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Opening Statement of Sen. Chuck Grassley
Senate Committee on Finance Hearing on Steel and Lumber Trade Concerns
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Today's hearing will examine the trade-related problems and concerns of two American industries, steel and lumber. These concerns are important and deserve appropriate review by this Committee. I would like to make three points with regard to this hearing.

The first is that this administration deserves a tremendous amount of credit for its efforts on both issues. Particularly on the steel issue, President Bush has done more in 12 months to deal with the many complicated elements of this problem, both internationally and here at home, than has been done in the past eight years. The problems of the American steel industry did not develop on this Administration's watch. But the Administration's efforts to deal with it represent the best attempt I have seen yet to craft a comprehensive and long-term solution.

Secretary Aldonas, resolving the steel issue in a satisfactory way is a very, very tough problem. Everyone in this room knows it. But if the war on terror tells us anything, it tells us that this president, and this administration, does not shy away from tough problems. You have literally traveled the globe trying to develop a viable resolution. I know that there is a long way to go. But I want you to know how deeply we appreciate what the President, Secretary Evans, and you have done.

As you continue your efforts to address the complex economic difficulties confronting the steel industry, I ask that you try to refrain from taking any action that might penalize the hundreds of companies and the many thousands of American workers whose livelihoods depend on the availability of steel products that are not commercially available in the United States.

For example, the Eaton Corporation, which employs 800 workers in Belmond, Iowa, makes sophisticated valves that require specific kinds of engine valve steel that are not made in the United States. And there are many companies in my home state of Iowa that could be harmed by import restrictions on steel -- producers such as Maytag/Amana, Frigidaire/Electrolux, and John Deere. It would be most unfortunate, and counter-productive to what we are trying to achieve, if we hurt many American workers and their families while trying to help others. I have a letter from the president of Eaton that I would like to include in the record.

The second point I want to make is that a satisfactory resolution of these issues, and of all the trade issues that we care so much about, depends to a very large degree on American leadership, and on the president's credibility at the negotiating table. Trade promotion authority legislation is languishing in the Senate. The Finance Committee approved bipartisan trade promotion authority legislation two months ago, by an overwhelming 18 to 3 vote. It is conceivable that Senator Daschle

might not take up the TPA legislation until April. Every day in the Senate that we do not act on TPA is a setback for American leadership on trade. It undermines America's credibility with our trading partners. It gives other countries that do not necessarily share our interests and values the upper hand in shaping the direction of trade policy. I can't understand why Senator Daschle would want to let that happen.

Our trading partners are very sophisticated. They know that trade promotion authority is a lot more than just a technicality that only comes into play at the end of trade talks. They know that it is a powerful signal to the rest of the world about the unity and credibility of our government. When we show a divided face to the world, on any trade matter, we only hurt ourselves. I will not let that happen, especially in light of the resounding 18-3 vote in this Committee. Too much is at stake. I intend to raise this issue every chance I get. If we can put aside our political differences to vote a good TPA bill out of this Committee by such a wide margin, surely we can bring it to the floor in a timely fashion.

One final point. Our trade policy should be aimed at expanding the economic pie, not about arguing how large the slices should be. If we limit opportunities to trade, that's just what we will get – limited opportunity, limited jobs, limited economic growth. Expanded trade opportunities, and the extension of market-oriented rules to a broader range of sectors and products, benefit all Americans. They will benefit steel workers in Pennsylvania and West Virginia. They will benefit lumber workers in Idaho. They will benefit cattlemen and wheat growers in Montana, and pork producers in Iowa. This is exactly what Fed Chairman Alan Greenspan twice told this Committee – trade liberalization can provide a boost to economic growth, and reducing trade barriers is just like a stimulative tax cut. Mr. Chairman, I look forward to working with you to win early Senate approval for trade promotion authority, so we can strengthen our global trade leadership for the benefit of every American.