



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

For Immediate Release

Thursday, May 8, 2003

Grassley to Mexico: Stop Undermining NAFTA

WASHINGTON – Sen. Chuck Grassley, chairman of the Committee on Finance, today sent a strongly worded letter urging Mexican officials to stop taking actions against U.S. agricultural products that undermine the spirit, if not the law, of the North American Free Trade Agreement.

The text of Grassley's letter follows.

May 8, 2003

His Excellency Javier Bernardo Usabiaga Arroyo
Secretary of Agriculture
Ministry of Agriculture
Insurgentes Sur 476
Col. Roma Sur
Mexico

Dear Secretary Usabiaga:

I am writing to express my strongest concerns regarding Mexico's commitment to abide by its agricultural trade obligations established in the North American Free Trade Agreement (NAFTA). Mexico has recently undertaken a number of actions against U.S. agricultural products that undermine the spirit, if not the law, of NAFTA. Mexico's continued pattern of not meeting its international trade obligations is unacceptable.

Commodities affected by Mexico's recent actions and threatened actions include pork, corn, high fructose corn syrup (HFCS), beef, rice, apples, and dry beans. The first four of these products are produced in Iowa, the state I represent in the U.S. Senate.

Barriers imposed by Mexico are impacting not only Iowa, but also other states. Members of the Senate that have steadfastly supported trade liberalization between our countries, including me, wonder why Mexican officials are so willing to jeopardize the foundation of the trading system that is critical to the economic health and vitality of both our countries by imposing these restrictions.

The United States and Mexico made commitments with the signing of the NAFTA. Both countries must abide by these commitments. Regardless, some in Mexico would rather not see Mexico follow its NAFTA obligations and are urging, instead, the renegotiation of NAFTA. The only reason to undertake such a renegotiation would appear to be to impose more barriers on trade between our countries, an outcome that would disadvantage Mexico as well as the United States.

NAFTA resulted in an open trading relationship that benefits citizens of both countries and all sectors of our economies. A key to the maintenance of this relationship is the adherence to NAFTA rules, including rules prohibiting the imposition of unwarranted barriers to the importation of agricultural products such as pork, corn, HFCS, and beef.

I am also sending this letter to Foreign Minister Luis Ernesto Derbez and Secretary of the Economy Fernando Canales. I urge each of you to keep the foundations of our trading relationship strong by resisting what appear to be shortsighted and politically motivated efforts to undermine NAFTA.

Sincerely,

Charles E. Grassley

Cc:

His Excellency Juan Jose Bremer Martino
Mexican Ambassador to the United States

The Honorable Colin Powell
Secretary of State

The Honorable Robert Zoellick
U.S. Trade Representative

The Honorable Ann Veneman
Secretary of Agriculture