

HOUSE BILL REPORT

HJM 4005

As Reported By House Committee On:

Agriculture & Ecology

Brief Description: Urging elimination of unilateral trade sanctions.

Sponsors: Representatives Schoesler, Grant, G. Chandler, Sump, Mastin, Lisk, Linville, Tokuda, Doumit, Delvin, Radcliff, Dunn and Mulliken.

Brief History:

Committee Activity:

Agriculture & Ecology: 2/2/99, 2/19/99 [DPS].

Brief Summary of Substitute Bill

- Asking the President and Congress of the United States to eliminate all current unilateral sanctions against agricultural exports, except in cases of compelling national emergency or declaration of war.

HOUSE COMMITTEE ON AGRICULTURE & ECOLOGY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives G. Chandler, Republican Co-Chair; Linville, Democratic Co-Chair; Cooper, Democratic Vice Chair; B. Chandler; Delvin; Fortunato; Grant; Reardon; Schoesler; Stensen; Sump and Wood.

Minority Report: Without recommendation. Signed by 2 members: Representatives Koster, Republican Vice Chair and Anderson.

Staff: Carole Richmond (786-7114).

Background:

Unilateral trade sanctions affecting all exports from the United States are in place against six countries: Cuba, North Korea, Sudan, Lybia, Iran and Iraq. Until the 1970's, the United States used to export one billion dollars worth of wheat per year to Iran alone, until Iran underwent a change of leadership hostile to the United States. Specific sanctions targeting agricultural exports are sometimes invoked when another country does

something the United States finds objectionable. For example, in 1979, the United States protested the Soviet Union's invasion of Afghanistan by cutting off wheat exports. And, more recently, the United States supported unilateral trade sanctions against Pakistan when that country violated the nuclear non-proliferation treaty by testing a nuclear warhead. Emergency legislation was later passed, however, that granted a one-year waiver of sanctions against two major trading partners, Pakistan and India, for credit sales of agricultural commodities and other products.

According to the Department of Community, Trade, and Economic Development, Washington state exported \$131 million worth of wheat to Pakistan in 1998, or about 40 percent of all United States wheat exports.

Summary of Substitute Bill:

The President and Congress of the United States are memorialized to eliminate unilateral trade sanctions pertaining to agricultural products, except in cases of compelling national emergency or declaration of war. The memorial asks that, in the future, the United States refrain from using sanctions except in the case of war or for national security reasons and that legislation be approved to implement a producer and worker compensation program based on the negative impact of sanctions on the sale of agricultural products.

Substitute Bill Compared to Original Bill:

The substitute memorial clarifies that unilateral trade sanctions pertaining to agricultural exports only are affected by the memorial. The substitute memorial removes requests that all current sanctions be subjected to economic review, that ineffective measures be discarded, that time limits be placed on the sanctions, that Congress review sanctions imposed by the executive branch, that a new policy be set in place for the future use of sanctions, and that sanctions contain sunset provisions. The substitute memorial also adds a request that proposed compensation programs for the negative impacts of sanctions be extended to workers, as well as to producers.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: None.

Testimony For: (1) We're working with other states to draft a similar resolution. (2) The cost of wheat is less than it was 20 years ago. Wheat growers are losing money and one reason is trade sanctions. Farmers are not free to market their products. The effect

of sanctions is to turn the market over to our competitors. Iran's largest wheat suppliers are now Canada and Australia. (3) Sanctions only hurt our farmers.

(With concerns) (1) The limitation of trade sanctions on agricultural exports to national emergency or declaration of war only would prohibit trade sanctions based on unfair labor practices.

Testimony Against: None.

Testified: (In favor) Mary Beth Lang, Washington Department of Agriculture; Ray Shindler, Washington Association of Wheat Growers; and Eric Johnson, Washington Public Ports Association.

(With concerns) Robbie Stern, Washington State Labor Council.