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Montana Stockgrowers Convention Mid-Year Meeting

Max S. Baucus

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__________________________ **June-2000**

__________________________ **Montana Stockgrowers Mid-Year Meeting**
(select subject from controlled vocabulary, if your office has one)

__________________________ **Talked about Trade, CARA, and Drought**

__________________________ **06/09/2000**
Thank you for asking me to join you today. I wish I could be back in Montana right now and I’d even try to bring some much needed rain! I know that you’ve had a busy year and want to congratulate you for all your efforts which are starting to turn the tide in a positive direction on the market.

I’d like to share a couple of thoughts. Yesterday, I introduced the Trade Injury Compensation Act of 2000 with several Beef Caucus co-sponsors. This bill establishes a Beef Injury Compensation Trust Fund to help the U.S. and Montana cattle industry withstand the European Union’s illegal ban on beef treated with hormones.

Over a year ago, the World Trade Organization Dispute Settlement Body found in favor of the United States regarding the European Union’s ban on United States beef produced with hormones and authorized retaliation subsequent to the European Union’s failure to implement that decision. Since that time, the EU has continued to stall in its compliance and now it is time to try something new to help producers who continue to be injured by the ban.

In response to the ruling of the WTO and behavior of the EU, the United States has placed 100% duties on $116.8 million worth of EU products. Normally, these additional tariff revenues received from retaliation go to the Treasury. This bill establishes a trust fund (which is estimated at $30 million and growing) so that the beef industry will receive those revenues as compensation for its injury. In particular, the fund shall:

1. Provide assistance to United States beef producers to improve the quality of beef produced in the United States; and

2. Provide assistance to United States beef producers in market development, consumer education, and promotion of the beef industry in overseas markets.

This bill should give some relief to producers as well as bring credibility to the WTO compliance system. I would hope that the EU would simply comply, but in the interim, we need to get some relief for our producers. I am optimistic that we will work it through the Congress as quickly as possible.

Second, I’ve taken a close look at the CARA proposal and have decided that, while it has some good elements, we can do better for Montana. Working with Senator Bingaman from New Mexico, I’ve introduced alternative legislation that works better for western states. Our bill does a number of things that CARA does not do.
First, it guarantees full funding for the PILT (payment in lieu of taxes) program. If the federal government owns land in a county, it should be required to pay taxes on that land just like everyone else. For years, the federal government has said it would do so, but Congress has consistently failed to meet that promise. Under our bill, Montana will receive $23 million per year that the counties can use for roads, schools, and important services. It's about time that Uncle Sam paid his taxes.

Second, it puts aside $50 million per year to help ranchers and other landowners pay for activities to conserve threatened and endangered species. By using incentives such as these, we can help avoid the use of regulations to conserve these species.

Finally, it establishes a new $50 ranchland conservation program under which ranchers can qualify for conservation easements. This voluntary program gives landowners one more tool to keep family ranches in family hands.

The bottom line is that CARA is likely to pass this year. It's supported by Governor Racicot and Rick Hill voted for it in the House. If it's going to pass, I want to make sure that there's something in it for the people of Montana.

Lastly, I want to mention the weather. We know many counties across the state have been affected by record drought conditions. Many have opening up the CRP for grazing, others are trying desperately to qualify. I want to do everything possible to help our producers get through this rough spot and am urging the U.S. Department of Agriculture to send the Secretary or the Director of the Farm Service Agency out to have a first-hand look at the extreme conditions we are facing.

I am proud of this industry and all you've done to keep the lifeblood flowing in Montana. I would also like to thank Jim Peterson for the decade of dedication he has given to the Montana Stockgrowers. You're a good guy, Jim, and I wish you the best with your new endeavors.

As always, keep in touch.