

United States Senate Committee on Finance
Senator Chuck Grassley of Iowa, Chairman

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Grassley Says Attempt to Weaken Services Sector Proposal is Misguided

HONG KONG -- Sen. Chuck Grassley, chairman of the U.S. Senate Finance Committee, the Senate committee with legislative and oversight jurisdiction over international trade, today made the following statement on the attempt by some member countries to weaken the services sector expansion proposal before the World Trade Organization Ministerial. (Background: Under the U.S. system, the President negotiates trade agreements but the Congress must pass legislation implementing those trade agreements, so approval by the Congress is necessary for the United States to implement trade agreements such as a Doha Round agreement. The Congress also is responsible for legislation granting Trade Promotion Authority to the President. Trade Promotion Authority significantly expedites the United States' ability to negotiate and implement trade agreements. A longtime outspoken advocate for American agriculture and free trade, Grassley farms corn and soybeans with his son in Butler County, Iowa.)

"I'm concerned with the lack of progress and even what you might call regression from expanding the services sector. It was bad enough that so many WTO members didn't put anything new on the table before Hong Kong, and now it's even worse that some of our trading partners are trying to water down existing language. Services sector liberalization would help both developing and developed countries. Good access to efficient providers of financial, telecommunication, distribution, and transportation services is what countries need to produce and sell both manufactured and agricultural goods. Information technology services create needed infrastructure for future economic growth and expanded international trade. This sector is important to the U.S. economy, including Iowa's, and it's the largest and fastest-growing sector of the world economy. With this importance, we need countries to negotiate in good-faith toward expansion, not contraction. A successful services agreement would produce economic growth worldwide. If the attempt to water down the services text moves forward, the United States needs to respond with an even stronger counter-proposal."