

MINUTES OF THE MEETING
BUSINESS & INDUSTRY COMMITTEE
MONTANA STATE SENATE

April 2, 1985

The fifty-first meeting of the Business & Industry Committee met on April 2, 1985 in Room 410 of the Capitol Building at 1 p.m. The meeting was called to order by Chairman Mike Halligan.

ROLL CALL: All committee members were present except for Senator Christiaens who was excused.

CONSIDERATION OF SENATE JOINT RESOLUTION 36: Senator Ed Smith, Senate District #1, Dagmar, is the chief sponsor of this resolution which supports the repeal of the Cargo Preference Act of 1954 by the United States Congress.

He noted there is presently a bill before the United States Congress to repeal this act which has the backing of the President and the Secretary of Agriculture, John Block. He stated the portion of the resolution that states the mandating of shipments of certain concessional sales is the heart of the resolution. A recent court ruling has expanded this to include blended credit sales. On February 26 the agriculture department announced that because of the court ruling, they would suspend approval of all registrations for blended credit programs for Egypt, Iraq, Morocco, and Tunisia which negated some 536 million dollars worth of grain exports. He noted oftentimes the farmer is blamed for some of the problems himself but this is one area where the farmer had nothing to do with the dilemma now faced. Therefore, legislation needed to be introduced for some protection. He also stated that higher ocean freight costs associated with the cargo preference act have already resulted in the cancellation of trade with four countries.

He had visited with the Montana graingrowers association and they had also suggested a copy of this resolution be sent to other agricultural divisions in other states.

PROPOSERS: Lavina Lubinus, representing Women Involved in Farm Economics, stated they are in favor of this resolution. (EXHIBIT 1)

Jo Brunner, representing the Montana Grange, Montana Cattle-feeders, and Montana Cattlemen's Association, supports the resolution and also noted this is one instance where agriculture is subsidizing an industry and not the reverse. (EXHIBIT 2)

Pat Underwood, from the Montana Farm Bureau, stated they have been long time supporters of the elimination of cargo preference. (EXHIBIT 3)

Carol Mosher, representing the Montana Stockgrowers and Montana Cowbellers, spoke in favor of the resolution.

Terry Murphy, representing the Montana Farmer's Union, stated that the history of the intent of the cargo preference act in 1954 was that it was to apply only to Food for Peace shipments and for that reason the United States could reasonably expect a portion of that business but the recent court ruling expanded this and it has done extreme damage to the export program. He noted there are presently two measures before Congress, one to return the act back to apply only to "Food for Peace Program" and one to repeal the act entirely. He hoped they would get the act back to its original intent anyway.

OPPONENTS: There were none.

Questions were then called for. Senator Williams wondered if there had been attempts to repeal this act before and Senator Smith replied they had, but the strongest support seems to be now.

Senator Halligan wanted to know what a concessional sale was and Senator Smith stated this was programs like the Food for Peace or sales that are part of a relief program.

Senator Smith noted that in Montana in 1983 there were 81 million bushels of grain produced for export. He also noted that in 1984 the U.S. Department of Agriculture paid out \$76 million in additional costs for export of grain and he felt this cost should not be borne by the Department of Agriculture.

DISPOSITION OF SENATE JOINT RESOLUTION 36: Senator Thayer MOVED THAT SENATE RESOLUTION 36 DO PASS. The motion carried.

The meeting was adjourned at 1:10 p.m.



SENATOR MIKE HALLIGAN, Chairman

ROLL CALL

BUSINESS & INDUSTRY COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 4/2/85

SENATE
SENT
#

NAME	PRESENT	ABSENT	EXCUSED
Chairman Halligan	X		
V-chrm. Christiaens			X
Senator Boylan	X		
Senator Fuller	X		
Senator Gage	X		
Senator Goodover	X		
Senator Kolstad	X		
Senator Neuman	X		
Senator Thayer	X		
Senator Williams	X		
Senator Weeding	X		

Each day attach to minutes.

DATE: April 2, 1985

COMMITTEE ON BUSINESS & INDUSTRY

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppos
<i>J. Kunney</i>	<i>Cattleguard Cattleman</i>	<i>5536</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Pat Underwood</i>	<i>MT. FARM BUREAU</i>	<i>5536</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Sen Ed Smith</i>		<i>SJR 36</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>David Paulsen</i>	<i>MT Commerce</i>	<i>SJR 36</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Lavina Lubliner</i>	<i>WIFE</i>	<i>SJR 36</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Carol Mosher</i>	<i>mt. Stockgrowers mt. low Belles</i>	<i>SJR 36</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

(Please leave prepared statement with Secretary)

NAME: Laura Kubins DATE: 4/2/85

ADDRESS: 1501 Chestnut Helena

PHONE: 402-8723

REPRESENTING WHOM? Women Involved in Farm Economics

APPEARING ON WHICH PROPOSAL: SEN 36

DO YOU: SUPPORT? XX AMEND? _____ OPPOSE? _____

COMMENT: To Campbell Grain 346, to be shipped
in various batches steps to apply an
income embargo against American Agricultural
we agree with Sen. Smith resolution and
ask for your support on this legislation

Thank You
Laura Kubins

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

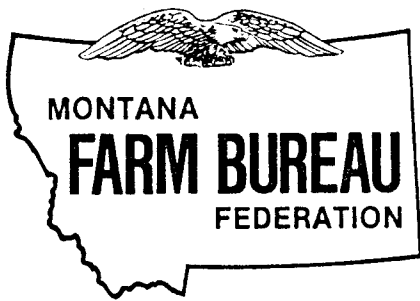
Jo Brunner

AGRICULTURE LEGISLATIVE WORK



NAME Jo Brunner COMMITTEE SJR 36
ADDRESS 1496 Kodiak Road, Helena DATE April 2, 1985
REPRESENT Montana Grange, Montana Cattle- BILL NO. SJR 36
feeders, Montana Cattlemen
SUPPORT X AMEND _____ OPPOSE _____

Mr. Chairman, members of the committee, for the record, my name is Jo Brunner and I represent the Montaaa Cattlemen, the Montana Cattlefeeders and the Montana Grange at this meeting today. We wish to go on record as in support of SJR 36. We do not be repititious of Senator SMith in his arguements, we heartily agree with them. We do wish tomake the statement that we hear a considerable lot about agriculture being subsidized by the consumer, ectera. This is one more instance where agriculture is subsidizing an industry. That industry quite often works against our best interests in strikes at ports in protest tovarious government policies, or even other nations policies. Agriculture not only subsidizes the American consumer with low food prices, we are expected to allow without protest such injustices to our industry as the Cargo Preference Act. Again, we support its repeal and SJR 36. Thank you.



502 South 19th

Bozeman, Montana 59715

Phone (406) 587-3153

TESTIMONY BY:

PAT UNDERWOOD

BILL # 5536

DATE APR 2, 1985

SUPPORT X

OPPOSE _____

The Montana Farm Bureau
along with the American Farm Bureau
has long been a supporter of
elimination of cargo preference.
We urge you to pass for
his resolution.

EXHIBIT 3
BUSINESS & INDUSTRY
April 2, 1985

Pat Underwood
SIGNED

STANDING COMMITTEE REPORT

APRIL 2

85

19.....

MR. PRESIDENT

BUSINESS & INDUSTRY

We, your committee on.....

having had under consideration..... **SENATE JOINT RESOLUTION** No. **36**

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color

RESOLUTION CALLING FOR REPEAL OF U.S. CARGO PREFERENCE ACT

SENATE JOINT RESOLUTION **36**

Respectfully report as follows: That..... No.....

DO PASS

~~DO NOT PASS~~

.....
Sen. Mike Halligan Chairman.