

ANALYSIS OF HJM 4005

House Agriculture & Ecology Committee

February 1, 1999

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.

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 unacceptable or abhorrent. 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 India and Pakistan when these countries violated the nuclear non-proliferation treaty by testing nuclear devices. The effect of the sanctions was to halt any new commitments by the United States Department of Agriculture (USDA.) of export credit guarantees to facilitate their purchase of agricultural products. The impact of this decision fell most heavily on Pakistan, which has used the United States Department of Agriculture credit guarantee program to finance purchases of United States wheat since the early 1990's. Emergency legislation has then passed to exempt USDA.'s credit guarantees from the sanctions list.

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:

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; that all current sanctions be subjected to economic review and, of these, that ineffective measures be discarded,

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that time limits be placed on the sanctions, that Congress review sanctions imposed by the executive branch, and that legislation be approved to implement a producer compensation program based on the negative impact of sanctions on the sale of agricultural products.