

105TH CONGRESS  
2D SESSION

# S. RES. 232

To express the sense of the Senate that the European Union should waive the penalty for failure to use restitution subsidies for barley to the United States and ensure that restitution or other subsidies are not used for similar sales in the United States 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.

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## IN THE SENATE OF THE UNITED STATES

MAY 19, 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, Mr. ENZI, and Mr. THOMAS) submitted the following resolution; which was referred to the Committee on Finance

MAY 21, 1998

Committee discharged; considered and agreed to

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# RESOLUTION

To express the sense of the Senate that the European Union should waive the penalty for failure to use restitution subsidies for barley to the United States and ensure that restitution or other subsidies are not used for similar sales in the United States 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 entered into a contract with a United States buyer 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 was shipped from Finland to Stockton, California;

Whereas news of the sale depressed feed barley prices in the California feed barley market;

Whereas, since the 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 the 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 one sale will continue to adversely affect market prices for at least a 9-month period as this grain moves through the United States marketing system;

Whereas this shipment is part of about 2.1 million metric tons of European feed barley that have been approved for restitution subsidies by the European Union this year;

Whereas the availability of the additional subsidized European barley in the international market not only artificially depressed market prices, but also threatens to open new import channels 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 continue to suffer 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, it 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 waive the pen-  
 7                   alty for failure to use restitution subsidies for  
 8                   barley exported to the United States; 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-

1       retary of Agriculture should immediately consult  
2       with the European Union regarding the sale of Eu-  
3       ropean feed barley to the United States in order to  
4       avoid any future sale of any European barley to the  
5       United States that is based on restitution or other  
6       subsidies; and

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

11               (A) the terms and conditions of the sale of  
12      European barley to the United States;

13               (B) the results of the consultations under  
14      paragraph (2);

15               (C) other steps that are being taken or will  
16      be taken to address to such situations in the fu-  
17      ture; and

18               (D) any additional authorities that may be  
19      necessary to carry out subparagraphs (B) and  
20      (C).

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