

# DAILY BULLETIN

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## POWELL IN SUDAN TO VIEW PROGRESS IN DARFUR, EXPRESS CONCERN

Secretary meets with Sudanese Foreign Minister Ismail, President El-Bashir

U.S. Secretary of State Colin Powell June 29 told reporters he is in Sudan not only to mark the progress that has been made under the Lake Naivasha Accords, but also to express concern about the ongoing humanitarian emergency in Darfur.

Speaking at the presidential residence in Khartoum, Powell said, "President Bush, his administration and the international community, to include Secretary-General Kofi Annan, are concerned with the humanitarian situation in Darfur."

In what he called "direct conversations about the needs" of Darfur with Sudanese President Omar Hassan Ahmad el-Bashir, Powell called security the greatest priority, "so that the people of Darfur feel that they can be safe, feel that they will not be subject to violence, so that the humanitarian effort can go on unimpeded."

Powell said he also held talks with President Bashir about the humanitarian effort now under way in Darfur. "We need to make sure that there are no impediments to the delivery of assistance, no impediments to the distribution of the assistance when it comes in to the country," he stressed.

The United States, Powell noted, is pleased to be the largest contributor, and continues to be the largest

contributor of humanitarian aid in Sudan, having donated more than \$116 million in the past year. The U.S. Congress is close to appropriating another \$90 million to this purpose, he said.

Powell also said the United States hopes the Sudanese government “will make firm actions with respect to the process of reconciliation. We want to see reconciliation between the government and the opposing forces, so that we don’t find ourselves in a similar situation in a year or two or three from now.”

## NATO AFFORDS GAINS FOR U.S. FOREIGN, SECURITY POLICY

Afghanistan, Iraq, counterterrorism decisions boost U.S. aims

By David Anthony Denny  
Washington File Staff Writer

Istanbul, Turkey --- President Bush and his team of diplomatic and military officials left the NATO Summit in this former capital of the Roman and Ottoman Empires with several achievements for U.S. foreign and security policy.

At the top of the list were NATO’s commitments to train Iraqi security forces, and to augment its International Security Assistance Force (ISAF) in Afghanistan as part of the decision to expand from the capital into the northern half of that country.

In addition, NATO’s Istanbul Declaration echoed Bush’s vision of its 21st-century responsibilities -- fighting terrorism and promoting democratic values --- and also complemented his Middle East policies with the Istanbul Initiative, which offers activities to regional governments interested in a closer ties to NATO.

On the commitment to respond affirmatively to Iraqi President Ayad Allawi’s request for training Iraqi security forces, details were few. The assembled state leaders necessarily left many questions unanswered --- which countries will provide what types of training and where and when --- until they consult with their respective legislative bodies.

As for expanding ISAF, NATO decided to boost the troop level to 10,000, and to place them beyond Kabul into northern Afghanistan as Provincial Reconstruction Teams (PRTs). Afghan President Hamid Karzai, addressing the summit members June 29, said NATO’s decision was welcome, but that Afghanistan needed the forces right away. Karzai is concerned that former Taliban regime and al-Qa’ida terrorists are killing newly registered voters to intimidate Afghans before September’s national elections.

Bush, along with British Prime Minister Tony Blair, were the chief proponents at the summit for NATO’s decision, stated in its Istanbul Communiqué, to train, equip and focus highly mobile, highly lethal high-tech forces to combat the twin menaces of fanatical terrorist groups and the “outlaw regimes” that produce, harbor and abet them.

Blair said that after the terrorist attacks of September 11, 2001, democracies “know now that it is important not simply to go in and get after the Taliban in Afghanistan, but also to say, ‘no, we’re ... also going to give that country democracy and freedom,’ because that is actually part of the battle against terrorism.”

This decision allowed the president a platform from which to describe his vision of a peaceful, democratic broader Middle East, in which formerly despotic or authoritarian governments would eventually give way to governments responsive to their citizens. Such societies, Bush said in a speech at Istanbul’s Galatasaray University, do not live in endless stagnation, seethe in resentment, lash out in envy, rage, violence, and “cling to every grievance of the past.”

Another U.S. aim accomplished at the summit was the approval of the year-old Proliferation Security Initiative (PSI), by which participating governments share intelligence and cooperate in bringing civil authority and, if necessary, military strength to interdict illicit trafficking of weapons of mass destruction, their means of delivery, and their component parts, using existing national laws and international covenants.

## WTO NEGOTIATIONS FRAMEWORK AGREEMENTS URGED BY USTR'S ALLGEIER

Difficult negotiations expected in July, especially over agriculture

Hard work and flexibility are needed to reach agreement over the next few weeks on frameworks for advancing the long-stalled World Trade Organization (WTO) negotiations, Deputy U.S. Trade Representative Peter Allgeier says.

Allgeier addressed the Trade Negotiations Committee, the steering group for the negotiations, in Geneva June 30, just a month before a critical deadline.

The negotiations, formally called the Doha Development Agenda (DDA), were launched in Doha, Qatar, in 2001 but stalled almost from the beginning over some difficult issues, especially agriculture. Negotiations collapsed at a 2003 WTO ministerial meeting in Cancún, Mexico, and revived in 2004 only after strenuous efforts by U.S. Trade Representative Robert Zoellick and others.

Because of looming U.S. elections and changes in European Union (EU) representation, agreement on frameworks by the end of July is viewed as crucial for making any progress in negotiations for at least the rest of 2004, perhaps much longer. A WTO General Council meeting July 26-28 in Geneva is expected to try to reach that agreement.

"We have a tough job," Allgeier said, summarizing the task ahead: "produce a fairly simple, compact package that reflects all the interests and commitments of members and a program of work that enables members to address their concerns and interests in the next stage of the negotiations."

On agriculture, he said, some fundamental differences remain but negotiators are making progress resolving them.

The three pillars of the agriculture negotiations are elimination of export subsidies by an agreed date, substantial reduction in domestic subsidies and substantial improvement in market access -- that is, lowering tariffs and increasing quotas.

On agriculture market access, Allgeier emphasized that the United States wants a formula that cuts higher tariffs more than lower ones.

Allgeier discussed cotton subsidies, a sensitive issue for many developing countries, especially in Africa. He cited the G8 (Group of Eight) statement issued earlier in June recommending that the WTO include cotton trade in the broader agriculture negotiations and that international financial institutions (IFIs) work on development-related aspects of cotton growing. The G8 is comprised of Canada, France, Germany, Italy, Japan, Russia, the United Kingdom and the United States.

Two other critical parts of the negotiations concern industrial tariffs (non-agricultural market access, or NAMA) and services. On industrial tariffs, Allgeier urged participants to leave unchanged the text proposed at Cancún for moving forward.

Services have received relatively little attention in the Doha round; Allgeier said that services deserve specific mention in any July agreement and urged that dates be set for making improved offers.

Other potential obstacles to a July agreement include the four so-called Singapore issues: trade facilitation, competition policy, investment and transparency in government procurement. Allgeier indicated that he sensed participants have moved toward readiness to launch negotiations on trade facilitation, which includes customs reforms.

Some developing countries have opposed any further work on the three other Singapore issues. Allgeier said, however, "it may be beneficial, even to the opponents of negotiations on these subjects, to maintain a modest degree of study within the WTO."

## NEWLY DESIGNED \$50 BILL TO ENTER CIRCULATION SEPTEMBER 28

Colors and security features added to thwart counterfeiting

A newly designed \$50 bill featuring additional colors and enhanced security will begin circulating on September 28, the U.S. Treasury Department's Bureau of Engraving and Printing (BEP) has announced.

In a June 30 joint news release, BEP and the Federal Reserve Bank of the United States said the redesign is one

in an ongoing series that aim to thwart counterfeiters. Existing \$50 bills will remain legal tender for as long as they are held.

“As always, all new notes will co-circulate with the older designs. All notes are good for good,” Federal Reserve Bank Governor Mark Olson said in the release.

The design for the \$50 note features a watermark, security thread and color-shifting ink as well as subtle shades of red, white and blue. The bill will remain the same size and still show former president Ulysses S. Grant on the front and the U.S. Capitol building on the back.

In preparation for putting the notes into circulation, the U.S. government is undertaking a broad, worldwide public education program to ensure that people all over the world are aware of the new design and can use its security features. Training materials are available in 24 languages and can be downloaded from the Internet at: <http://www.moneyfactory.com/newmoney>.

U.S. officials have reached out to cash-handlers, merchants, business and industry associations and the media in other countries to ensure the smoothest possible transition, the news release said.

Nearly \$700 billion in U.S. bills are in circulation worldwide, and as much as two-thirds of U.S. currency is held outside the United States at any given time, officials say.

Release of the new \$50 bill follows the successful introduction of a newly designed \$20 note in October 2003. A redesigned \$100 note is also planned, BEP says.

Following is the text of the news release:

U.S. Department of the Treasury  
Bureau of Engraving and Printing  
U.S. Federal Reserve Bank  
Wednesday, June 30, 2004

Businesses, Banks, and Cash-Handling Equipment Manufacturers Get Final Alert to Prepare for New \$50 Note

Treasury and Federal Reserve Announce Safer, Smarter, More Secure \$50 Note To Begin Circulating September 28

Washington -- June 30, 2004 -- The newly redesigned Series 2004 \$50 notes, featuring subtle background

colors of blue and red, images of a waving American flag and a small metallic silver-blue star, will be issued beginning on September 28, the U.S. government announced today. On the day of issue, the Federal Reserve Banks will begin distributing the new notes to the public through commercial banks.

Today's announcement of the \$50 note's day of issue signals to banks and businesses that they should make final preparations for the new notes. For some businesses, preparations include training cash-handling employees on how to use the notes' security features, for others it entails making technical adjustments to ATMs [automatic teller machines] or machines with cash receptors, such as vending or automated checkout machines.

“The enhanced security features in this series of notes help ensure that U.S. currency will continue to represent the trust, value and confidence that people all over the world have grown to rely on and expect,” said Federal Reserve Board Governor Mark W. Olson. “As always, all new notes will co-circulate with the older designs. All notes are good for good.”

“The objective of the new currency program is a safer, smarter and more secure currency and its smooth transition into daily commerce,” said Tom Ferguson, director of the Treasury's Bureau of Engraving and Printing (BEP). “To that end, we have been working with the appropriate machine manufacturers for nearly two years to ensure they have the information they need to make their equipment compatible with each newly redesigned note that is introduced into circulation.”

The redesigned \$50 note is the second in the Series 2004 new currency designs. A redesigned \$20 note was issued in October 2003. A redesigned \$100 note is also planned. A decision has not been made on whether the \$10 and \$5 notes will be redesigned, but the \$1 and \$2 designs will not change.

#### Public Education

Because the improved security features are more effective if the public knows about them, the U.S. government is undertaking a broad, worldwide public education program. This program will ensure that people all over the world know the new currency is coming, and help them recognize and use the security features. The outreach includes cash-handlers, merchants, business and industry associations and the media. There is nearly \$700 billion

in circulation worldwide, and as much as two-thirds of U.S. currency is held outside the United States.

A variety of training materials -- such as posters, training videos and brochures -- is available in 24 languages. The materials can be downloaded or ordered through [www.moneyfactory.com/newmoney](http://www.moneyfactory.com/newmoney).

Since the Treasury's Bureau of Engraving and Printing (BEP) began taking orders in May 2003, more than 46 million pieces of training materials have been ordered by businesses and other organizations to help them train their cash-handling employees about the notes' enhanced security features.

### The New Color of Money

While consumers should not use color to check the authenticity of their currency (relying instead on user-friendly security features -- see below), color does add complexity to the note, making counterfeiting more difficult. Different colors are being used for different denominations, which will help everyone -- particularly those who are visually impaired -- to tell denominations apart.

### Security Features

The new \$50 design retains three important security features that were first introduced in the 1990s and are easy for consumers and merchants alike to check:

-- Watermark: A faint image, similar to the portrait, which is part of the paper itself and is visible from both sides when held up to the light.

-- Security thread: Also visible from both sides when held up to the light, this vertical strip of plastic is embedded in the paper and spells out the denomination in tiny print.

-- Color-shifting ink: The numeral in the lower right corner on the face of the note, indicating its denomination, changes color from copper to green when the note is tilted.

### Counterfeiting: Increasingly Digital

Counterfeiting has been kept at low levels through a combination of improvements in security features, aggressive law enforcement and education efforts to inform the public about how to check their currency. About 1

in 25,000 \$50 notes is a counterfeit, according to the Federal Reserve Board.

However, since 1995, digitally produced counterfeit notes have increased from one percent of all counterfeits detected in the U.S. to 40 percent. To stay ahead of counterfeiters as advances in technology make digital counterfeiting of currency easier and cheaper, the government expects to redesign the currency about every seven to ten years.

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**Please Note:** Most texts and transcripts mentioned in the U.S. Mission Daily Bulletin are available via our homepage [www.usmission.ch](http://www.usmission.ch). Select "Washington File" from the drop-down menu under "News."