Section-by-Section Analysis of the "Trade Expansion Act of 1968"

The Trade Expansion Act of 1968 consists of five titles. Title I (secs. 101–102) is entitled "Short Title and Purposes," title II (secs. 201–202) "Trade Agreements," title III (secs. 301–304) "Adjustment Assistance to Firms and Workers," title IV (secs. 401–404) "Non-Tariff Barriers to Trade," and title V (sec. 501) "Adjustment Assistance to Firms and Workers in Automotive Industry."

TITLE I—SHORT TITLE AND PURPOSES

Section 101. Short title

This section provides that the short statutory title of the act is the "Trade Expansion Act of 1968."

Section 102. Statement of purposes

This section sets forth the three basic purposes of the act. The first purpose is to continue and strengthen the trade agreements program of the United States. The second purpose is to establish a viable program of adjustment assistance for firms and workers affected by imports. The third purpose is to promote the reduction or elimination of nontariff barriers to trade.

TITLE II—TRADE AGREEMENTS

Section 201. Basic authority for trade agreements

Subsection (a) amends section 201(a)(1) of the Trade Expansion Act of 1962 (TEA) so as to authorize the President to enter into trade agreements with foreign countries until July 1, 1970. Subsection (b) makes clear that, in proclaiming any reduction in a rate of duty pursuant to a trade agreement, the President is limited by section 201(b)(1) of the TEA to a reduction of not more than 50 percent of the rate existing on July 1, 1962.

As a result, the President may exercise whatever portion of his authority to reduce rates by as much as 50 percent which he did not use by the close of the Kennedy round of trade negotiations. He is not given any authority to eliminate rates of duty pursuant to section 202, 211, 212, or 213 of the TEA.

In fact, the authority provided by section 201 of the bill will not be used in any major bilateral or multilateral tariff negotiation. Instead, it is intended primarily for cases where the United States finds it necessary to increase a rate of duty which is subject to a tariff concession. In such cases, the United States would offer compensatory tariff concessions to the countries affected by the rate increase, since failure to do so would probably lead to retaliatory action on the part of such countries.

All the requirements of the TEA normally applicable to the exercise of the authority in section 201 of the TEA will apply, including the