SEC. 377. ADDITIONAL PERSONNEL AUTHORIZED.

9 "The Commission is authorized to employ such person10 nel as it determines necessary to assist it in carrying out
11 the duties and functions imposed upon it by this part.
12 "SEC. 378. COMMISSION REGULATIONS AUTHORIZED.
13 "The Commission is authorized to prescribe such rules

14 and regulations as it determines necessary to enable it to

15 carry out the provisions of this part and to perform the 16 duties and functions imposed upon it by this part."

83D CONGRESS 2D Session

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To amend the Tariff Act of 1930 so the flow of imported articles on a basis of fair competition with domestic articles, and of tariff rates on a selective basis, amend the Tariff Act of 1930 so as to pro-vide a permanent procedure for adjustment for other purposes.

By Mr. FOGARTY

Referred to the Committee on Ways and Means MAY 18, 1954

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