

DAILY BULLETIN

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BUSH PROPOSES DEMOCRACY FUND

President Bush addresses 59th U.N. General Assembly

Calling on nations to support fledgling democracies around the world, especially in Afghanistan and Iraq, U.S. President Bush proposed the establishment of an international "Democracy Fund."

"Because I believe the advance of liberty is the path to both a safer and better world, today I propose establishing a Democracy Fund within the United Nations. This is a great calling for this great organization," the president said, adding that the United States will make the initial contribution.

The fund would help countries lay the foundations of democracy through the establishment of the rule of law, independent courts, a free press, political parties and trade unions, the president said. It would also help set up voter precincts and polling places, and supporting the work of election monitors, Bush said.

In a September 21 speech to the opening of the 59th U.N. General Assembly, the president outlined a broad agenda to advance human dignity, enhance security, defeat terrorism, protect human rights, and support development in addition to the goal of advancing democracy.

Bush said that the United States "will stand with the people of Afghanistan and Iraq until their hopes of freedom and security are fulfilled."

The president also said that the international community must continue to demonstrate its commitment to Iraq and Afghanistan. "The liberty that many have won at a cost must be secured," he said. "As members of the United Nations we all have a stake in the success of the world's newest democracies."

He warned that terrorist attacks will escalate in Afghanistan and Iraq as their national elections approach.

"The work ahead is demanding. But these difficulties will not shake our conviction that the future of Afghanistan and Iraq is a future of liberty," Bush said. "The proper response to difficulty is not to retreat -- it is to prevail."

The full text of President Bush's address to the United Nations General Assembly is available at:
<http://www.usmission.ch>

OPENING OF INDIAN MUSEUM DRAWS THOUSANDS TO CELEBRATION

Ceremony begins with colorful procession of Native tribes

By Kathryn McConnell
Washington File Staff Writer

Washington -- Thousands of American Indians, many wearing colorful native regalia, poured onto the National Mall in Washington on September 21 to celebrate the opening of the first international institution of living cultures.

The celebration honoring the Smithsonian Institution's National Museum of the American Indian (NMAI) began with a procession from the Smithsonian Castle, the oldest of the Smithsonian buildings, to the NMAI, the newest.

Members of nearly 500 native nations from throughout the Americas walked or danced, accompanied by rhythmic drumming, down the pedestrian lane to the opening ceremony on the north side of the museum. Thousands of other people -- tourists, office workers, and other spectators -- looked on.

At the end of the procession, all were greeted by NMAI

Director W. Richard West, a chief of the Southern Cheyenne in Oklahoma; Smithsonian Secretary Richard Small; Peru President Alejandro Toledo, a Quechuan and the first indigenous American head of state; and the two U.S. senators who sponsored the legislation that authorized the museum. The U.S. Capitol served as a backdrop to the festivities.

The NMAI "is a monument to native peoples' gifts to humanity," such as traditions of democracy, said Senator Ben Nighthorse Campbell, a Northern Cheyenne and the first American Indian to chair the Senate Committee on Indian Affairs. The senator wore ceremonial tribal clothing.

Senator Daniel Inouye of Hawaii said he was inspired to introduce the museum legislation into the Senate some 17 years earlier when he realized that "in a city of monuments, there was no statue of monument honoring American Indians ... and something had to be done."

Dressed in the traditional clothing of his tribe, West said the NMAI is "a symbol of hope" that all Americans "will welcome the diversity of the first citizens" of the Western Hemisphere. It was designed, landscaped and curated with input from native communities from the Arctic to the southernmost tip of South America, he said.

The museum houses the most comprehensive collection of American Indian cultural objects in the world, according to the Smithsonian.

Having now opened its doors to visitors from around the world, the National Museum of the American Indian finally takes its "rightful place along the Mall" where so many other cultural achievements of peoples are recognized, West said.

He said the historic building represents "the past, present and future" of all Native Americans.

President Bush, in a welcoming letter read by Representative Tom Cole, a Chickasaw from Oklahoma, said the museum is "a powerful reminder of the pride of native people."

The museum is not without controversy. In a press release issued the same day, leaders of the American Indian Movement said the museum "falls short" by not portraying the "tragic history of America's holocaust against the Native Nations and the peoples of the Americas."

Indeed, Campbell said, because of Europeans settlers' introduction of disease and despair to the Americas' indigenous peoples, the history of native peoples has been one disproportionately characterized by poverty, alcoholism and suicide. With Native American populations reduced from an estimated 15 million at the time of the settlers' arrival in the hemisphere to just slightly more than 200,000 by 1900, American Indians became "the first endangered species in America," Campbell said.

The senator noted that 100 years ago, the Indian leader Chief Joseph -- of the Nez Perce tribe -- reminded U.S. government leaders that "all men were made by the same great spirit."

The museum is now proof of "the re-emergence of native peoples," Campbell said.

Toledo, the president of Peru, called the museum "a profound symbol of reconciliation," adding that "respect of religion and cultural diversity by all peoples is directly related" to the establishment of human rights, civil society, and poverty reduction.

He said Peru is committed to creating a sustainable development model that integrates native people into its economy. He said policies that promote the inclusion of indigenous people into the world's economies will allow governments to "put a human face" on globalization.

The ceremony also featured performances by the Black Eagle drum group from the Jemez Pueblo in New Mexico and by the White Oak Singers of North Dakota. It included a flag presentation the Hopi Honor Guard from Arizona and a Flag Song, the Native American equivalent to a national anthem.

The museum's dedication ceremony also marked the launch of a six-day First Americans Festival of song, dance, storytelling, arts and demonstrations, held on the National Mall.

UNITED STATES ASKS TRADE ORGANIZATION TO ACT ON EU CUSTOMS RULES

USTR will continue to work with European Union to resolve U.S. concerns

The United States filed a case with the World Trade Organization (WTO) September 21 requesting consultations with the European Union (EU) on the issue of EU customs laws and regulations.

A lack of uniformity in customs administration across the EU has caused burdens on American exporters, particularly smaller businesses, according to a press release issued by the Office of the U.S. Trade Representative (USTR).

WTO rules require its members to administer customs laws "in a uniform, impartial and reasonable manner" and to provide tribunals "for prompt review and correction of administrative action relating to customs matters," USTR said. "The United States considers that the EU fails to meet either of these requirements."

The first step in a WTO dispute is to request consultations. If the consultations do not resolve the dispute, the United States may seek the formation of a dispute settlement panel.

American firms exported \$155.2 billion worth of goods to EU member countries in 2003.

Following is the USTR press release with background information on the WTO case:

Office Of The United States Trade Representative
Executive Office of the President
Washington, D.C. 20508
<http://www.ustr.gov>

U.S. Files Wto Case Against Eu Over European Customs System

WASHINGTON -- United States Trade Representative Robert B. Zoellick announced that the United States today is filing a World Trade Organization (WTO) case against the European Union regarding EU customs laws and regulations.

At issue is the fact that many important aspects of customs administration in the EU are handled differently by

different member State customs authorities, resulting in inconsistencies from State to State. Although the EU is a customs union, there is no single EU customs administration. Lack of uniformity, coupled with lack of procedures for prompt EU-wide review, can hinder U.S. exports, particularly for small to mid-size businesses.

“We will continue to work with the EU to try to resolve our concerns over their customs administration,” Zoellick said. “Today our exporters face a common market with non-common customs practices. We hope that the consultations we have requested today will help address some of the problems faced by U.S. exporters, and in the process strengthen the integration of the EU. We look forward to working with the new EU Commission on these issues, which we recognize cross various jurisdictional and bureaucratic boundaries. We hope there is an opportunity to combine uniformity throughout the EU with Europe’s effort to integrate its ten new members.”

WTO rules require WTO Members to administer their customs laws in a uniform, impartial and reasonable manner. They also require Members to provide tribunals for prompt review and correction of administrative action relating to customs matters. The United States considers that the EU fails to meet either of these requirements.

Variations in the way that goods are treated by the different EU member States can cause problems that burden all traders. These problems are compounded by an inability to obtain prompt EU-wide review of national administrative decisions. An importer or other interested party has to wend its way through national administrative and/or judicial appeals before obtaining an authoritative determination from an EU-level tribunal.

The first step in a WTO dispute is to request consultations. If the consultations do not resolve the dispute, the countries that requested consultations may seek the formation of a dispute settlement panel. Dispute settlement procedures, including appeal, typically take about 18 months.

Background:

The lack of uniform customs administration by the EU affects U.S. producers, farmers, and exporters in a number of important ways. For example, goods may be classified differently and thus be subject to different tariffs depending on the EU member State through which they are imported. Similarly, a U.S. exporter may be able

to obtain binding guidance in one member State on how its goods will be valued for tariff calculation purposes. But the exporter may not be able to rely on that guidance in another member State; indeed in some member States the exporter may not be able to obtain binding valuation guidance at all.

These problems fall particularly hard on small and mid-size businesses, which often lack the resources to work their way through member State and EU bureaucracies in order to reconcile inconsistencies in classification or valuation in different States.

There are three reasons for requesting WTO consultations now. First, the EU has just recently expanded from 15 member States to 25 member States. The trade barrier inherent in lack of uniform customs administration expanded when the new member States joined in May. As an indicator of the level of trade potentially affected by this barrier, it should be noted that U.S. goods exports to the EU-25 totaled \$155.2 billion in 2003. By pressing this issue now, we hope to address this problem early in the EU’s process of dealing with the challenges of enlargement.

Second, enhancing trade facilitation is a key part of the Doha Development Agenda. The United States expects that pressing a major player in world trade to administer its customs laws and regulations in a uniform manner will help to advance that part of the agenda.

Third, over the past months we have tried to work with the Commission to address the concerns of U.S. exporters. Although Commissioner Lamy and his staff have tried to help with individual problems, it has become clear that the allocation of authorities within the EU and even the Commission has precluded achieving the necessary systemic solutions.

Neena Moorjani, Press Secretary, Office of the United States Trade Representative, Executive Office of the President, Tel: 202-395-3230, Fax: 202-395-6121, www.ustr.gov

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U.S., AFGHANISTAN SIGN TRADE AND INVESTMENT FRAMEWORK AGREEMENT

Officials from both countries expect a rise in bilateral trade activity

The United States and Afghanistan signed a Trade and Investment Framework Agreement (TIFA) in Kabul September 21 in what U.S. trade officials characterize as a first step towards closer trade relations between the two countries.

“The TIFA is not only indicative of President Karzai’s focus on economic reconstruction but of President Bush’s unflagging commitment to assist Afghanistan develop economically,” U.S. Trade Representative Robert Zoellick was quoted as saying in a USTR press release.

The United States exported \$61 million in goods to Afghanistan in 2003 against \$56 million in imports, according to the press release. Trade officials expect these figures to increase substantially as the two countries work to implement the TIFA.

The TIFA establishes a joint council of trade officials, which will engage in a dialogue on a wide range of trade, investment and regulatory issues between the two countries.

Assistant U.S. Trade Representative Ashley Wills, who was on hand for the signing of the TIFA in Kabul, said, “TIFAs have proven to be useful catalysts for promoting the kinds of economic and regulatory reform that have contributed to expanding opportunity, development and hope.”

Following is the text of the USTR press release:

Office of the U.S. Trade Representative
Press Release

United States and Afghanistan Sign Trade and Investment Framework Agreement

WASHINGTON - Assistant U.S. Trade Representative Ashley Wills and Afghanistan’s Minister of Commerce, Sayed Mustafa Kazemi, signed a Trade and Investment Framework Agreement (TIFA) today in Kabul that provides a forum for Afghanistan and United States to examine ways to expand bilateral trade and investment. U.S. Trade Representative Robert B. Zoellick initiated the negotiation of this agreement during Afghan Presi-

dent Karzai’s last visit to Washington, and Ambassador Wills continued discussions with Afghanistan during his July visit to Kabul.

“I am pleased that we have reached agreement on this TIFA. President Karzai’s government is making a major effort to integrate Afghanistan into the international economy,” said Zoellick in Washington. “The TIFA is not only indicative of President Karzai’s focus on economic reconstruction but of President Bush’s unflagging commitment to assist Afghanistan develop economically.”

“This TIFA will provide us an opportunity to work together to expand trade between our two countries. TIFAs have proven to be useful catalysts for promoting the kinds of economic and regulatory reform that have contributed to expanding opportunity, development and hope,” said Ambassador Wills. “We believe the U.S.-Afghan TIFA will enhance trade between our two countries and assist Afghanistan as it seeks to grow and diversify its economy.”

The TIFA creates a Joint Council that will consider a wide range of commercial issues and sets out basic principles underlying the two nations’ trade and investment relationship. The Council will establish a permanent dialogue with the expectation of expanding trade and investment between the United States and Afghanistan. The United States has TIFAs with a number of countries to enhance bilateral trade and coordinate regionally and multilaterally through regular senior level discussions on trade and economic issues.

Last year U.S. goods exports to Afghanistan were \$61 million and imports were \$56 million, which provides an environment for a substantial opportunity to increase bilateral trade. President Bush designated Afghanistan as a participant in the Generalized System of Preferences (GSP), a 30-year-old bipartisan program created by Congress. The program’s tariff preferences provide an enhanced opportunity for Afghan imports to compete in our market.

Please Note: Most texts and transcripts mentioned in the U.S. Mission Daily Bulletin are available via our homepage www.usmission.ch. Select “Washington File” from the drop-down menu under “News.”