

SENATE JOINT RESOLUTION NO. 36

INTRODUCED BY E. SMITH, KOLSTAD, HARDING, H. HAMMOND,
ELLERD, REGAN, THAYER, GALT, MCCALLUM, TVEIT, BOYLAN,
AKLESTAD, GOODOVER, HIRSCH, HALLIGAN, JACOBSON,
LYNCH, DEVLIN, THOMAS, HANSON, SCHULTZ, COMPTON,
PATTERSON, BRANDEWIE, SALES, STIMATZ, HAFFEY,
CHRISTIAENS, DANIELS, BLAYLOCK, BENGTON, CONOVER,
ECK, TOWE, NATHE, YELLOWTAIL, MAZUREK, WEEDING, GRADY,
SWIFT, ERNST, JENKINS, SWITZER, GLASER, THOFT

IN THE SENATE

March 21, 1985	Rules suspended to allow introduction.
March 29, 1985	Introduced and referred to Committee on Business and Industry.
April 2, 1985	Committee recommend bill do pass. Report adopted.
April 3, 1985	Bill printed and placed on members' desks.
April 4, 1985	Second reading, do pass.
April 5, 1985	Considered correctly engrossed.
April 8, 1985	Third reading, passed. Ayes, 49; Noes, 0. Transmitted to House.

IN THE HOUSE

April 9, 1985	Introduced and referred to Committee on Business and Labor.
April 11, 1985	Committee recommend bill be concurred in. Report adopted.
April 12, 1985	Second reading, concurred in.

April 15, 1985 Third reading, not concurred in.
Returned to Senate.

IN THE SENATE

April 15, 1985 Received from House.

April 17, 1985 On motion, request of House
granted for return of Senate
Joint Resolution No. 36 for
further consideration. Motion
adopted.

IN THE HOUSE

April 18, 1985 Bill returned to House and placed
on second reading.

April 19, 1985 Second reading, concurred in as
amended.

April 22, 1985 Third reading, concurred in.
Returned to Senate with
amendments.

IN THE SENATE

April 22, 1985 Received from House.

April 24, 1985 On motion, rules suspended to
receive and accept. Motion
adopted.

Second reading, amendments
concurred in.

April 25, 1985 Third reading, amendments
concurred in.

Sent to enrolling.

Reported correctly enrolled.

1 1954 was to maintain a viable United States maritime fleet;
2 and

3 WHEREAS, a strong United States maritime fleet is in
4 the best interest, welfare, and security of the American
5 public, and the cost incurred should be borne as such by the
6 United States Department of Defense and not by a single
7 component of our economy such as agriculture.

8

9 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE
10 OF REPRESENTATIVES OF THE STATE OF MONTANA:

11 That the Congress of the United States is strongly
12 urged to repeal the Cargo Preference Act of 1954.

13 BE IT FURTHER RESOLVED, that the Secretary of State
14 send copies of this resolution to the President of the
15 United States, the United States Secretary of Agriculture,
16 the Chairmen of the United States Senate and House
17 Agriculture Committees, United States trade representatives,
18 and to the Montana Congressional Delegation.

-End-

APPROVED BY COMM. ON BUSINESS & INDUSTRY

1 *Senate* JOINT RESOLUTION NO. *36* *Callard*
 2 INTRODUCED BY *G. Smith, Kolstad, E. Harding, D. Raymond*
 3 *Ross, J. Boyer, Holt, J. Callahan, J. Boylan, Whitcomb, Sorenson*
 4 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF *Christians*
 5 REPRESENTATIVES OF THE STATE OF MONTANA EXPRESSING SUPPORT *Whitch*
 6 FOR THE REPEAL OF THE CARGO PREFERENCE ACT OF 1954 BY THE *Wallyan*
 7 UNITED STATES CONGRESS. *Blaylock, Conover, 1st Yellowtail*
 8 *Waffey, Sanders, Bengtson, Eric NATHAN, Thequich*
 9 WHEREAS, agricultural exports are the lifeblood of *Swift*
 10 American farmers; and *Ernst*
 11 WHEREAS, agriculture accounts for 20% of this nation's *Switzer*
 12 gross national product, 20% of United States employment, and *W. P. ...*
 13 20% of United States foreign exchange; and
 14 WHEREAS, agricultural exports account for one-third of *Smady*
 15 America's harvested cropland, 20% of all farm income, and
 16 one-fourth of all export shipping; and
 17 WHEREAS, United States wheat production depends on
 18 export markets for more than 60% of annual utilization; and
 19 WHEREAS, United States wheat exports have decreased
 20 steadily the past 3 years, from 48% of the world market in
 21 1981 to only 37% in 1984; and
 22 WHEREAS, a worldwide recession, heavy foreign debt
 23 burdens, limited foreign exchange, intense foreign
 24 competition, and the strong United States dollar have made
 25 American crops noncompetitive in the world marketplace; and

1 WHEREAS, the Cargo Preference Act of 1954 mandates
 2 shipment of certain concessional sales on United States
 3 flagships; and
 4 WHEREAS, a recent court ruling has expanded the
 5 application of this act to blended credit sales and has
 6 opened the door to additional application in other
 7 concessional sales of United States commodities; and
 8 WHEREAS, American flagships charge oceangoing rates
 9 that are two to four times higher than those of foreign
 10 vessels, and these higher rates add an average of 80 cents a
 11 bushel to the cost of American wheat, 76 cents a bushel for
 12 feed grains, and 80 cents a bushel for soybeans; and
 13 WHEREAS, costs associated with cargo preference
 14 subsidies are reflected in lower farmer income, higher farm
 15 program costs, and lost income to the allied agricultural
 16 industry; and
 17 WHEREAS, higher ocean freight costs associated with
 18 cargo preference rules have already caused the cancellation
 19 of export sales to Egypt, Iraq, Morocco, and Tunisia and
 20 will in the future affect sales to many additional
 21 countries; and
 22 WHEREAS, agricultural exports are the forerunner in
 23 combating this country's ever-growing imbalance of trade;
 24 and
 25 WHEREAS, the purpose of the Cargo Preference Act of



1 1954 was to maintain a viable United States maritime fleet;
2 and

3 WHEREAS, a strong United States maritime fleet is in
4 the best interest, welfare, and security of the American
5 public, and the cost incurred should be borne as such by the
6 United States Department of Defense and not by a single
7 component of our economy such as agriculture.

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9 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE
10 OF REPRESENTATIVES OF THE STATE OF MONTANA:

11 That the Congress of the United States is strongly
12 urged to repeal the Cargo Preference Act of 1954.

13 BE IT FURTHER RESOLVED, that the Secretary of State
14 send copies of this resolution to the President of the
15 United States, the United States Secretary of Agriculture,
16 the Chairmen of the United States Senate and House
17 Agriculture Committees, United States trade representatives,
18 and to the Montana Congressional Delegation.

-End-

1 *Senate* JOINT RESOLUTION NO. *316* *Called*
 2 INTRODUCED BY *E. Smith, K. Leland, E. Harding, H. Newman*
 3 *James, J. Boyer, Mark, McCallister, Tom, Whitman, Sweeney*
 4 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF *Seniors*
 5 REPRESENTATIVES OF THE STATE OF MONTANA EXPRESSING SUPPORT *J. Lyle*
 6 FOR THE REPEAL OF THE CARGO PREFERENCE ACT OF 1954 BY THE *W. Hansen*
 7 UNITED STATES CONGRESS. *Blaylock, Conover, Ed, Yellowtail*
 8 *Steffey, Benjamen, Dave, NATHE, Madge*
 9 SALES WHEREAS, agricultural exports are the lifeblood of *Swift*

10 American farmers; and *Ernst*
 11 WHEREAS, agriculture accounts for 20% of this nation's *Switz*
 12 gross national product, 20% of United States employment, and *W. Lyle*
 13 20% of United States foreign exchange; and *W. Lyle*
 14 WHEREAS, agricultural exports account for one-third of *W. Lyle*
 15 America's harvested cropland, 20% of all farm income, and *Drady*
 16 one-fourth of all export shipping;
 17 WHEREAS, United States wheat production depends on
 18 export markets for more than 60% of annual utilization; and
 19 WHEREAS, United States wheat exports have decreased
 20 steadily the past 3 years, from 48% of the world market in
 21 1981 to only 37% in 1984; and
 22 WHEREAS, a worldwide recession, heavy foreign debt
 23 burdens, limited foreign exchange, intense foreign
 24 competition, and the strong United States dollar have made
 25 American crops noncompetitive in the world marketplace; and

1 WHEREAS, the Cargo Preference Act of 1954 mandates
 2 shipment of certain concessional sales on United States
 3 flagships; and
 4 WHEREAS, a recent court ruling has expanded the
 5 application of this act to blended credit sales and has
 6 opened the door to additional application in other
 7 concessional sales of United States commodities; and
 8 WHEREAS, American flagships charge oceangoing rates
 9 that are two to four times higher than those of foreign
 10 vessels, and these higher rates add an average of 80 cents a
 11 bushel to the cost of American wheat, 76 cents a bushel for
 12 feed grains, and 80 cents a bushel for soybeans; and
 13 WHEREAS, costs associated with cargo preference
 14 subsidies are reflected in lower farmer income, higher farm
 15 program costs, and lost income to the allied agricultural
 16 industry; and
 17 WHEREAS, higher ocean freight costs associated with
 18 cargo preference rules have already caused the cancellation
 19 of export sales to Egypt, Iraq, Morocco, and Tunisia and
 20 will in the future affect sales to many additional
 21 countries; and
 22 WHEREAS, agricultural exports are the forerunner in
 23 combating this country's ever-growing imbalance of trade;
 24 and
 25 WHEREAS, the purpose of the Cargo Preference Act of

THIRD READING
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1 1954 was to maintain a viable United States maritime fleet;
2 and

3 WHEREAS, a strong United States maritime fleet is in
4 the best interest, welfare, and security of the American
5 public, and the cost incurred should be borne as such by the
6 United States Department of Defense and not by a single
7 component of our economy such as agriculture.

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9 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE
10 OF REPRESENTATIVES OF THE STATE OF MONTANA:

11 That the Congress of the United States is strongly
12 urged to repeal the Cargo Preference Act of 1954.

13 BE IT FURTHER RESOLVED, that the Secretary of State
14 send copies of this resolution to the President of the
15 United States, the United States Secretary of Agriculture,
16 the Chairmen of the United States Senate and House
17 Agriculture Committees, United States trade representatives,
18 and to the Montana Congressional Delegation.

-End-

1 SENATE JOINT RESOLUTION NO. 36

2 INTRODUCED BY E. SMITH, KOLSTAD, HARDING, H. HAMMOND,
 3 ELLERD, REGAN, THAYER, GALT, MCCALLUM, TVEIT, BOYLAN,
 4 AKLESTAD, GOODOVER, HIRSCH, HALLIGAN, JACOBSON,
 5 LYNCH, DEVLIN, THOMAS, HANSON, SCHULTZ, COMPTON,
 6 PATTERSON, BRANDEWIE, SALES, STIMATZ, HAFPEY,
 7 CHRISTIAENS, DANIELS, BLAYLOCK, BENGTSON, CONOVER,
 8 ECK, TOWE, NATHE, YELLOWTAIL, MAZUREK, WEEDING, GRADY
 9 SWIFT, ERNST, JENKINS, SWITZER, GLASER, THOFT

10
 11 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF
 12 REPRESENTATIVES OF THE STATE OF MONTANA EXPRESSING SUPPORT
 13 FOR THE REPEAL OF THE CARGO PREFERENCE ACT OF 1954 BY THE
 14 UNITED STATES CONGRESS.

15
 16 WHEREAS, agricultural exports are the lifeblood of
 17 American farmers; and

18 WHEREAS, agriculture accounts for 20% of this nation's
 19 gross national product, 20% of United States employment, and
 20 20% of United States foreign exchange; and

21 WHEREAS, agricultural exports account for one-third of
 22 America's harvested cropland, 20% of all farm income, and
 23 one-fourth of all export shipping; and

24 WHEREAS, United States wheat production depends on
 25 export markets for more than 60% of annual utilization; and

1 WHEREAS, United States wheat exports have decreased
 2 steadily the past 3 years, from 48% of the world market in
 3 1981 to only 37% in 1984; and

4 WHEREAS, a worldwide recession, heavy foreign debt
 5 burdens, limited foreign exchange, intense foreign
 6 competition, and the strong United States dollar have made
 7 American crops noncompetitive in the world marketplace; and

8 WHEREAS, the Cargo Preference Act of 1954 mandates
 9 shipment of certain concessional sales on United States
 10 flagships; and

11 WHEREAS, a recent court ruling has expanded the
 12 application of this act to blended credit sales and has
 13 opened the door to additional application in other
 14 concessional sales of United States commodities; and

15 WHEREAS, American flagships charge oceangoing rates
 16 that are two to four times higher than those of foreign
 17 vessels, and these higher rates add an average of 80 cents a
 18 bushel to the cost of American wheat, 76 cents a bushel for
 19 feed grains, and 80 cents a bushel for soybeans; and

20 WHEREAS, costs associated with cargo preference
 21 subsidies are reflected in lower farmer income, higher farm
 22 program costs, and lost income to the allied agricultural
 23 industry; and

24 WHEREAS, higher ocean freight costs associated with
 25 cargo preference rules have already caused the cancellation

1 of export sales to Egypt, Iraq, Morocco, and Tunisia and
2 will in the future affect sales to many additional
3 countries; and

4 WHEREAS, agricultural exports are the forerunner in
5 combating this country's ever-growing imbalance of trade;
6 and

7 WHEREAS, the purpose of the Cargo Preference Act of
8 1954 was to maintain a viable United States maritime fleet;
9 and

10 WHEREAS, a strong United States maritime fleet is in
11 the best interest, welfare, and security of the American
12 public, and the cost incurred should be borne as such by the
13 United States Department of Defense and not by a single
14 component of our economy such as agriculture.

15

16 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE
17 OF REPRESENTATIVES OF THE STATE OF MONTANA:

18 That the Congress of the United States is strongly
19 urged to repeal the Cargo Preference Act of 1954.

20 BE IT FURTHER RESOLVED, that the Secretary of State
21 send copies of this resolution to the President of the
22 United States, the United States Secretary of Agriculture,
23 the Chairmen of the United States Senate and House
24 Agriculture Committees, United States trade representatives,
25 and to the Montana Congressional Delegation.

COMMITTEE OF THE WHOLE AMENDMENT

4190945P.CW

HOUSE

4-19-85

DATE

9:45

TIME

MR. CHAIRMAN: I MOVE TO AMEND Senate Joint Resolution

No. 36

reference reading copy (salmon) as follows:
Color

1. Title, line 13.
Following: "FOR"
Strike: "THE REPEAL"
Insert: "LIMITING APPLICATION"

2. Page 3, line 19.
Following: "urged to"
Strike: "repeal the Cargo Preference Act of 1954"
Insert: "enact legislation limiting application of the Cargo Preference Act of 1954 to concessional sales, such as PL 480, and prohibiting application of cargo preference to the United States Department of Agriculture's blended credit program, guaranteed credit programs, and other competitive sales programs"

3. Page 3, following line 19.
Insert: "BE IT FURTHER RESOLVED, that all costs incurred by cargo preference rules be borne by the Department of Defense rather than the Department of Agriculture."

KMF

ADOPT

REJECT

James W. Schultz
Rep. Schultz

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10
 11 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF
 12 REPRESENTATIVES OF THE STATE OF MONTANA EXPRESSING SUPPORT
 13 FOR THE-REPEAL LIMITING APPLICATION OF THE CARGO PREFERENCE
 14 ACT OF 1954 BY THE UNITED STATES CONGRESS.

15
 16 WHEREAS, agricultural exports are the lifeblood of
 17 American farmers; and

18 WHEREAS, agriculture accounts for 20% of this nation's
 19 gross national product, 20% of United States employment, and
 20 20% of United States foreign exchange; and

21 WHEREAS, agricultural exports account for one-third of
 22 America's harvested cropland, 20% of all farm income, and
 23 one-fourth of all export shipping; and

24 WHEREAS, United States wheat production depends on
 25 export markets for more than 60% of annual utilization; and

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 17 vessels, and these higher rates add an average of 80 cents a
 18 bushel to the cost of American wheat, 76 cents a bushel for
 19 feed grains, and 80 cents a bushel for soybeans; and

20 WHEREAS, costs associated with cargo preference
 21 subsidies are reflected in lower farmer income, higher farm
 22 program costs, and lost income to the allied agricultural
 23 industry; and

24 WHEREAS, higher ocean freight costs associated with
 25 cargo preference rules have already caused the cancellation

REFERENCE BILL

-2-

SECOND PRINTING
 AS AMENDED

SJR 36

1 of export sales to Egypt, Iraq, Morocco, and Tunisia and
 2 will in the future affect sales to many additional
 3 countries; and

4 WHEREAS, agricultural exports are the forerunner in
 5 combating this country's ever-growing imbalance of trade;
 6 and

7 WHEREAS, the purpose of the Cargo Preference Act of
 8 1954 was to maintain a viable United States maritime fleet;
 9 and

10 WHEREAS, a strong United States maritime fleet is in
 11 the best interest, welfare, and security of the American
 12 public, and the cost incurred should be borne as such by the
 13 United States Department of Defense and not by a single
 14 component of our economy such as agriculture.

15

16 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE
 17 OF REPRESENTATIVES OF THE STATE OF MONTANA:

18 That the Congress of the United States is strongly
 19 urged to ~~repeat--the--Cargo--Preference--Act--of--1954~~ ENACT
 20 LEGISLATION LIMITING APPLICATION OF THE CARGO PREFERENCE ACT
 21 OF 1954 TO CONCESSIONAL SALES, SUCH AS P.L. 480, AND
 22 PROHIBITING APPLICATION OF CARGO PREFERENCE TO THE UNITED
 23 STATES DEPARTMENT OF AGRICULTURE'S BLENDED CREDIT PROGRAM,
 24 GUARANTEED CREDIT PROGRAMS, AND OTHER COMPETITIVE SALES
 25 PROGRAMS.

1 BE IT FURTHER RESOLVED, THAT ALL COSTS INCURRED BY
 2 CARGO PREFERENCE RULES BE BORNE BY THE DEPARTMENT OF DEFENSE
 3 RATHER THAN THE DEPARTMENT OF AGRICULTURE.

4 BE IT FURTHER RESOLVED, that the Secretary of State
 5 send copies of this resolution to the President of the
 6 United States, the United States Secretary of Agriculture,
 7 the Chairmen of the United States Senate and House
 8 Agriculture Committees, United States trade representatives,
 9 and to the Montana Congressional Delegation.

-End-