



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Re: Agricultural subsidies proposal
Da: Monday, Oct. 10, 2005

Today, U.S. Trade Representative Rob Portman outlined a plan on agriculture to jumpstart multilateral trade negotiations known as the World Trade Organization's Doha Development Agenda. Sen. Chuck Grassley, chairman of the Committee on Finance, with jurisdiction over international trade, made the following comment on this proposal.

"This is a bold and ambitious proposal. It's now time for our trading partners, especially the European Union and Japan, to be just as bold and ambitious in committing to reform their agricultural programs. I understand that our offer on domestic support is absolutely contingent upon equally ambitious market access, from both developed and developing countries. That's the way it should be. For the Doha round to be successful for U.S. agriculture, we have to see significant market access for our products in developing countries. The ball is now in our trading partners' courts. For too long the EU has asked others to demonstrate leadership in these talks. Once again, the United States has done so. Now it'll be interesting to see whether the European Union's actions match its rhetoric. And some developing countries have insisted on seeing what the United States is willing to offer in agriculture before making meaningful proposals. Now that they have our more detailed proposal on agriculture, I'm anxious to see them reciprocate in agriculture and other negotiating areas. I hope our trading partners will seize on this opportunity. For Congress to meet its time line under Trade Promotion Authority, we need to see significant progress by the December meeting in Hong Kong and substantially complete the Doha round by early January 2007. Time is short. Let's get it done."

The news release from the Office of the United States Trade Representative follows.

U.S. Offers Bold Plan on Agriculture to Jumpstart Doha Round Ambitious Initiative Demonstrates Seriousness of Purpose, Says Portman 10/10/2005

ZURICH – Today, the U.S. Trade Representative outlined a bold plan on agriculture to jumpstart multilateral trade negotiations known as the WTO's Doha Development Agenda. With this proposal, Ambassador Rob Portman advocated for the adoption of President Bush's vision of a tariff free world, and offered a specific plan on agriculture to help achieve this goal.

"Our ambitious initiative demonstrates a seriousness of purpose. The United States is committed to breaking the deadlock in multilateral talks on agriculture, and unleashing the full potential of the

Doha Round,” Portman said.

“The U.S. proposal is offered in earnest,” he noted. “We are ready to make meaningful changes to American farm programs provided our trading partners deliver tangible market access for U.S. agricultural exports and our offer is also met by substantial reductions in trade-distorting measures, with deeper cuts by the biggest subsidizers.”

“Our time is short. I urge all of us to redouble our efforts and maximize the nine weeks left before the WTO Ministerial in Hong Kong,” Portman added.

The U.S. proposal ensures substantial reductions of trade-distorting support measures and tariffs, along with the elimination of export subsidies. In a first stage, WTO Members would phase-in deep cuts in trade-distorting support and tariffs, thereby creating effective new market access opportunities and reforms of subsidy policies. After a period of consolidation, an additional phase-out period would deliver on the elimination of remaining trade-distorting practices in agriculture.