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S. RES. 265

[Report No. 94-444]

RESOLUTION

To protect the ability of the United States to
trade abroad.

By Mr. RIBICOFF, Mr. LONG, Mr. CHURCH, and
Mr. GRAVEL

SEPTEMBER 25 (legislative day, SEPTEMBER 11), 1975

Referred to the Committee on Finance

NOVEMBER 5, 1975

Reported with an amendment and an amendment to
the preamble

S. RES. 265

[Report No. 94-444]

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 25 (legislative day, SEPTEMBER 11), 1975

Mr. RIBICOFF (for himself, Mr. LONG, Mr. CHURCH, and Mr. GRAVEL) submitted the following resolution; which was referred to the Committee on Finance

NOVEMBER 5, 1975

Reported by Mr. LONG, with an amendment and an amendment to the preamble

[Omit the part struck through and insert the part printed in italic]

RESOLUTION

To protect the ability of the United States to trade abroad.

Whereas recent statements of American multinational corporations before the Congress and recent disclosures of the Securities and Exchange Commission have revealed that policies and practices in foreign nations necessitate the use of special and unusual payments through middlemen, and the use of direct and indirect payments to foreign government officials, to reasonably and effectively compete in those markets; and

Whereas public disclosure by American multinational corporations and by the Securities and Exchange Commission have revealed direct and indirect involvements by the governments of other nations in unreasonably and unjustifiably restricting and limiting trade and commerce with its agencies and offices by requiring or inducing political contributions to reasonably and effectively compete in those markets; and

Whereas the practices of bribery, indirect payments, kickbacks, unethical political contributions, and other such similar disreputable activities have been found to be widespread internationally and are a significant influence on the conduct of trade and commerce, and may otherwise continue on the part of other governments and business enterprises in other nations, which would give rise to unfair, unjust, and unreasonable conditions of competition in world trade and commerce; and

Whereas it is the intent of Congress that American companies be able to compete fairly without participating or being required, coerced, or otherwise induced to participate in such improper practices; and

Whereas the Trade Act of 1974 stipulates that the overall objective of the United States in negotiating trade agreements is to obtain more open and equitable market access and the harmonization, reduction, or elimination of devices which distort trade or commerce and stipulates as a major purpose of that Act that trade agreements should assure substantially equivalent competitive opportunities for United States commerce, and provides the Executive with appropriate negotiating powers towards these ends; and

Whereas the Trade Act of 1974 requires (section 301) that "whenever the President determines that a foreign country or instrumentality * * * (2) engages in discriminatory or other acts or policies which are unjustifiable or unreasonable and which burden or restrict United States commerce," "the President shall take all appropriate and feasible steps within his power to obtain the elimination of such restrictions or subsidies * * *"; and

Whereas the Trade Act of 1974 and related legislative history provides that the Committee on Finance shall provide oversight and that the chairman of the Committee on Finance shall appoint congressional delegates to serve as official advisors to conferences, meetings, and negotiating sessions relating to agreements pursuant to the Trade Act of 1974: Now, therefore, be it

1 *Resolved*, That the President's Special Representative
2 for Trade Negotiations and appropriate officials of the De-
3 partments of State, Commerce, Treasury, and Justice, in
4 consultation with the chairman of the Committee on Finance
5 and the congressional delegates for trade agreements, initiate
6 at once negotiations within the framework of the current
7 multilateral trade negotiations in Geneva, and in other nego-
8 tiations of trade agreements pursuant to the Trade Act of
9 1974, with the intent of developing an appropriate code of
10 conduct and specific trading obligations among governments,
11 together with suitable procedures for dispute settlement,
12 which would result in elimination of such practices on an
13 international, multilateral basis, including suitable sanctions
14 to cope with problems posed by nonparticipating nations,
15 such codes and written obligations to become part of the
16 international system of rules and obligations within the
17 framework of the General Agreement on Tariffs and Trade,
18 and other appropriate international trade agreements pur-
19 suant to the provisions and intent of the Trade Act of 1974.

Whereas recent statements of American corporations before the Congress and recent disclosures of the Securities and Exchange Commission have revealed that policies and practices in foreign nations necessitate the use of special and unusual payments through middlemen, and the use of direct and indirect payments to foreign government officials, to compete reasonably and effectively in those markets;

Whereas public disclosure by American corporations and by the Securities and Exchange Commission have revealed direct and indirect involvements by the governments of other nations in unreasonably and unjustifiably restricting and limiting trade and commerce with its agencies and offices by requiring or inducing political contributions to compete reasonably and effectively in those markets;

Whereas the practices of bribery, indirect payments, kickbacks, unethical political contributions, and other such similar disreputable activities have been found to be widespread internationally and are a significant influence on the conduct of trade and commerce, and may otherwise continue on the part of other governments and business enterprises in other nations, which would give rise to unfair, unjust, and unreasonable conditions of competition in world trade and commerce;

Whereas it is the intent of Congress that American companies be able to compete fairly without participating or being required, coerced, or otherwise induced to participate in such improper practices;

Whereas the Trade Act of 1974 stipulates that the overall objective of the United States in negotiating trade agreements is to obtain more open and equitable market access and the harmonization, reduction, or elimination of devices which distort

trade or commerce and stipulates as a major purpose of that Act that trade agreements should assure substantially equivalent competitive opportunities for United States commerce, and provides the President with appropriate negotiating powers toward these ends;

Whereas section 301 of the Trade Act of 1974 requires that "Whenever the President determines that a foreign country or instrumentality . . . (2) engages in discriminatory or other acts or policies which are unjustifiable or unreasonable and which burden or restrict United States commerce, . . . the President shall take all appropriate and feasible steps within his power to obtain the elimination of such restrictions or subsidies . . ."; and

Whereas the Trade Act of 1974 provides that the Committee on Finance shall provide oversight and that the chairman of the Committee on Finance shall appoint congressional delegates to serve as official advisors to conferences, meetings, and negotiating sessions relating to agreements pursuant to the Trade Act of 1974: Now, therefore, be it

1 *Resolved, That the Special Representative for Trade*
 2 *Negotiations, the United States Representative to the United*
 3 *Nations, and appropriate officials of the Departments of State,*
 4 *Commerce, the Treasury, Defense, Agriculture, and Justice,*
 5 *in consultation with the chairman of the Committee on Fi-*
 6 *nance and the congressional delegates for trade agreements*
 7 *initiate at once negotiations within the framework of the*
 8 *current multilateral trade negotiations in Geneva, in other*
 9 *negotiations of trade agreements pursuant to the Trade Act of*

1 1974, and in other appropriate international forums with
2 the intent of developing an appropriate code of conduct and
3 specific trading obligations among governments, together with
4 suitable procedures for the settlement of disputes, which would
5 result in elimination of such practices on an international,
6 multilateral basis, including suitable sanctions to cope with
7 problems posed by nonparticipating nations, such codes and
8 written obligations to become part of the international system
9 of rules and obligations within the framework of the General
10 Agreement on Tariffs and Trade, and other appropriate
11 international trade agreements pursuant to the provisions and
12 intent of the Trade Act of 1974.

13 SEC. 2. It is the sense of the Senate that the President
14 should include, in the annual reports to the Congress required
15 under section 163 of the Trade Act of 1974, reports on
16 progress made in negotiations with respect to the development
17 and implementation of the international code of conduct re-
18 ferred to in this resolution.