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CED Urges Bold Action To Expand World Trade
Business Group Offers Specific Steps To Open Global Markets

WASHINGTON, D.C. September 3, 2003 The Committee for Economic Development (CED) today called for new momentum in the Doha trade negotiations towards the goal of global free trade. In a policy statement entitled, Promoting U.S. Economic Growth and Security Through Expanding World Trade: A Call for Bold American Leadership, CED presents a leadership vision of a strong and open global trading system, and urges the United States and its trading partners to adopt vital policy reforms, including delinking agricultural subsidies from prices and production while opening agricultural markets everywhere, and eliminating all tariffs and non-tariff barriers in both manufacturing and services.

The CED is releasing the statement as the trade ministers of the World Trade Organization (WTO) nations meet in Cancun, Mexico. CED believes that faltering progress in the Doha Round has led to a lowering of expectations that must be challenged by sound vision and a keen sense of urgency.

“It is time for the United States to break the cycle of low expectations and provide real leadership on trade. Trade barriers hurt U.S. consumers while reducing business opportunities, economic growth, and security everywhere. Many business organizations in the U.S. and around the world emphatically support the full agenda of the Doha Round,” said James D. Robinson III, Chairman of CED’s Subcommittee on Expanding World Trade. “The United States can and must lead the way to progress on agricultural and other issues and guide the WTO towards fully open markets.”

“As the CED statement makes clear, our goal must be nothing short of free trade in global markets for agriculture, manufacturing, and services,” said Robert Rubin, Chairman of the Executive Committee of Citicorp, “and the time has come for the business community everywhere to champion those goals. The attention we pay to these negotiations must be commensurate with their importance to the world economy’s future”

Specifically, the CED statement calls for:

- **Reforms in Agriculture and Expansion of Market Access**

CED urges the U.S. to delink all agricultural subsidies from prices and production now and challenge all developed countries to do the same. It must lead the world in dropping tariffs and other barriers to market access in agricultural products. CED applauds the initial steps recently negotiated between the United States and the European Union, but views them as an important first step towards the real goal of free trade in all agricultural products.
• **Eliminating Tariffs and Non-Tariff Barriers in Manufacturing**

CED believes all countries should commit to eliminating all tariffs and quotas in manufactured goods, without exception, by 2008.

• **Lowering Barriers and Expanding Trade in Services**

CED believes that liberalization of services trade would benefit both developing and developed countries by allowing greater access to lower-cost service imports and greater opportunities for export. Services are an important category of trade for the United States, which runs a large and persistent services trade surplus.

• **Maintaining an Open Trading System**

CED opposes trade policies that rely on anti-dumping and countervailing duty remedies, and calls for all countries to tighten procedures and standards that rely on the use of such remedies. Policy should rely on *adjustment* – proactive policies that offer workers and communities new hope for the future – as opposed to “interim” protection that only delays needed economic transitions while slowing economic growth.

CED recognizes the political difficulties all nations face in moving towards open trade. “But those political obstacles make it even more important that the United States offers to lead by example in adopting open trade policies as a demonstration of both our commitment to these policies and our belief in the benefits inherent in a more open global economy,” added former United States Trade Representative Mickey Kantor, a member of the CED Subcommittee.

CED also urges developing nations to embrace trade reforms within their own countries, so their nations can enjoy the benefits of the world economy. “CED joins with many other leading businesses and policy institutions urging that bold steps be taken at this time to increase economic opportunity for the people of all nations, and the enhanced security that comes with it,” said Senator William Brock, a former United States Trade Representative and CED Trustee. “It is time to renew our commitment to open trade and lay the basis for a break-through in the Doha Round. The Cancun meeting must provide a meaningful step in the right direction.”

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CED is a non-profit, non-partisan organization of more than 200 business leaders and university presidents. Since 1942, its research and policy programs have addressed many of the nations most pressing economic and social issues, including education reform, workforce competitiveness, campaign finance, health care, and global trade and finance. CED promotes policies to produce increased productivity and living standards, greater and more equal opportunity for every citizen, and an improved quality of life for all.

Mr. Robinson, chair of the CED Subcommittee, is the former chairman of the President’s Advisory Committee on Trade Negotiations, co-founder and General Partner of RRE Ventures, and former Chairman and CEO of American Express Company.