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MEMORANDUM

To: Reporters and Editors
Re: China to terminate subsidies
Da: Thursday, Nov. 29, 2007

Today, United States Trade Representative Susan C. Schwab announced that China has agreed to terminate subsidies that the United States had challenged under World Trade Organization (WTO) rules. Sen. Chuck Grassley, ranking member of the Committee on Finance, which has jurisdiction over international trade, made the following comment on today's announcement.

“This is welcome news. We don't litigate needlessly. When we initiate a WTO case, we have a legitimate basis for complaint. In this case, the Chinese government maintained eight subsidy programs that distorted competition in violation of international trade rules. I'm glad the Chinese government recognized that and agreed to permanently terminate the subsidies by January 1. This will bring significant relief to U.S. manufacturers and exporters who've faced unfair competition. China's entry into the WTO provided us the forum to achieve this outcome. President Bush and Ambassador Schwab have stood up for American workers and enforced international trade rules. But there's still work to do. We have three more cases against China pending at the WTO. There's a lot of room for improvement in the protection of intellectual property rights in China. And China still has an artificially undervalued currency. I hope today's agreement builds momentum for tackling these and other trade tensions between our countries.”