



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Re: WTO ruling on U.S. cotton
Da: Friday, March 4, 2005

Sen. Chuck Grassley, chairman of the Committee on Finance, today made the following comment on the World Trade Organization Appellate Body report on U.S. cotton, released yesterday.

“I have not had the opportunity yet to review in any detail the WTO’s Appellate Body report on U.S. cotton. It is my understanding though that the Appellate Body upheld most of the findings made by the WTO panel last year. I will carefully review the report and consult with the Administration and my colleagues before determining next steps.

“It’s important for developing nations to recognize that the most significant gains for the world’s agricultural producers will not be made by challenging subsidies through the WTO dispute process, but in reaching a comprehensive agreement in multilateral negotiations at the World Trade Organization. In short, developing countries cannot litigate their way to prosperity by challenging agriculture subsidies. In this regard, market access for developed and developing countries is key. This is not a north-south issue. In fact, many developing countries cannot export their agricultural products to other developing countries due to market access barriers imposed by their neighbors. Those nations that are pursuing reduction of agricultural subsidies by developed nations through litigation need to realize that without increased access to agricultural markets in developed and developing countries alike, economic prosperity will elude them. That is one reason why a comprehensive negotiating round in the WTO that includes strong market access commitments from all parties is so critical. To achieve this, developing nations need to step up to the plate and demonstrate that they are willing to make meaningful contributions toward concluding a successful WTO round of negotiations.”