



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

## MEMORANDUM

To: Reporters and Editors  
Re: Expectations for trade ministerial in Hong Kong  
Da: Wednesday, Dec. 7, 2005

Sen. Chuck Grassley, chairman of the Committee on Finance, made the following statement regarding his expectations for progress on expanded trade opportunities in the Hong Kong ministerial of the Doha Round negotiations of the World Trade Organization. Grassley made the comments from his farm in Butler County, Iowa, during his weekly call with agricultural journalists. A longtime outspoken advocate for American agriculture and free trade, Grassley today has legislative and oversight jurisdiction over trade in the Finance Committee. He farms corn and soybeans with his son in Butler County, Iowa.

“Several things need to be done for success in Hong Kong. There needs to be a recognition from many developing countries, even large ones like Brazil and India, that the only way we’ll get real economic growth out of the round is for them to participate in liberalizing their economies. The round won’t succeed and you won’t get economic growth unless every country, developed and developing, makes significant contributions. Right now, Brazil and India seem more focused on protecting what they have than in opening their markets, even to their neighbors in the south. And Europe has to do more on market access and in reducing production-related support for agriculture. I’d hoped the E.U. would have matched the United States’ leadership on agriculture. Unfortunately, the E.U. proposal falls short. It doesn’t provide enough market access for American farmers. And market access is key to profitability in agriculture. If these things could happen, there’d be a breakthrough.

“Right now I see such a breakthrough as just a slim possibility and I think pretty much a matter of luck. A lot depends upon whether these countries really want the WTO talks to move forward. If they don’t move forward with significant progress in Hong Kong, it will be very hard to fill in the any details in the early months of 2006. That really needs to happen if we’re going to get something finalized and signed by the end of 2006. And we need an agreement by then if we’re going to get it through Congress in 2007 before Trade Promotion Authority expires. That’s the kind of timeline we’re under. Not much progress has been made to this point. We really should have seen more progress made weeks ago in order for Hong Kong to be successful. With the reality of all of those timelines, it looks to me that it’ll take a miracle for progress to be made in Hong Kong. Two weeks from now, I hope I can say to you that the miracle happened. I was on my way to Hong Kong to participate and back up our negotiators and hurry this process along as chairman of the Senate committee that handles trade but because we’re in session next week, I had to cancel my trip to Hong Kong.

“We’ve made a lot of progress over the last 50 years through the process that we used to call GATT and now call WTO. Those agreements are still in place. They’re the laws of all of the countries involved. If we fail in Hong Kong and don’t get a Doha round agreement, then we continue down the road that we have in the past of doing bilateral negotiations and regional negotiations. I expect we’d have more emphasis on regionalism than bilateralism. The number one best approach is the WTO, the second best is regional, and the third-best is bilateral. For instance, next week I hope to get through the United States Senate the free trade agreement with Bahrain. If we don’t move forward in the WTO, I anticipate we’ll continue to push the regional and bilateral negotiations.”