STATE OF OKLAHOMA

2nd Session of the 44th Legislature (1994)

HOUSE CONCURRENT
RESOLUTION NO. 1087 By: Leist

AS INTRODUCED

A Concurrent Resolution requesting an investigation by the President of the United States of unfair trade import practices relating to wheat; requesting immediate emergency interim action and imposition of certain fees or quotas; and directing distribution.

WHEREAS, in 1988 Canada and the United States entered into the Canada-U.S. Free Trade Agreement (CFTA) which authorized Canadian exports of wheat to the United States; and

WHEREAS, in the trade agreement Canada agreed to eliminate the use of its transportation subsidiaries on wheat moving westbound into the United States but was permitted to maintain its transportation subsidiaries on wheat entering the United States by way of the east coast points; and

WHEREAS, the Canadian Wheat Board was also given free rein to sell directly or through agents into the United States without any realistic restraints; and

WHEREAS, as a result of the subsidiaries and direct market access, Canadian wheat producers maintain an unfair advantage over United States wheat producers in the United States market; and

WHEREAS, previous attempts to seek relief from these unfair import practices through an International Trade Commission investigation and through a dispute settlement panel have ended unsatisfactorily with a similar conclusion that the absence of an

adequate price discovery mechanism makes it impossible to determine Canadian compliance with their obligations under the CFTA agreements; and

WHEREAS, since the enactment of CFTA, the imports of Canadian durum and other wheats to the United States have increased dramatically; and

WHEREAS, as the increasing subsidized Canadian imports of wheat have undermined the integrity of domestic support programs, depressed United States prices negatively effected United States durum wheat production and ultimately has injured United States wheat producers; and

WHEREAS, consultations which were called for in the CFTA implementing legislation and the Statement of Administrative Action to have addressed these unfair practices have not been treated seriously by the Canadian government; and

WHEREAS, Section 22 of the Agricultural Adjustment Act of 1933 authorizes the President to impose fees or quotas on imported products that undermine any United States Department of Agriculture (USDA) domestic commodity program; and

WHEREAS, this authority is designed to prevent imports from interfering with USDA efforts to stabilize or raise domestic agricultural commodity prices; and

WHEREAS, under Section 22, the United States Secretary of Agriculture is directed to advise the President when the Secretary has reason to believe that imports of any article "render or tend to render ineffective, or materially interfere with" any USDA price support or similar agricultural program; and

WHEREAS, the protection of the farm economy has long been considered essential to assure the nation balanced and adequate supply of foods; and

WHEREAS, a fundamental element of the United States agricultural policy has been the stabilization and support of the farm economy; and

WHEREAS, the Legislature of this state believes that Emergency Section 22 Trade Actions must be taken as soon as possible to indicate to Canada the need to resolve the pricing and transportation differences between our two countries.

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE 2ND SESSION OF THE 44TH OKLAHOMA LEGISLATURE, THE SENATE CONCURRING THEREIN:

THAT members of the Oklahoma Congressional Delegation request the United States Secretary of Agriculture to advise the President that the failure of CFTA to adequately address unfair Canadian import practices has undermined the integrity of the domestic wheat production program and depressed United States wheat prices.

THAT the President immediately initiate an investigation of the situation by the United States International Trade Commission (ITC).

THAT until receipt of the findings and recommendations of the ITC regarding Canadian wheat the President take immediate emergency interim action to resolve the unfairly subsidized wheat import program and impose fees or quotas on imported Canadian durum wheat.

THAT copies of this resolution be distributed to the Oklahoma Congressional Delegation, the Secretary of the United States Department of Agriculture and the President of the United States.

44-2-9337 KSM