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Press\_Office@finance-rep.senate.gov

MEMORANDUM

To: Reporters and Editors  
Re: President's call for renewed trade promotion authority  
Da: Wednesday, Jan. 31, 2007

Sen. Chuck Grassley, ranking member of the Committee on Finance, with jurisdiction over international trade, today made the following comment on President Bush's call on Congress to renew trade promotion authority for the president. President Bush called for renewal during a speech this morning on the economy. The Finance Committee was the Senate committee of jurisdiction when trade promotion authority was last renewed in 2002.

"I welcome the President's call for renewal of trade promotion authority. This should not be a partisan issue. Every President should have trade promotion authority. It's in our interest to open up new markets for U.S. exporters. We have the most open economy in the world. We benefit from that openness by lower prices and more consumer choices. The United States needs to keep opening markets that are closed to our exports. If we shut down trade promotion authority, we'll shut down new opportunities for our exporters. Trade promotion authority helps ensure that trade is a two-way street. I've started to hear more promising signals from some of my colleagues on the other side of the aisle. That leaves me a little more optimistic than I was. I hope those positive signals translate into concrete action over the next few months so we renew trade promotion authority before it expires on July 1<sup>st</sup>."

The relevant part of the President's speech follows here:

First, we can make our economy more flexible and dynamic by expanding trade. America has about 5 percent of the world's population. That means 95 percent of our potential customers are abroad. Every time we break down barriers to trade and investment, we open up new markets for our businesses and our farmers. As we improve free trade, consumers get lower prices. There are better American jobs. You see increased productivity. Jobs supported by exports of goods pay wages that are 13 to 18 percent higher than the average. So one of our top priorities has been to remove obstacles to trade everywhere we can.

When I took office, America had free trade agreements with three countries. We have free trade

agreements in force now with 13 countries -- and we have more on the way. These agreements are leading to direct benefits for America's businesses and, equally importantly, America's workers. Yesterday, I went to the Caterpillar plant in Peoria, Illinois -- that's where they make big bulldozers. The folks there told me that Caterpillar now exports more than one-half of the products they make. They see immediate results when we have broken down barriers to trade. Within two years of implementing our free trade agreement with Chile, Caterpillar's exports to that country have nearly doubled. The opening of this and other export markets has led Cat to add thousands of new jobs here in America.

Manufacturers, farmers, and service providers all across our country have similar stories. So we need to continue to level the playing field for our goods and services. I strongly believe this: When people around the world have a choice, they choose goods that say "Made in the USA."

In this global economy, new competition means that American businesses must constantly approve [sic]\*. Global competition can also lead to hardships for our workers and their families. Government has a responsibility to help displaced workers find new jobs, or even a new career. So my administration has reformed job training programs and expanded Trade Adjustment Assistance to help more displaced workers learn the new skills they need to succeed. I'm going to work with Congress to reauthorize and to improve the Trade Adjustment Assistance this year, so we can help Americans take advantage of this growing, dynamic economy.

At this moment, the most promising opportunity to expand free and fair trade is by concluding the Doha Round at the World Trade Organization. Global trade talks like Doha have the potential to lower trade barriers all around the world. They come around only once every decade or so. Successful trade talks will have an enormous impact on people around the world. Since World War II, the opening of global trade and investment has resulted in income gains of about \$9,000 a year for the average American household.

The Doha Round is a chance to level the playing field for our goods and services -- in other words, so we can be treated fairly in foreign markets -- but it also is a great opportunity to lift millions of people out of poverty around the world. And so we're going to work hard to complete it. We are dedicated to making sure we have a successful Doha Round.

The only way America can complete Doha and make headway on other trade agreements is to extent Trade Promotion Authority. This authority allows the President to negotiate complicated trade deals for our country, and then send them to Congress for an up or down vote on the whole agreement. Presidents of both parties have considered this authority essential to completing good trade agreements. Our trading partners consider it essential for our success at the negotiating table. The authority is set to expire on July 1st -- and I ask Congress to renew it. I know there's going to be a vigorous debate on trade, and bashing trade can make for good sound bites on the evening news. But walling off America from world trade would be a disaster for our economy. Congress needs to reject protectionism, and to keep this economy open to the tremendous opportunities that the world has to offer.