

105TH CONGRESS
2D SESSION

S. RES. 220

To express the sense of the Senate that the European Union should cancel the sale of heavily subsidized barley to the United States and ensure that restitution or other subsidies are not used for similar sales and that the President, the United States Trade Representative, and the Secretary of Agriculture should conduct an investigation of and report on the sale and subsidies.

IN THE SENATE OF THE UNITED STATES

APRIL 30, 1998

Mr. DORGAN (for himself, Mr. KEMPTHORNE, Mr. WYDEN, Mrs. MURRAY, Mr. JOHNSON, Mr. BAUCUS, Mr. CRAIG, Mr. BURNS, Mr. SMITH of Oregon, Mr. CONRAD, Mr. GORTON, Mr. DASCHLE, and Mr. ENZI) submitted the following resolution; which was referred to the Committee on Finance

RESOLUTION

To express the sense of the Senate that the European Union should cancel the sale of heavily subsidized barley to the United States and ensure that restitution or other subsidies are not used for similar sales and that the President, the United States Trade Representative, and the Secretary of Agriculture should conduct an investigation of and report on the sale and subsidies.

Whereas, in an unprecedented sale, the European Union has entered into a contract with the United States to sell heavily subsidized European barley to the United States;

Whereas the sale of almost 1,400,000 bushels (30,000 metric tons) of feed barley would be shipped from Finland to Stockton, California;

Whereas news of the sale has already depressed feed barley prices by at least 24 cents per bushel in the California feed barley market;

Whereas, since this market sets national pricing patterns for both feed and malting barley, the sale would mean enormous market losses for barley producers throughout the United States, at a time when United States barley producers are already suffering from low prices;

Whereas the European restitution subsidies for this barley amounts to \$1.11 per bushel (\$51 per metric ton);

Whereas the price-depressing effects of this 1 sale would adversely affect market prices for at least a 9-month period as this grain moves through the United States marketing system;

Whereas this shipment would be part of about 9,000,000 bushels (200,000 metric tons) of European feed barley that has been approved for restitution subsidies by the European Union;

Whereas the availability of the additional subsidized European barley in the international market would not only continue to artificially depress market prices, but also would threaten to open a new channel of imports into the United States;

Whereas, as the world's largest feed grain producer and the world's largest exporter of feed grains, the United States does not require imported feed grains;

Whereas, at the same time that subsidized European barley is being imported into the United States, some United

States feed grains are prevented from entering European markets under European Union food regulations;

Whereas United States barley growers are now feeling the negative impacts of the sale, regardless of whether the subsidized European barley was originally targeted for sale into the United States and whether the subsidies comply with the letter of current World Trade Organization export subsidy rules; and

Whereas the sale not only undermines the intent and the spirit of free trade agreements and negotiations, but also moves away from the goals of level playing fields and fairness in trade relationships: Now, therefore, be it

1 *Resolved,*

2 **SECTION 1. SENSE OF SENATE ON EXPORT OF EUROPEAN**
 3 **BARLEY TO THE UNITED STATES.**

4 It is sense of the Senate that—

5 (1) the European Union should—

6 (A) take immediate steps to cancel the sale
 7 of European feed barley to the United States;
 8 and

9 (B) establish procedures to ensure that
 10 restitution and other subsidies are not used for
 11 sales of agricultural commodities to the United
 12 States or other countries of North America;

13 (2) the President of the United States, the
 14 United States Trade Representative, and the Sec-
 15 retary of Agriculture should immediately investigate
 16 the sale of European feed barley to the United

1 States and prevent any future sale of European ag-
2 ricultural commodities to the United States or other
3 countries of North America that is based on restitu-
4 tion or other subsidies; and

5 (3) not later than 60 days after approval of this
6 resolution, the United States Trade Representative
7 and the Secretary of Agriculture should report to
8 Congress on—

9 (A) the terms and conditions of the sale of
10 European feed barley to the United States;

11 (B) the steps that have been taken to can-
12 cel the sale and prevent any recurrence of simi-
13 lar types of sales; and

14 (C) any additional authorities that are nec-
15 essary to carry out subparagraph (B).

○