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Statement of Senator Chuck Grassley
Senate Finance Committee Mark-up of the Andean Trade Preferences Act,
Trade Adjustment Assistance
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Mr. Chairman, the advertised purpose of this Finance Committee meeting is to mark up the Andean Trade Preferences Act and a Trade Adjustment Assistance bill. I want to say right up front that I support ATPA. And I want to do something meaningful on TAA, even though I have serious concerns about the size and scope of what has been proposed in the Chairman's mark. I have always supported trade adjustment assistance, and I am prepared to do so again, but not this way. The Chairman's mark is a notable departure from our history in this area. And I cannot support it.

Since 1962, trade adjustment assistance programs have provided income support and retraining for workers hurt by U.S. trade policy. TAA programs have played an important role in keeping farmers, fishermen and others afloat when times get tough. I support these goals. Today, however, the Chairman's mark on TAA goes farther and wider than we've ever gone before.

I was especially surprised to see several components of the Democratic stimulus package included in this mark. Just as my colleagues on the other side failed to work in a bipartisan fashion on economic stimulus, they have followed this same course again on TAA. This is very disappointing. Including unprecedented policy changes in this trade bill, such as permanent COBRA subsidy programs and Medicaid expansions, sends a very clear message. And that is that Democrats are more interested in pushing their political agenda than getting a bipartisan TAA bill through this committee.

But this mark-up is more notable for what is not on the agenda than for what is: Trade Promotion Authority for the President. The real story of this mark-up is that it's a huge missed opportunity. And, sad to say, it's a missed opportunity largely because the effort to bring up TPA in the Finance Committee this year has been so needlessly and excessively partisan. Nearly every member on this side of the aisle – and several Democrats – have wanted to see a vote on TPA this year. Even members who don't favor TPA believe it should be brought up for a vote this year in committee.

But time and again, members have been pressured to not bring it up. I can't tell you how dismayed I am that we can't even get a commitment on a date to consider the President's most important trade legislation in the Finance Committee. This is not in the bipartisan tradition of the Finance Committee. We can and must do better. But instead of getting a commitment to have a vote this year on a matter that affects the majority of workers and farmers in the United States, all we've had are delays and reasons that, in my view, don't have any merit. I want to briefly say a word on some of these.

One reason we've heard for not marking up TPA is that the Finance Committee shouldn't act before the House does. But the fact of the matter is, even though the House is constitutionally required to act first on revenue matters, on many occasions, the Finance Committee has acted on revenue matters while waiting for House action. The Senate not only has a right to act, it has an obligation to act when vital United States interests are at stake. Another excuse I've heard for why we can't take up trade promotion authority this year is that we don't need TPA to start negotiations. Technically speaking, that's true. We don't need TPA to start trade negotiations. But we do need it if we want the President and our negotiators to have credibility at the negotiating table. What we're really talking about is not trade promotion authority for the President. A better way of saying that is "trade promotion authority for the United States." Because it's United States negotiating

credibility that's on the line. And when our credibility with 141 other countries in the WTO is impaired, it's the United States itself that gets hurt.

This isn't a theoretical discussion anymore. A new round of global trade talks will start in a few weeks. It will matter a great deal if the other delegations in the room take our negotiators seriously. Our negotiators just aren't credible if other countries know that a deal is never final. You don't have to take my word for it. Here is what Ambassador Robert Strauss, President Carter's USTR, told this committee in 1987 about what his foreign counterparts told him in trade negotiations: "why should I put this on the table, and have it bit on here, and nibbled on there, and torn apart here, and then you come back and insist I do this, that and the other. I want to know when we shake hands and walk out of this room, that is what your Congress is going to vote up or down, or I won't go." Ambassador Strauss was one of our top trade negotiators. He negotiated a lot of tough deals. He knows what he's talking about. And what he said in 1987 is even more true today.

Another excuse for not bringing up trade promotion authority is "the timing isn't right." Well, that's not what Alan Greenspan thinks. The Fed chairman told this committee twice – once in April, and once in the fall, that to help our ailing economy, we ought to renew trade promotion authority this year. And now that, according to the OECD, the world has plunged into the first global recession in two decades, Chairman Greenspan's advice assumes even more urgency. Furthermore, denying TPA to the President until we are one or two years into a three-year negotiation would only slow down the talks, and postpone their benefits.

Without TPA, it will take longer to cut trade-distorting tariffs, and to gain more market access for our agricultural products, our manufactured goods, and for our services. That's a good deal for Europe and Japan. But it's a bad deal for America's farmers and workers. America's major farm organizations have all told us how important TPA is for their members. Here is what the Farm Bureau said: "We ... urge expedient Senate consideration of trade promotion authority, an important negotiating tool for the President ... if we languish in granting trade promotion authority to the president, U.S. agriculture will suffer." The National Pork Producers Council also wants to see trade promotion authority renewed this year, and its president has written a very strong letter to that effect.

Finally, the latest excuse for not bringing up trade promotion authority this year is that Ambassador Zoellick gave too much away at the WTO Ministerial in Qattar with respect to antidumping, so we shouldn't move forward with TPA. This argument has the least merit of all. In fact, what we gained in the antidumping area is so good, I wonder if the critics of the Rules language have even read this portion of the Ministerial Declaration. The antidumping language the United States succeeded in getting into the Rules portion of the WTO Ministerial Declaration was a big win for the United States. First, it allowed us to get a new round launched. The Farm Bureau said that what the United States achieved in Qattar was, in its words, a "historic declaration." The group also said "the launch of international trade talks in the WTO is a critical step in improving the global outlook for U.S. agriculture." I agree with both those statements. But we could never have launched a new round without agreeing to the demands of 141 other countries to put this topic on the table. Furthermore, the antidumping language we did agree to specifically allows the United States to continue using every one of its current laws. Let me repeat that. We get to keep every one of our current laws. We agreed to give up none of our current laws – not one.

But the really good part is, for the first time in the WTO we will look at the abusive antidumping practices of other nations who have antidumping regimes that are not as fair and transparent as ours are. Many United States farmers and workers have been hurt by these abusive practices. Because of the language Ambassador Zoellick negotiated in Qattar, we will finally be able to try to do something about it in the WTO, where this matter ought to be raised. There are other issues in this mark-up that also concern me, such as using Customs user fees to pay for new spending. There is still time to resolve the TPA issue in a bipartisan way. But we can't do that until we get a commitment to bring it up in this committee before the end of the year. Mr. Chairman, I urge you to schedule a TPA mark-up before we go home for Christmas, regardless of what the House does. This is our obligation as a committee, and we must never shirk our obligations. This committee has not hesitated to act on trade legislation in the past before the House did, as we did with the 1997 fast-track bill. Nothing less than United States credibility and leadership in the world's foremost trade forum, the WTO, is at stake. Let's put aside partisan differences, schedule a TPA mark-up now, and do what's good for our country.