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Remarks of Sen. Chuck Grassley at the 7th Annual
Washington International Trade Association Awards Dinner
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I am deeply grateful to you, the members of the Washington International Trade Association, and the Washington International Trade Foundation, for honoring me with your Distinguished Service Award. You know, I guess I can finally confess to you that I've been accused of being pro-trade. Well, I just have to say: guilty as charged. I want to suggest to you this evening that, as Ronald Reagan once said, this is a time for choosing. And tonight, I want to say a word about three choices before us.

First, and most importantly, we must choose whether or not our traditions of representative democracy, free markets, and free trade are worth defending. I am sure you have seen the images of the terrible violence and destruction on the streets of Genoa. Genoa is one of Europe's Renaissance cities. It was the site of the post-World War I conference on the reconstruction of Central Europe. Now it is being assaulted by 21st Century Vandals.

The chaos in the streets of Genoa – and in Seattle, Quebec City, Davos, and Goteberg – reminds me of the recent comment by Thomas Friedman, the noted Foreign Affairs columnist of the New York Times: "... This anti-globalization movement is largely the well-intentioned but ill-informed being led around by the ill-intentioned and well-informed."

Democracy, free markets, and free trade were the things that inspired the visionary men and women who created the modern world trading system. In 1947, Europe was in ruins. Its cities, highways, and ports were shattered. Millions of people were displaced. What led to this devastation? In a word, barriers. Barriers to thought. Barriers to political expression. Barriers to human dignity. And yes, barriers to trade. Smoot-Hawley and the successive rounds of retaliation and counter-retaliation it triggered did not cause World War II. But it did lengthen and deepen a world-wide economic contraction. Fueled by a global surge of protectionism, nations turned inward. "Beggary thy neighbor" was the watchword of the day. Slowly but surely, the intricate web of cultural and economic interdependence that held the world together came apart. We tried to change course. We ditched Smoot-Hawley. But it was too little, too late. As the poet John Donne wrote, "No man is an island." Well, no country is an island. One nation's actions always influence others. By the time we saw Smoot-Hawley for the folly it was, we could not compensate for the fact that we had pursued protectionist policies during an economic downturn. We could not escape the global consequences of our wrong-headed actions. Nor could our trading partners escape the folly of their own tit-for-tat protectionism. Thankfully, we learned a lesson.

We built post-war institutions like the General Agreement on Tariffs and Trade, to bring

people and nations together through trade. That system is our legacy. You and I inherited this legacy. We make it work. We should be proud of our stewardship. Thanks to your hard work, and the hard work of dedicated people like you in 140 other WTO Member countries, we have torn down tens of thousands of trade barriers since the Geneva Round in 1947.

Free markets and free trade have transformed nations. They have brought untold wealth and well-being to millions of people. Just think ... Japan was considered a developing country at the start of the Kennedy Round. So today, we have a choice. Whether to fight for our handiwork. Whether to improve it, expand it to cover more nations. Or let it collapse under the assault of a protectionist, misguided, inward-looking, anti-globalization movement. The global trading system can't sustain and defend itself. That's our job, if we choose to do it. The second choice before us is whether or not we want to help lift up the world's poor countries through trade.

Today, 1.2 billion people live, if you can call it that, on less than \$1 a day. Another 1.6 billion live on less than \$2 a day. This is a tragedy for all of us. Kofi Annan, the Secretary General of the United Nations, has said: "Whatever cause you champion, the cure does not lie in protesting against globalization itself. I believe the poor are poor not because of too much globalization, but because of too little." I don't agree with the Secretary General about everything. But on trade, he has got it exactly right. We know that poor countries that embrace free trade double the size of their economies every 16 years, while the ones that shun free trade must wait a hundred. If we cut trade barriers to agriculture, manufacturing, and services by just one-third, according to a Michigan University study, we could boost the global economy by \$613 billion. That's like adding an economy the size of Canada to the world economy. Think how much we could reduce world poverty if we could accomplish that during the next round of trade talks.

That leads me to our third choice. We must decide whether or not America will reclaim its leadership role in international trade. No significant trade liberalization has occurred during the last 50 years without United States leadership. That's why I want to renew the President's trade promotion authority this year. I want to give the President the broadest possible scope of negotiating authority, so he can negotiate reductions in trade barriers on a bilateral, regional, or multilateral basis. Some argue that we should wait. But waiting only weakens our hand, not strengthens it.

Our trading partners know how our system works. They know if Congress withholds trade promotion authority from the President, that our negotiators will have less authority, and less credibility, at the bargaining table. Our trade negotiators need all the credibility and authority they can get, right at the start of negotiations, and I am going to work as hard as I can to see that they get it. Thank you again for this tremendous honor, and for your kind hospitality. I look forward to working with you in the days and weeks ahead as we make crucial decisions about these important choices.