



Committee On Finance

Max Baucus, Ranking Member

NEWS RELEASE

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Baucus Meets with Japanese Leaders in Tokyo, Presses for End to Ban Against U.S. Beef *Senator Urges Stronger Trade Relationship*

(TOKYO, JAPAN) U.S. Senator Max Baucus, Ranking Member of the Senate Finance Committee, today began his week-long tour of Asia in Tokyo, Japan, where he met with senior Japanese officials to push for a resumption of trade in U.S. beef and suggest the two countries explore the possibility of a free trade agreement (FTA).

In meetings with several members of the Japanese cabinet, Senator Baucus pointed out that a U.S. investigation into the discovery of bovine spongiform encephalopathy (BSE - also known as "mad cow disease") in a single dairy cow in Washington state last December has completed and the time has come to re-open the Japanese market. He further emphasized that no other animal has tested positive for the disease and that the U.S. Department of Agriculture (USDA) has taken numerous, extensive steps to assure the complete safety of the U.S. beef supply.

Japan has requested that every animal destined for export to its market be tested, but USDA has determined such universal testing to be scientifically unnecessary, and that safeguards now in place are sufficient. In the meetings, Baucus noted animal health guidelines published by the Organization of International Epizootics (OIE), which sets standards based on international scientific opinion, and to which both the U.S. and Japan are signatories, reflects the scientific consensus that BSE does not develop in cows less than 30 months of age, making such universal testing unwarranted.

Baucus made these points to Chief Cabinet Secretary Yasuo Fukuda; Minister of Economy, Trade & Investment Shoichi Nakagawa; Minister of Agriculture, Forestry, and Fisheries Yoshiyuki Kamei; and Vice Minister of Foreign Affairs Ichiro Aisawa.

"As a U.S. Senator from a western state with a large ranching economy, re-opening the Japanese market to U.S. beef is very important to me," Baucus said. "But the issue is much bigger than just my home state. The American economy, especially our rural farm economy, depends on these exports. Of course, even more importantly, the steps taken by USDA, out of an abundance of caution, since December 23 ensures that consumers can have full and complete confidence in the integrity and safety of the U.S. herd. I'm proud to have the opportunity to meet with Japan's top leaders to share the confidence I have in USDA's system and to press for a re-opening of this trade door."

U.S. Trade Representative Robert B. Zoellick and USDA Under Secretary J.B. Penn have both visited Japan in the past two months to try to resolve the impasse, but Baucus is the first Member of Congress to personally travel to Japan to help resolve the beef ban.

Baucus also highlighted the historically close economic relationship between the U.S. and Japan, and suggested the time had come to consider strengthening those ties. He has been critical of the lack of focus by the Administration on Asia, and called for renewed focus on the region.

"I think we need to dedicate more negotiating resources on Asia, particularly with countries like Japan," Baucus said. "Together, the U.S. and Japanese economies account for 40% of global GDP. Further growth in our bilateral trade through a FTA can have an enormous impact on the U.S. economy.

"There are obstacles, of course, and negotiating a FTA between our complex and advanced economies would take time. That said, Japan just last week concluded a trade agreement with Mexico, and is considering additional FTAs in Asia. An FTA with the U.S. is worth considering, given the dramatic benefits such an agreement would offer. The bottom line is that, whether it's through negotiating new trade agreements or enforcing existing agreements, Asia is where the real commercial opportunities exist," Baucus added.

In addition, Baucus raised his concerns with Japan's manipulation of its currency. By keeping the yen artificially low against the dollar, Japan is able to create an artificial advantage for its goods versus U.S. goods. Baucus also urged Japan to take a more active leadership role in Doha Round of negotiations for the World Trade Organization (WTO).

Baucus is joined on his Asia trip by a group of people from Montana and around the nation who are involved in business and agriculture. The rest of his trip involves travel to Beijing and Shanghai, China and Bangkok, Thailand.

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