

United States Senate
Committee on Finance



Sen. Chuck Grassley · Iowa
Ranking Member

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MEMORANDUM

To: Reporters and Editors
Re: Trade case against China over prohibited subsidies
Da: Friday, Feb. 2, 2007

The Office of the United States Trade Representative announced today that it has filed a World Trade Organization case against China over prohibited subsidies. Sen. Chuck Grassley, ranking member of the Committee on Finance, with jurisdiction over international trade, made the following comment on the case.

“I’m very pleased to see the United States Trade Representative take this action. Litigation isn’t an end to itself. But when we have evidence that China is not playing by the rules, we need to assert our rights aggressively in the World Trade Organization. China’s use of prohibited subsidies distorts competition. I hope the Chinese appreciate that if they flout the rules, they’re going to be held accountable. I’m working with Chairman Baucus on holding oversight hearings in the Finance Committee in March regarding U.S. economic relations with China. Those hearings are likely to cover currency issues and enforcement issues such as this case against prohibited subsidies. Senators have strong feelings about how to deal with trade abuses by the Chinese. We need to develop an effective response to those concerns. American businesses and consumers stand to lose if we overreact. But when the case is clear, we need to take strong action. That’s what we’re doing today.”