For Immediate Release: Contact: Chris Slevin (202) 454-5140
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U.S. to Comply with WTO Order; Bush Retracting Steel Tariffs Early
Shows Americans that WTO is Boss

Statement of Lori M. Wallach, Director of Public Citizen's Global Trade
Watch

At least people will drop the canard about the World Trade Organization
(WTO) having no power after witnessing the president of the world's most
powerful country being forced to reverse his policy and eliminate steel
tariffs even when it puts him in a political bind.

U.S. trade safeguard laws have been challenged at the WTO 11 times to
date, with the U.S. losing nine of the cases. Today's rollback of the
steel safeguards - in addition to WTO rulings in the other cases and the
WTO's orders against the Foreign Sales Corporation tax program, the
Clean Air Act, the Endangered Species Act and other U.S. policies -
should be a wake-up call to Congress about the WTO's erosion of
democratic decision-making.

When Congress approved U.S. accession to the WTO, U.S. trade safeguard
laws had to be rewritten to conform to the WTO's terms. The changes -
mainly regarding timelines and the damage calculations rather than
substantive requirements for initial determinations - were extremely
controversial with manufacturing and agricultural interests as well as
with many members of Congress who were otherwise supportive of the WTO.
Yet now the WTO has ruled that use of even the modified Section 201
Safeguards Policy violates WTO requirements.

After the WTO ruled that U.S. trade law violated WTO rules, President
Bush had an opportunity to stand up for the superiority of U.S. law over
WTO dictates. The European Union has refused to implement a WTO ruling
that European countries must accept imports of beef grown with
artificial hormones. But unlike the EU, the White House bowed to the
power of the WTO.

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