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Opening Statement of Senator Chuck Grassley
Senate Finance Committee Hearing
“Perspectives on the 2007 Trade Agenda”
March 8, 2007

Thank you, Mr. Chairman. And thanks also to our witnesses for being here today, particularly Mr. Craig Lang, President of the Iowa Farm Bureau Federation and a member of the board of directors of the American Farm Bureau Federation. This is an important hearing. The committee will need to address a number of pressing trade issues this year. We have to find a way forward to implement trade agreements with Peru, Colombia, and Panama. I’m hopeful that trade agreements with the Republic of Korea and Malaysia won’t be too far behind. We need to reauthorize trade promotion authority so the United States remains a relevant voice at the negotiating table. We need to reauthorize our trade adjustment assistance programs and examine ways to improve them in a fiscally responsible manner. And I think we need to take another look at our unilateral preference programs to determine whether it makes sense to retain or reform the current programs.

Today’s hearing will help us as we prepare to tackle those issues. American farmers, ranchers, manufacturers, and service providers are counting on us to get it right. We need to continue to open markets and reduce non-tariff barriers to our exports. And we have an immediate opportunity to do just that. The American Farm Bureau estimates that when fully implemented, our trade agreements with Peru and Colombia together would result in about \$1.5 billion in additional agricultural exports. The U.S. International Trade Commission estimates that each of these two trade agreements will help reduce our trade deficit. These agreements offer the prospect of billions of dollars in new export sales, not just for agricultural producers but for manufacturers and service providers as well.

It frustrates me to hear critics talk out of both sides of their mouth on trade. One minute they’re criticizing the size of our trade deficit, and the next they’re opposing trade agreements that will help improve our trade deficit. To me, that’s not credible.

Now, I realize that the political landscape is such that we need to address concerns on labor raised by members on the other side of the aisle if we’re going to get the Peru, Colombia, and Panama trade agreements implemented. I remain optimistic that we can find a way to address those concerns while not creating concerns on my side of the aisle that trade agreements could be used as a backdoor to force changes to U.S. labor policies. It remains to be seen whether the critics are truly interested in finding common ground on policy, or are just trying to kill the agreements outright.

And while these agreements are important economically, they're also important politically. We need to signal support for our allies in Latin America, not turn our backs on them. Failure to implement our trade agreements with Peru, Colombia, and Panama would just further embolden Chavez and his acolytes.

With respect to trade promotion authority, I know some have suggested that we need some breakthrough in the Doha negotiations in order to justify a renewal. I disagree. I think they've got it backwards. It's hard for me to see why our trading partners would put their cards on the table if there's doubt about Congress putting a final deal to a straight up or down vote. So I think we in Congress have to take care of our own business first, by renewing trade promotion authority.

I also look forward to exploring ways to improve our trade adjustment assistance programs in a fiscally responsible manner. I'm beginning to re-examine those programs myself, and will have more to say in the weeks and months ahead. Clearly there's a lot of work to be done. I look forward to working with the Chairman and the other members of the Committee to produce concrete results for the American people. And I look forward to hearing the testimony of today's witnesses as we begin that effort.