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H. RES. 461

Encouraging the accelerated removal of agricultural subsidies of industrialized countries to alleviate poverty and promote growth, health, and stability in the economies of African countries.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 27, 2005

Mr. SMITH of New Jersey (for himself, Mr. PAYNE, Mr. ROYCE, Mr. FLAKE, and Mr. MEEKS of New York) submitted the following resolution; which was referred to the Committee on International Relations

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RESOLUTION

Encouraging the accelerated removal of agricultural subsidies of industrialized countries to alleviate poverty and promote growth, health, and stability in the economies of African countries.

Whereas the world's industrial countries, such as the United States and the countries of the European Union, spend an estimated $1 billion a day on agricultural subsidies—approximately six times the total amount of official aid provided to developing countries;

Whereas trade-distorting agricultural subsidies have historically encouraged overproduction in industrialized countries, while crushing farm economies and driving off agriculture-related investment in developing countries;

Whereas more than 70 percent of Africans depend on the agricultural sector for a significant portion of their livelihood;

Whereas depressed agriculture in African and other developing countries frustrates the global effort to reduce poverty, which contributes to disease, including the HIV/AIDS pandemic, as well as instability and threats to United States security;

Whereas according to an Oxfam International report, the United States' share of the global cotton market grew to 37 percent, making it the world leader in cotton exports, despite cotton prices falling below the cost of United States production, because of United States subsidies;

Whereas more than 10 million people in West and Central Africa alone depend directly on cotton production for their subsistence, exporting an estimated 90 percent of cotton produced;

Whereas the Institute of Economic Affairs in Great Britain estimates that European Union agricultural subsidies have reduced African exports of milk products by more than 90 percent, livestock by nearly 70 percent, meat by almost 60 percent, nongrain crops by 50 percent, and grains by more than 40 percent;

Whereas the average dairy cow in Japan produces $7.50 a day in subsidy income, while 75 percent of African people live on less than $2 a day;

Whereas through the International Monetary Fund and the World Bank Structural Adjustment Programs, least developed countries have been required to end agricultural subsidies expeditiously, even as developed countries have been slow to eliminate their own;

Whereas developed countries agreed to negotiate a multilateral end to agricultural subsidies through the World Trade Organization (WTO) with a target date of January 1, 2005, for agreement on when and how to phase out subsidies, but this target date has been missed;

Whereas the Group of 8 (G–8) developed countries, meeting in Gleneagles, Scotland, from July 6–8, 2005, issued a statement recommitting member states ''to eliminating all forms of export subsidies'';

Whereas the G–8 member states also agreed at the Gleneagles meeting to pursue a successful conclusion to the WTO Doha Development Agenda, which includes harmonizing international trade rules;

Whereas the majority of least developed countries (LDC) are African countries, including 25 of the 30 LDC members of the WTO;

Whereas African economic output currently constitutes only two percent of global trade, partly as a result of trade-distorting trade policies by industrialized countries;

Whereas the International Food Policy Research Institute reported in Bread for the World's 2003 hunger report that agricultural trade liberalization of all industrial countries would lead to a 45 percent increase in the net agricultural trade of sub-Saharan Africa, as well as a 5.1 percent increase in the annual income of farmers and agro-industries in sub-Saharan Africa, excluding the Republic of South Africa;

Whereas the International Food Policy Research Institute estimates that every $1 in African agricultural income produces an additional $1.42 increase in gross domestic product;

Whereas, despite the highest economic growth rate in eight years at five percent last year, most African countries need to rapidly address trade capacity issues to withstand the reciprocated opening of their markets under WTO rules; and

Whereas President George W. Bush, speaking before the United Nations General Assembly in September 2005, said the United States is prepared to eliminate all subsidies, tariffs, and other obstacles to the free flow of goods and services between the United States and the world's poorest nations: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the Government of the United States and the governments of other industrial countries—

(1) should examine ways to mutually accelerate the elimination or phase-out of agricultural subsidies at the earliest possible time;

(2) should work with their African counterparts in identifying and removing non-tariff barriers to African agricultural imports;

(3) should work to mutually remove production, infrastructure, and transportation impediments to more equitable agricultural trade; and

(4) should work with the governments of least developed countries in Africa to build trade capacity to minimize the economic impact of an opening of African markets to foreign goods.

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