
AUTOMOTIVE PRODUCTS TRADE ACT OF 1965

OCTOBER 1, 1965.—Ordered to be printed

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

CONFERENCE REPORT

[To accompany H.R. 9042]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9042) to provide for the implementation of the Agreement Concerning Automotive Products Between the Government of the United States of America and the Government of Canada, and for other purposes, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 3, 4, 5, 6, 7, 8, 9, 11, and 12, and agree to the same.

Amendment numbered 1:

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

Restore the matter proposed to be stricken out by the Senate amendment, omit the matter proposed to be inserted by the Senate amendment, and on page 5 of the House engrossed bill, after line 21, insert the following:

(e) This section shall cease to be in effect on the day after the date of the enactment of this Act.

And the Senate agree to the same.

Amendment numbered 2:

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

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

SPECIAL REPORTS TO CONGRESS

SEC. 205. (a) No later than August 31, 1968, the President shall submit to the Senate and the House of Representatives a special report on the comprehensive review called for by Article IV (c) of the Agreement. In such report he shall advise the Congress of the progress made toward the achievement of the objectives of Article I of the Agreement.

(b) Whenever the President finds that any manufacturer has entered into any undertaking, by reason of governmental action, to increase the Canadian value added of automobiles, buses, specified commercial vehicles, or original equipment parts produced by such manufacturer in Canada after August 31, 1968, he shall report such finding to the Senate and the House of Representatives. The President shall also report whether such undertaking is additional to undertakings agreed to in letters of undertaking submitted by such manufacturer before the date of the enactment of this Act.

(c) The reports provided for in subsections (a) and (b) of this section shall include recommendations for such further steps, including legislative action, if any, as may be necessary for the achievement of the purposes of the Agreement and this Act.

And the Senate agree to the same.

Amendment numbered 10:

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

On page 7, line 4, of the Senate engrossed amendments, after "specifically shall include" insert the following: , *to the extent practicable,*

And the Senate agree to the same.

W. D. MILLS,
CECIL R. KING,
HALE BOGGS,
EUGENE J. KEOGH,
JOHN W. BYRNES,
THOMAS B. CURTIS,
JAMES UTT,

Managers on the Part of the House.

HARRY F. BYRD,
RUSSELL B. LONG,
GEORGE SMATHERS,
JOHN J. WILLIAMS,
FRANK CARLSON,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9042) to provide for the implementation of the Agreement Concerning Automotive Products Between the Government of the United States of America and the Government of Canada, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: Section 202(a) of the bill as passed by the House authorized the President to proclaim modifications of the Tariff Schedules required to carry out an agreement with a foreign government providing for the mutual elimination of the duties applicable to products of the United States and such foreign country which are motor vehicles and fabricated components intended for use as original equipment in the manufacture of such vehicles.

Section 202(b) authorized the President to proclaim modifications of the Tariff Schedules required to carry out a further agreement, with a foreign country having an agreement applicable to products described in section 202(a), providing for the mutual reduction or elimination of the duties applicable to automotive products other than motor vehicles and fabricated components intended for original use as original equipment in the manufacture of such vehicles.

Section 202(c) provided that, before the President enters into an agreement referred to in section 202 (a) or (b), he shall—

- (1) seek the advice of the Tariff Commission as to the probable economic effect of the reduction or elimination of duties on industries producing articles like or directly competitive with those which may be covered by such agreement;

- (2) give reasonable public notice of his intention to negotiate such agreement (which notice shall be published in the Federal Register) in order that any interested person may have an opportunity to present his views to such agency as the President shall designate, under such rules and regulations as the President may prescribe; and

- (3) seek information and advice with respect to such agreement from the Departments of Commerce, Labor, State, and the Treasury, and from such other sources as he may deem appropriate.

Section 202(d) (2) of the bill as passed by the House authorized the President to issue any proclamation referred to in section 202 (a) or (b) only after the expiration of the 60-day period following its delivery to Congress and only if, between the date of delivery and the expiration of the 60-day period, the Congress has not adopted a concurrent resolution stating in substance that the Senate and House of Representatives disapprove of the agreement.

Senate amendment No. 1 struck out section 202(d)(2) of the bill and substituted a provision authorizing the President to issue any proclamation referred to in section 202 (a) or (b) only if the Congress has adopted a concurrent resolution stating in substance that the Senate and the House of Representatives approve the implementation of the agreement.

Under the conference agreement, the House language is restored, the Senate language is omitted, and new language is inserted providing that section 202 of the bill shall cease to be in effect on the day after the date of the enactment of the bill.

In reaching agreement with respect to amendment No. 1, the managers both on the part of the House and on the part of the Senate expressed the hope that should the President, under his constitutional authority, enter into the negotiation of any agreement relating to automotive products (whether motor vehicles, parts intended for use as original equipment, or replacement parts) the President will prior thereto—

(1) seek the advice of the Tariff Commission as to the probable economic effect of the reduction or elimination of duties on industries producing articles like or directly competitive with those which may be covered by such an agreement;

(2) give reasonable public notice of his intention to negotiate such an agreement (and publish notice thereof in the Federal Register) in order that interested persons may have an opportunity to present their views to such agency as the President may designate for that purpose; and

(3) seek information and advice with respect to such an agreement from the appropriate departments and agencies of the Government, and from such other sources as he may deem appropriate.

It is understood, of course, that any executive agreement that the President may enter into under his constitutional authority can, insofar as any changes in U.S. tariff treatment are concerned, be implemented only by congressional action.

Amendment No. 2: This amendment added a new section 205 to the bill to provide that, under specified circumstances, the President is to cause an investigation to be made to determine whether any manufacturer has undertaken, by reason of governmental action, to increase the Canadian value added of automobiles, buses, specified commercial vehicles, or original equipment parts produced by such manufacturer in Canada after August 31, 1968. If, as a result of such an investigation, the President determines (after applying subsec. (c) of the new section) that any manufacturer has undertaken, by reason of governmental action, to increase such Canadian value added, he is to suspend the proclamations issued by him pursuant to section 201 of this act. The amendment also provides for the termination of any such suspension.

The House recedes with an amendment. Under the conference agreement a new section 205, relating to special reports to Congress, is added to the bill.

Such section 205 provides that, no later than August 31, 1968, the President is to submit to the Congress a special report on the comprehensive review called for by article IV(c) of the agreement.

The new section 205 also provides that whenever the President finds that any manufacturer has entered into any undertaking, by reason of governmental action, to increase the Canadian value added of automobiles, buses, specified commercial vehicles, or original equipment parts produced by such manufacturer in Canada after August 31, 1968, he shall report such finding to the Senate and the House of Representatives. The President is also to report whether such undertaking is additional to undertakings agreed to in letters of undertaking submitted by such manufacturer before the date of the enactment of this legislation.

The reports provided for in the new section 205 are to include recommendations for such further steps, including legislative action, if any, as may be necessary for the achievement of the purposes of the agreement and the act.

Amendments Nos. 3, 4, 5, 6, 7, 8, and 9: These amendments make technical amendments to title IV of the bill to conform tariff designations of articles entitled to duty-free entry to changes in the Tariff Schedules of the United States made by the Technical Amendments Act of 1965. The House recesses.

Amendment No. 10: Section 502 of the bill as passed both by the House and the Senate requires the President to submit to the Congress an annual report on the implementation of the bill and required the report to "include information regarding new negotiations, reductions or eliminations of duties, reciprocal concessions obtained, and other information relating to activities under the Act". Senate amendment No. 10 requires in addition that the annual report include information providing an evaluation of the Canadian auto agreement and the act in relation to the total national interest and specifically to include information with respect to—

- (1) the production of motor vehicles and motor vehicle parts in the United States and Canada;
- (2) the retail prices of motor vehicles and motor vehicle parts in the United States and Canada;
- (3) employment in the motor vehicle industry and motor vehicle parts industry in the United States and Canada; and
- (4) United States and Canadian trade in motor vehicles and motor vehicle parts, particularly trade between the United States and Canada.

The House recesses with a technical amendment. With respect to the language quoted above from the second sentence of section 502 of the bill, it should be noted that the effect of such language (insofar as it relates to sec. 202 of the bill) is modified by the conference action on Senate amendment No. 1.

Amendment No. 11: This amendment adds a new section 503 to the bill which provides that nothing contained in the bill shall be construed to affect or modify the provisions of the Anti-Dumping Act, 1921, or of the antitrust laws of the United States. The House recesses.

Amendment No. 12: This amendment adds a new title VI to the bill. The new title eliminates the \$10,000 ceiling on appropriations for the Joint Committee on Reduction of Nonessential Federal Expenditures. Under the amendment there are authorized to be appro-

priated such sums as may be necessary to carry out the purposes for which the joint committee was created. The House recesses.

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