

103^D CONGRESS
2^D SESSION

H. CON. RES. 274

Expressing the sense of the Congress with respect to the announcement of the Japanese Food Agency that it does not intend to fulfill its commitment to purchase 75,000 metric tons of United States rice.

IN THE HOUSE OF REPRESENTATIVES

JULY 27, 1994

Mr. FAZIO (for himself, Mr. ARCHER, Mr. CALVERT, Mr. CHAPMAN, Mr. CONDIT, Mr. DIXON, Mr. DOOLEY, Mr. DOOLITTLE, Mr. DORNAN, Mr. EDWARDS of California, Mr. GENE GREEN of Texas, Mr. HAYES, Mr. HERGER, Mr. HORN, Mr. HUTCHINSON, Mr. LANTOS, Mr. LEWIS of California, Mr. MOORHEAD, Mr. POMBO, Mr. TAUZIN, Mr. THOMAS of California, Mr. THORNTON, Mr. WASHINGTON, Mr. WILSON, and Ms. WOOLSEY) submitted the following concurrent resolution; which was referred to the Committee on Ways and Means

CONCURRENT RESOLUTION

Expressing the sense of the Congress with respect to the announcement of the Japanese Food Agency that it does not intend to fulfill its commitment to purchase 75,000 metric tons of United States rice.

Whereas due to severe weather conditions during the summer of 1993, Japan found its rice supply to be disastrously short, and thus was forced to announce the establishment of an emergency program to import rice during 1993 and 1994;

Whereas the Japanese Food Agency initiated an emergency program to import approximately 2,650,000 metric tons of rice during 1993 and 1994;

Whereas the Japanese Food Agency reached a good faith agreement with United States Government officials and representatives of the United States rice industry to purchase 644,000 metric tons of United States rice as part of the emergency program;

Whereas the United States rice industry undertook extraordinary measures, including buying back inventory already sold to other customers, to ensure that 644,000 metric tons of United States rice was available for shipment to Japan;

Whereas the Japanese Food Agency announced in June 1994 that it had terminated the emergency program, notwithstanding that 75,000 metric tons of United States rice reserved for export to Japan under the good faith agreement remained to be shipped;

Whereas the Japanese Food Agency refuses to honor its commitment to purchase the remaining 75,000 metric tons of United States rice despite repeated overtures from United States Government officials and representatives of the rice industry;

Whereas the remaining 75,000 metric tons of rice represent a relatively small quantity of rice to Japan, but a highly significant one to the United States rice industry, with an economic impact of over \$45,000,000;

Whereas if the 75,000 metric tons of rice remain unsold to the Japanese Food Agency, the carryover of this quantity from the 1993 crop year to the 1994 crop year will cause the United States season average farm price for rice to

decline by \$.36 per hundredweight in 1994, and by \$.17 per hundredweight in 1995;

Whereas these declines in price would equate to a loss in farm revenue of \$56,200,000 in 1994 and \$30,800,000 in 1995, for a combined loss of \$87,000,000;

Whereas the United States Government and the United States rice industry have worked diligently and exhaustively to establish an open trade relationship with the Government of Japan;

Whereas the failure of the Japanese Food Agency to purchase the remaining 75,000 metric tons of United States rice directly contravenes a good faith agreement between the Japanese Food Agency and the United States rice industry and thereby places in jeopardy other such agreements reached between the United States and Japan; and

Whereas this action by the Japanese Food Agency damages the prospect for future trade relations between the United States and Japan: Now, therefore, be it

1 *Resolved by the House of Representatives (the Senate*
2 *concurring)*, That the Congress of the United States—

3 (1) strongly disapproves of the decision of the
4 Japanese Food Agency to renege on its good faith
5 agreement to purchase 75,000 metric tons of rice
6 from the United States rice industry;

7 (2) expresses its grave concern about the future
8 of trade relations between the United States and
9 Japan in light of the failure of the Japanese Food
10 Agency to honor an agreement made in good faith

1 with United States Government officials and rep-
2 resentatives of the rice industry;

3 (3) strongly urges the Government of Japan to
4 fulfill expeditiously its commitment to purchase the
5 remaining 75,000 metric tons of United States rice;
6 and

7 (4) strongly encourages the President of the
8 United States to take all steps necessary to conclude
9 the purchase of the remaining 75,000 metric tons of
10 United States rice that has been reserved for pur-
11 chase by the Japanese Food Agency.

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