

Introduced by Senator Cedillo

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Senate Joint Resolution No. 36—Relative to trade and food supply with Cuba.

LEGISLATIVE COUNSEL'S DIGEST

SJR 36, as introduced, Cedillo. Removal of restrictions relating to agricultural sales to Cuba.

This measure would urge the President and the Congress of the United States to consider the removal of commercial, economic, and financial restrictions relating to agricultural sales to Cuba.

Fiscal committee: no.

- 1 WHEREAS, The trade relationship between the United States
- 2 and Cuba has long been marked by tension; and
- 3 WHEREAS, Further heightening this conflict is the 50-year-old
- 4 United States trade embargo against the island nation, which
- 5 remains the most restrictive in modern history; and
- 6 WHEREAS, In the last 10 years, Cuba has experienced an
- 7 evolution of its foreign trade, and the most outstanding feature is
- 8 the divergence between the exports of goods, whose value
- 9 increased approximately two and one-half times in that period,
- 10 and the imports, which more than tripled; and

1 WHEREAS, In 2000, Congress passed the federal Trade
2 Sanctions Reform and Export Enhancement Act (22 U.S.C. Sec.
3 7201 et seq.), which allows the Cuban government to buy United
4 States food and agricultural products with direct cash payments;
5 and

6 WHEREAS, Despite the trade embargo, the United States is the
7 fifth largest exporter to Cuba, even though businesses wishing to
8 sell their products in Cuba have to be approved on a case-by-case
9 basis; and

10 WHEREAS, Cuba's reliance on United States agriculture is
11 now in jeopardy because Cuba witnessed significant economic
12 growth in 2003 and averaged 6.3 percent for the period 2001 to
13 2006, inclusive, but now Cuba is struggling economically with the
14 Cuban government forecasting a modest 1.9 percent growth in
15 2010, and the value of the food imported into Cuba from the United
16 States that totaled \$712,000,000 in 2008 declined to \$533,000,000
17 in 2009; and

18 WHEREAS, Cuba's current economic struggles and the United
19 States' cumbersome trade process that requires Cuba to pay cash
20 for all imports, as credit is not allowed, before their shipments
21 leave United States ports put American farmers at risk and
22 discourage many companies from doing business with Cuba; and

23 WHEREAS, California is the top agricultural producer and
24 exporter in the nation, a position it has held for 50 years, due to
25 its enormous variety of crops and great growing conditions; and

26 WHEREAS, Removal of the trade and financial restrictions
27 related to the sale of agricultural products to Cuba would increase
28 sales and business opportunities for the California agriculture
29 industry; and

30 WHEREAS, California's economy is the largest of any state in
31 the United States and is one of the 10 largest economies in the
32 world and, as of 2008, the gross state product (GSP) in California
33 was approximately \$1.85 trillion, which was 13 percent of the
34 United States gross domestic product (GDP); and

35 WHEREAS, California is, therefore, ideally positioned to benefit
36 from a modification to the financial, investment, and commercial
37 restrictions related to agricultural sales to Cuba, which would
38 encourage United States workers, farmers, and businesses to
39 expand to the Cuban market and decide for themselves what level

1 of risk they are willing to take in trading with and loaning to Cuba;
2 and

3 WHEREAS, Rather than limiting Cuba of access to foreign
4 investors, the United States embargo succeeds only in driving
5 investments and food supply to competitors in other countries that
6 have no such restrictions; and

7 WHEREAS, The United States' financial restrictions related to
8 agricultural sales to Cuba threaten the United States exporters'
9 advantage in the Cuban food market and obstruct economic growth
10 and job creation; now, therefore, be it

11 *Resolved by the Senate and the Assembly of the State of*
12 *California, jointly,* That the Legislature of the State of California
13 hereby respectfully urges the President and the Congress of the
14 United States to consider the removal of commercial, economic,
15 and financial restrictions relating to agricultural sales to Cuba; and
16 be it further

17 *Resolved,* That the Secretary of the Senate transmit copies of
18 this resolution to the President and Vice President of the United
19 States, the Speaker of the House of Representatives, and to each
20 Senator and Representative from California in the Congress of the
21 United States.