



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Re: Grassley statement on Brazil/WTO
Da: Thursday, March 23, 2006

Sen. Chuck Grassley, chairman of the U.S. Senate Finance Committee, which has jurisdiction over international trade, made the following statement after leading an official delegation of senators and congressmen to Brazil. The delegation met with government officials and agriculture, business and industry groups and toured several agriculture facilities throughout the week. Here is Grassley's comment.

"Brazil is a beautiful country, and I was impressed by the warmth of its people. I appreciated the time that Brazilian ministers and legislators took to meet with me. I also enjoyed meeting with Brazilian farmers, agricultural exporters, manufacturers, and service providers. My visit confirmed my impression that Brazil, while it faces economic challenges, has highly dynamic agricultural and manufacturing sectors.

"I must admit, though, that I'm disappointed in what I heard this week. I had high hopes when we arrived that it would become clearer that progress would be made in advancing talks at the WTO. After all, time is not on our side. A meeting of trade ministers will be held at the WTO at the end of April, and with the expiration of Trade Promotion Authority coming in 2007, any WTO agreement would need to be finalized by the end of 2006. I became increasingly discouraged about the prospects of reaching an agreement on the Doha Round of the World Trade Organization.

"There was a recurring theme during our discussions – the U.S. needs to do more. But the U.S. has already done more than most. The U.S. put a meaningful offer on the table last October to jumpstart the agriculture negotiations. But I've come to the conclusion that this offer will never be enough for Brazil. If they really want an agreement in the WTO, they also need to bring a meaningful agricultural offer to the table that will result in increased market access in both developed and developing countries. Such an offer would benefit both of our countries as both the United States and Brazil are leading agricultural exporting countries. With such an offer, we can really begin to negotiate. Who knows, if we can just get to the table to talk, we might be able to come up with something we can all work with.

"Brazil has really compromised their position in the Doha Round negotiations by having their feet in both camps. They have an advanced agricultural sector, but they act like a developing country when it's convenient for them. In addition, outside of agriculture, Brazil's tariffs on U.S. manufactured products need to be lowered, and U.S. services providers would benefit significantly

from further liberalization of the Brazilian services sector. These issues could all be addressed in the WTO negotiations. Unfortunately, I've heard nothing in my talks that would convince me that we're going to get any movement in April. I hope I'm wrong."