

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HOUSE MEMORIAL 42

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

Daniel R. Foley

A MEMORIAL

REQUESTING CONGRESS AND THE PRESIDENT TO DIRECT THE FOREIGN EXCHANGE POLICY OF THE UNITED STATES TO BE NEUTRAL AND WITHOUT FAVORITISM TOWARD ANY PARTICULAR ECONOMIC SECTOR AND WITHOUT GEOGRAPHIC OR BUSINESS SECTOR FAVORITISM OF ANY TYPE.

WHEREAS, an artificially strong dollar benefited parts of the financial services industry that had significant international lending exposure, but caused United States agricultural producers to be uncompetitive in domestic markets and foreign trade for a prolonged period from 1995 through 2002; and

WHEREAS, foreign producers of agricultural products competing with United States producers received extensive United States taxpayer-paid or -guaranteed subsidies during that period and many of those subsidies continue today; and

underscoring material = new
~~[bracketed material] = delete~~

underscored material = new
[bracketed material] = delete

1 WHEREAS, a principal vehicle for the transfer of the
2 subsidies from United States taxpayers to foreign recipients
3 was loans to foreign governments made by the international bank
4 for reconstruction and development commonly known as the "world
5 bank", which, in turn, underwrote foreign agricultural
6 production initiatives that were in direct competition with
7 United States producers; and

8 WHEREAS, agricultural producers in New Mexico have
9 suffered direct and continuing damage from world bank
10 subsidized programs of the types described, including shipment
11 to the United States, to New Mexico and to third countries of
12 agricultural products easily produced in New Mexico, such as
13 chile peppers, pecans and other nuts, beef, chicken and other
14 poultry, pork, lamb and other meats, cut roses, fruits,
15 vegetables, wool, cotton, corn, soybeans and wheat; and

16 WHEREAS, foreign agricultural producers have been
17 positioning themselves throughout the strong dollar period to
18 obtain, maintain and use their unfair trade advantage gained
19 because their countries' currencies are pegged to the dollar,
20 thus preserving or increasing the unfair trade advantage that
21 they obtained through world bank and other subsidies during the
22 strong dollar period and through currency manipulation in the
23 subsequent period; and

24 WHEREAS, congress has acquiesced in the exercise of its
25 constitutional powers over the currency and foreign trade to

.156490.1

underscored material = new
[bracketed material] = delete

1 the executive branch and has neglected its constitutional duty
2 to require the president to execute the laws of the United
3 States faithfully regarding powers delegated to the executive
4 branch regarding the regulation of trade and currencies;

5 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF
6 REPRESENTATIVES OF THE STATE OF NEW MEXICO that congress and
7 the president of the United States be requested to direct the
8 foreign exchange policy of the United States to be neutral and,
9 thus, without favoritism to any particular economic sector or
10 geographic or business sector; and

11 BE IT FURTHER RESOLVED that congress and the president of
12 the United States take into account the need to redress the
13 unintended harm and damage inflicted on particular regions,
14 states and business sectors since 1995 by the combined effects
15 of the strong dollar policy, world bank-funded subsidies of
16 foreign agricultural producers and, since the end of the strong
17 dollar period in 2002, the pegging to the dollar of currency
18 values by countries attempting to gain or preserve trade
19 advantages over United States producers; and

20 BE IT FURTHER RESOLVED that corrective policies include
21 nonintervention in currency markets to prop up the value of the
22 United States dollar, elimination of any world bank-funded
23 program of direct or indirect agricultural subsidies and the
24 implementation of retaliatory tariffs against agricultural
25 imports from countries refusing to allow their currencies to

.156490.1

underscored material = new
~~[bracketed material]~~ = delete

1 float freely against the United States dollar without currency
2 market intervention or domestic interest rate manipulation; and

3 BE IT FURTHER RESOLVED that copies of this memorial be
4 transmitted to the president of the United States and to the
5 New Mexico congressional delegation.

6 - 4 -
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25