



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

## MEMORANDUM

To: Reporters and Editors  
Re: World Trade Organization framework  
Da: Monday, Aug. 2, 2004

Sen. Chuck Grassley, chairman of the Committee on Finance, made the following comment on the World Trade Organization framework reached over the weekend.

"The framework reached at the WTO this weekend presents a historic opportunity for U.S. farmers, including farmers in Iowa. The United States was able to lock in some of its major trade negotiating objectives for agriculture in this framework. U.S. agriculture has been seeking some of these goals for years. For example, WTO members agreed to the elimination of agricultural export subsidies, the most-trade distorting of all subsidies. The framework also provides for greater harmonization of domestic support, so countries with higher subsidy levels will cut their subsidies more. This means that the European Union's subsidies will fall closer in line with those provided by the United States. Likewise, in the area of market access, countries with higher tariffs will have to lower their tariffs more than will other countries. Given that U.S. tariffs on agricultural products are generally much lower than those of our trading partners, greater tariff harmonization will lead to greater fairness in the world trading system for U.S. farmers.

"While the framework makes some positive advances, there still is a long way to go before the Doha Round is deemed a success for U.S. agriculture. The road map is there. Now we have to fill in the details. For example, I'll be pushing hard to make sure that the Doha promise of 'substantial improvement in market access' becomes a reality for the American farmer. I know our farmers can compete with anyone in the world, but that competition must be on equal terms. The road map laid out this past weekend can surely help us get there, and I'll continue my efforts to make sure that this is what's achieved as negotiations continue.

"We also need to keep in mind that negotiations through the WTO are just about the only way for us to achieve significant worldwide agricultural reform – reform that's necessary if U.S. agriculture is to compete on a level playing field. I find it ironic that some members of the Democratic Party are now criticizing a framework that would help us get there. I'm certain that they would be complaining and criticizing just as loudly had no framework been achieved at all.

"Finally, many people believe that negotiations in non-agriculture market access and services

have been stymied due to our inability to make progress toward agriculture trade liberalization. In that sense, successful conclusion of this framework can help unlock negotiations in these two areas. I'm sure that's welcome news for America's manufacturing and service sectors."