

SENATE BILL REPORT

SJM 8011

As Reported By Senate Committee On:
Agriculture & Rural Economic Development, March 3, 1999

Brief Description: Urging elimination of unilateral trade sanctions.

Sponsors: Senators Sheahan, T. Sheldon, Stevens, Morton, Honeyford, Hochstatter and Oke.

Brief History:

Committee Activity: Agriculture & Rural Economic Development: 3/3/99 [DPS].

SENATE COMMITTEE ON AGRICULTURE & RURAL ECONOMIC DEVELOPMENT

Majority Report: That Substitute Senate Joint Memorial No. 8011 be substituted therefor, and the substitute memorial do pass.

Signed by Senators Rasmussen, Chair; T. Sheldon, Vice Chair; Gardner, Honeyford, Morton, Prentice, Stevens and Swecker.

Staff: Bob Lee (786-7404)

Background: The imposition of trade sanctions that prevent the sale of goods produced in the United States to specific foreign countries is a tool used by the federal government to further international policy objectives. Trade sanctions may apply broadly or may apply to specific manufactured goods or agricultural products.

Trade sanctions may be imposed by the United States in concert with other countries or on a unilateral basis.

There are concerns that unilateral trade sanctions and embargoes can result in a loss of markets and reduced prices received for agricultural commodities produced in the United States.

Summary of Substitute Bill: The federal government is requested to eliminate all current unilateral sanctions pertaining to agricultural exports except in cases of compelling national emergency or declaration of war.

It is further requested that in the future the United States refrain from the use of unilateral trade sanctions affecting agricultural exports except in case of war or for national security reasons.

It is requested that all current unilateral sanctions affecting agricultural products be subject to an economic analysis and review and that ineffective measures be discarded and time limits applied for the review of continued current sanctions measures.

It is recommended that any executive branch embargo of United States agricultural commodities and products be subject to the review of Congress and that a new framework

be established to set policies for the future use of unilateral sanctions including the establishment of specific sunset provisions.

Further, it is recommended that legislation be approved to implement a producer-compensation program based on the negative impact of sanctions on the sale of agricultural products and incomes hurt by the imposition of the unilateral economic sanctions or embargoes.

Substitute Bill Compared to Original Bill: Clarification is made that the listed reviews of federal sanction and embargo policies are those affecting agricultural exports.

Appropriation: None.

Fiscal Note: Not requested.

Testimony For: When the United States unilaterally imposes a trade sanction against the export of agricultural products to another country, that market is lost to U.S. producers and is fulfilled by commodities grown in other countries. A significant amount of the market for products such as wheat have been lost due to unilateral trade sanctions. Trade sanctions contribute to the current depressed price for wheat. As a state that is dependent on foreign trade, the loss of foreign markets also affect jobs in the trade sector.

Testimony Against: None.

Testified: PRO: Ray Shindler, WA Assn. Wheat Growers, WA Wheat Commission; Bill Garvin, WA Farm Bureau.