

# May 23, 2006

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## Ambassador's Corner

### WEEKLY MESSAGE FROM AMBASSADOR JOHN BRUTON May 23, 2006 Last Weekend

Last weekend I was thrilled to watch live on television Munster defeating a really good Biarritz team to win the Heineken Europe Rugby Trophy. I was also a guest at a Washington Nationals vs. Baltimore Orioles baseball game – a great experience and an essential part of American culture.

On a more somber note, the European Commission sponsored a performance of Benjamin Britten's War Requiem in the National Cathedral in Washington. The poems of Wilfred Owen, a 25-year-old Englishman killed in France just one week before the end of the First World War, are sung as part of this forceful reminder of the human cost of wars and of the often misplaced enthusiasms that cause them. As Owen put it: The scribes on all the

people shove

and bawl allegiance to the state,

but they who love the greater love

lay down their life; they do not hate.

Cardinal Theodore McCarrick

I was driving my daughter to school when I heard on the radio that Cardinal McCarrick was retiring as Archbishop of Washington. We had got to know the Cardinal so well in the last year-and-a-half that it was as if we had known him all our lives. A multilingual New Yorker and man of deep faith, he reached out to the whole community of Washington. His sense of humor kept things in proportion. He was recently a guest of my wife Finola and myself at our May 9 Europe Day reception in our Residence. We are delighted that he will be continuing to live in Washington and will be able to stay in touch with all his friends.

## Club de Madrid

I recently attended a meeting of the Club de Madrid, an organization of 70 former Presidents and Prime Ministers, which works to spread democracy and the rule of law to countries in which those values are not yet durably established. The new President of the Club is former President Ricardo Lagos of Chile. He gave a very interesting speech in which he speculated that we may be entering a "long wave" of politico-economic development that will raise commodity prices, following a period in which those prices were historically low. Previous such upward waves occurred at times during the nineteenth and twentieth centuries and were associated with the failure of democracy in many of the commodity rich countries. One can see some backing for his thesis in the fact that some rich oil producing countries are not democracies, while many much poorer oil consuming countries are democratic.

Another question raised at the Club de Madrid was whether all countries, including well established democracies, should automatically open their elections to international observation, so as to show that there are no double standards in democracy promotion.

## Winners and Losers in Trade

I met Sandra Polaski recently, the author of a study by the Carnegie Endowment for International Peace on the impact of the ongoing Doha Trade Round on developing countries. Her calculation, on the basis of proposals now on the table, was that the overall gain from the Round would be a once off addition of less than 0.2% of global GDP.

She concluded that much of these gains would flow to already developed countries from the efficiency gains they would garner from the "painful" concessions they would make, but that these concessions would nonetheless be politically difficult because they involve redistributing income from one set of people to another. China would also be a big beneficiary.

Her calculations did not, however, include the service sector where the biggest increases in global GDP could flow from the opening up of protected national markets.

She cautioned against exaggerating the significance of the Doha Round and pointed to the difficulty the Least Developed Countries have in leaping in one bound from primitive agriculture to a complex service economy. They need special preferences, as well as technical and infrastructural help, to make this transition, a transition more developed countries took centuries to accomplish.

## Senator Max Baucus

Last week, I met Senator Max Baucus of Montana. He comes from a well-known Montana ranching family and was first

elected to the Senate in 1978. He is a Democrat and a supporter of free trade. His state is a strong agricultural exporter especially to Asia. We compared the experiences of Montana and of Ireland in making the transition from agriculture to high technology economies. The Senator, who plays a key role in US trade policy in his position as the leading Democrat on the Senate Finance Committee, recognized that support for trade in Congress is diminishing. As a result, he thought that an extension by Congress of the Trade Promotion Authority would be very difficult. With regard to the bilateral relationship, the Senator warned that rumors of impending financial aid to Airbus would be problematic for the US.

#### Senator John Cornyn

Senator John Cornyn (R) of Texas was on the Supreme Court of Texas before being elected to the Senate in 2002. He specializes among other things on immigration, so I put the case to him that all EU countries, who are required by EU policy to grant visa-free entry to US citizens, should enjoy visa-free entry for their citizens to the US in return. Visa policy is an EU matter and this has enabled the EU to strengthen the security of our passports by insisting that the passports of all 25 countries contain fingerprint and biometric (face measurement) data in a computer chip. This prevents forgery and theft and is important in combating terrorism. Senator Cornyn gave a very good hearing to the point I made.

#### Senator Tom Coburn

Senator Tom Coburn (R-OK) is a medical doctor and successful businessman and is relentless in opposing wasteful additions to spending bills going through the Senate. His website also does a constantly changing tally on the national debt, which stood at \$27,000 per person the last time I consulted his site. While our primary conversation was focused on the US visa waiver question concerning 10 EU countries, the Senator happily told me about his positive business experience of running a warehouse operation near Shannon Airport that supported the distribution of products throughout Europe.

#### Congressman Dan Lungren

Dan Lungren (R) of California has recently returned to the House of Representatives after serving 2 full terms as the Attorney General of the State of California. He now represents a district centered on his adopted home of Sacramento, instead of the Southern California region he represented previously. We had an extensive discussion on the EU passport and visa systems and how important it is for all EU citizens to have visa-free access to the US for tourist and business reasons. He operates a very impressive system of "Telephone Town Hall" meetings whereby he has simultaneous teleconferences with large numbers of his constituents to talk with them about his work in Congress.

#### Congresswoman Melissa Hart

I thanked Congresswoman Melissa Hart (R-PA), a member of the Ways and Means Committee, for the repeal of the recent "Foreign Sales Corporation Export Tax Incentive," which had been an irritant in the US/EU trade relationship. She had wide experience as a legislator in the Pennsylvania Senate before coming to Washington. We discussed the importance of Intellectual Property Rights Protection and how getting China and Russia to enforce intellectual property is crucial to the integrity of the World Trade Organization's efforts to control piracy. She was also interested in the EU's case concerning non-payment of royalties to artists for music played in some US bars and restaurants.

#### Congressman John Peterson

Congressman John Peterson (R-PA) is deeply interested in energy issues and made a very strong case in favour of allowing drilling for oil and gas on the US continental shelf, something that is prohibited on most of US coasts. He said the offshore geology there was very favourable for oil and gas discoveries.

#### Congressman Jim Gerlach

Jim Gerlach (R-PA) is very interested in promoting European investment in the US and was very receptive to my concerns about some proposed legislation that might make it more difficult for European firms to invest in the US on artificial or disproportionate national security grounds.

#### Congressman Curt Weldon

I was very impressed by Curt Weldon's (R-PA) detailed knowledge of Russian and Libyan politics and his tireless work to ease US relations with those countries. A fluent Russian speaker, he emphasized the need to show respect for the cultures and history of these countries, while putting forward Western concerns consistently and with candor. I raised the problem of the Bulgarian nurses held in Libya, and he told me he was actively working for their release.

#### Congresswoman Allyson Schwartz

Allyson Schwartz (D-PA) represents parts of Central Philadelphia where I will be speaking later next week. We had a

very interesting discussion on Israeli/Palestinian relations. She is on the Transportation and Highway Committee and has worked very hard to improve US highway infrastructure.

Congressman Mike Doyle

Mike Doyle (D-PA) is a founding Chairman of the Autism Caucus in Congress and has worked for funds to research autism's causes, and for help for elderly parents of autistic children who are worried about who will look after them when they are gone. Mike's family left Ireland about 1900 and he is a cousin of the late and well-known Irish actor, Tony Doyle, whose career included *The Riordans*, *Ballykissangel* and *Amongst Women*.

Mike had just come from a long night of poll watching for the Democratic primary in Pennsylvania, staying up while the new electronic voting machines were tested and retested before delivering the final result. In the event, he not only won his race handily in Central Pittsburgh, but since he has no opponent in the fall, he had essentially won re-election to Congress for another 2 years!

Congressman Joe Pitts

Joe Pitts (R-PA) had recently returned from a visit to Iraq where he had met the Prime Minister, who had impressed him with his determination to root out corruption and disband private militias. Joe represents the Amish communities of Pennsylvania and speaks up for their interests in Congress.

Congressman Tim Holden

Tim Holden (PA) is number 2 on the Democrat side in the Agriculture Committee. We discussed the Doha Trade Round and he also told me about new technologies being used to convert the plentiful supplies of anthracite coal in his district into diesel that can be used in cars. Congressman Bob Inglis

Representing a part of South Carolina where BMW has significant investments, Bob Inglis (R) is a strong supporter of European investment in the United States. He has also pioneered legislation to offer large cash prizes to innovators who come forward with methods of making hydrogen fuelled cars commercially viable. It will be interesting to see what comes of this.

Congressman Louie Gohmert

Louie Gohmert (R) of Texas recalled his time working as an exchange student in Ukraine in 1973 and reflected on how much the map of Europe has changed since that time. He is a former judge and is a very influential member of the Judiciary Committee. I spoke to him about the need to grant visa-free access to the US to nationals of all EU countries, including the new members. Please send me your comments about this or any of my weekly messages or other EU matters. I look forward to hearing from you!