



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Re: Comment on the WTO ruling on steel safeguard tariffs
Da: Monday, Nov. 10, 2003

Sen. Chuck Grassley, chairman of the Committee on Finance, today made the following comment on the World Trade Organization's appellate body ruling on steel safeguard tariffs.

"While I'm always disappointed when a WTO decision goes against the United States, this decision comes at a particularly difficult time. The European Union and Japan already have said that they'll retaliate if the steel tariffs aren't removed. Retaliatory tariffs could be applied on U.S. goods such as steel, paper, textiles and agricultural products. This certainly isn't something our economy needs right now.

"Although I may not agree with every decision at the WTO, it's important that we comply when decisions go against us. Complying with our WTO obligations is an important sign of American leadership. The U.S. economy has benefited greatly from our being in the WTO. And the track record shows that the WTO and the General Agreement on Tariffs and Trade have been effective platforms for the United States to gain restitution for trade grievances and to defend our practices. So, if we want other nations to comply with decisions that go in our favor, we need to set the right example when decisions don't go our way.

"I know the Administration has been working hard to restructure and revitalize the U.S. steel industry through its steel initiative. But it seems plain to me that keeping the steel tariffs now won't help our economy. U.S. manufacturing needs help. Lifting the tariffs on steel can bring additional breathing room to our beleaguered manufacturing sector. Iowa businesses and factory workers have let me know that they're being hurt by the steel tariffs and want to see them lifted. The tariffs have driven up costs and resulted in the loss of valuable business as customers have shifted sourcing and production overseas.

"I hope this WTO decision doesn't diminish or take away from the progress being made at global talks in the Organization for Economic Co-operation and Development (OECD) aimed at reducing excess global steel capacity and eliminating market-distorting government practices. Fixing the U.S. steel industry also means fixing the global steel market. I understand that there has been some good progress made in the OECD on these talks, and I strongly hope they'll continue to move forward."