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Opening Statement of Senator Chuck Grassley  
Hearing, “Trade Enforcement for a 21<sup>st</sup> Century Economy”  
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Our trade remedy laws reflect a balance. When the United States imposes additional duties on imports, the U.S. producers of competing products may benefit. But at the same time, those benefits don’t flow through to consumers, who will see higher prices. The same goes for downstream users of the products, whose costs will increase. While that’s true of remedial duties such as antidumping and countervailing duties, it’s particularly true of safeguard duties. Safeguard duties are available without regard to whether the subject imports are unfairly traded. In other words, safeguard remedies can be applied even if there is no allegation or demonstration of an unfair trade practice.

That’s why the standard for showing injury in safeguard cases is higher. And that’s also why it’s important for the Administration to weigh carefully the pros and cons of providing safeguard relief. When it comes to safeguards, we need to be sure any action taken is in the best interests of the entire country, and not just a segment. My own view is that we have strong trade remedy laws on the books. And I believe the Commerce Department and the International Trade Commission take seriously their obligation to enforce those laws. We should be mindful that when it comes to remedial duties, trade remedies are only allowed when U.S. industries either suffer or are threatened with material injury. When the U.S. economy is strong, as it is now, it’s probably going to be more difficult to demonstrate material injury or threat of material injury. That would result in a decline in trade remedy cases. But that’s not a reason to rewrite our trade laws. I’ll be interested in hearing whether any of today’s witnesses disagree with me on that.

I also believe the Administration has done a pretty good job of enforcing our rights at the World Trade Organization. I want to commend Ambassador Schwab for bringing the new China cases on unfair subsidies and inadequate protection of intellectual property rights. They come on top of last year’s case on auto parts. The Administration has brought some other significant cases, like our challenge against Airbus subsidies. The Office of the United States Trade Representative has some of the hardest working people in government. To me, the claim that they aren’t pursuing good cases is unfounded. I’ll be interested in hearing from our witnesses whether there are any good cases that USTR is refusing to bring. And by good case, I mean a case that our industry is willing to support, and that USTR expects to win.

I also think the Administration has done a good job representing our interests in various WTO negotiations. For example, the Administration has been holding tough in its negotiations over Russia’s accession to the WTO. USTR is proceeding carefully to make sure that Russia is prepared to live up to the obligations of WTO membership. And USTR is right to be careful. Just a couple of days ago, Russian President Putin described the World Trade Organization as “archaic, undemocratic and inflexible.”

Now, I do have some concerns about the WTO. For example, I share the concern that the WTO Appellate Body has gone too far in some cases and may have created new obligations that the WTO Members never agreed to. If a WTO Agreement is silent on an issue, that means the Members haven't consented to follow any particular approach. In that case, it's not the place of the World Trade Organization to try and impose one.

I want to close by noting that we need to consider any proposals to change our trade laws very carefully. In April, U.S. exports of goods and services grew to a record \$129.5 billion dollars. We need to be mindful that any action we take invites reciprocal action by our trading partners.