



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

## MEMORANDUM

To: Reporters and Editors  
Re: U.S. case against Mexico on high fructose corn syrup  
Da: Tuesday, March 16, 2004

Sen. Chuck Grassley, chairman of the Committee on Finance, today commended the decision of the Bush administration to initiate dispute settlement proceedings at the World Trade Organization (WTO) with regard to Mexico's 20 percent tax on soft drinks containing high fructose corn syrup. Sen. Grassley made the below comments following the announcement by U.S. Trade Representative Robert Zoellick of the launching of the case:

"I fully support Ambassador Zoellick's decision. In fact, less than two months ago I sent him a letter urging him to initiate such a case. Mexico's high fructose corn syrup tax is WTO illegal. It's clearly aimed at blocking exports of U.S.-produced high fructose corn syrup to Mexico. In fact, since the implementation of this tax in January 2002, U.S. sales of high fructose corn syrup to Mexico have fallen to almost zero.

"Mexico is a member of the WTO, and as such, it has WTO obligations. By filing this case, we're showing Mexico that we will hold it to these obligations.

"While the WTO case is significant, it's important to continue examining other means of getting Mexico to lift the high fructose corn syrup tax. With this in mind, I'll continue to pursue S. 1952, the *Mexican Agricultural Trade Compliance Act*, which I introduced last November. This legislation would impose retaliatory tariffs on Mexican tequila and other Mexican agricultural products if the high fructose corn syrup tax is not removed.

"Likewise, I have received assurances from the Bush administration that it will continue to pursue other options to bring Mexico to repeal the tax. This is important. Iowa's corn farmers, and Iowa's high fructose corn syrup manufacturers, are suffering on account of Mexico's *de facto* ban on imports of U.S.-produced high fructose corn syrup. For this reason, all available means of getting Mexico to reverse its high fructose corn syrup policy must remain under consideration."