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Contact: Carol Guthrie
202-224-4515

Floor Statement by Senator Max Baucus
Cuba Amendment to the Farm Bill
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More than 200 years ago, Richard Whately, an English logician said, “a man is called selfish not for pursuing his own good, but for neglecting his neighbor's.” Not only does our current Cuba policy make it difficult to pursue our own good, but we are also guilty of neglecting the good of one of our closest neighbors.

Today I am offering an amendment to enable America’s farmers and ranchers to sell their wheat, potatoes, and dairy products to a neighbor just 90 miles away and a market of 11 million consumers. That market is Cuba.

In 2000, Congress authorized limited sales of food and medical goods to Cuba under the Trade Sanctions Reform and Export Enhancement Act, known as TSREEA. That law permitted U.S. farmers and ranchers to engage in cash-basis sales of their goods to Cuban buyers.

Under this new law, our agriculture trade with Cuba prospered. At its peak, American farmers and ranchers – including those from Montana – sold over \$400 million worth of peas, beef, and wheat to Cuba in one year. In fact, in 2003, I led a trade mission to Cuba and walked away with a \$10.4 million deal for Montana. Cuba bought \$10.4 million in Montana wheat, beans, and peas. And then I went back one year later, and signed a new agreement for \$15 million worth of Montana goods.

But in 2005, the Treasury Department issued rules to stymie such sales. Under the guise of “clarifying” the intent of Congress, the Treasury Department instead undermined the express will of Congress by restricting the ability of U.S. farmers and ranchers to engage in cash-basis sales.

Specifically, the new Treasury rule requires Cuban buyers to pay for their goods before they leave the U.S. port. This converts the goods to Cuban assets, which makes them vulnerable to seizure to satisfy unrelated American claims against the Cuban government.

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Now, in order for American farmers and ranchers to sell their wheat, beef, and pork to Cuba, they must work with foreign banks and surrender a portion of their profits to costly fees. Not surprisingly, since Treasury's rule, cash basis sales of agricultural goods to Cuba have slowed to a trickle. It made implementation of Montana's 2004 agreement with Cuba virtually impossible.

Mr. President, I know Congress's intent. And I assure you that we do not need Treasury's clarification. Congress did not approve legislation to expand trade with Cuba with the expectation that the administration would seek to restrict it. Congress did not approve legislation to the sales of our farmers and ranchers while at the same time we make it impossible for them to receive payment.

These rules have continued to stifle the ability of farmers to sell their products to Cubans on a cash basis. They have encouraged foreign banks to take a cut of every U.S. agriculture deal with Cuba. They have required farmers and ranchers to wait weeks or months before getting a license to travel to Cuba to meet potential buyers. And they prevent Cuban buyers, who want to come to this country to meet with producers, from entering our country.

This amendment would change that. It restores the true intent of Congress. It simplifies cash transactions, and expands opportunities for farmers and ranchers. It enables direct transfers from American banks to Cuban banks. It allows American farmers and ranchers to travel to Cuba to sell their products. And it encourages Cuban buyers to come to the United States to see our first-class products for themselves.

These provisions are common sense. These provisions are sound policy. And I had hoped that we could have a discussion and a vote on my amendment. Unfortunately, some members have threatened to hold up the farm bill if we include – or even vote on – these important provisions. So, in the interest of moving the farm bill forward, it is with deep regret that I withdraw my amendment.

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