

# **United States Objectives for the 2002 Kananaskis G8 Summit**

## **POLITICAL DATA**

<b>President</b>	George W. Bush
<b>Vice President</b>	Dick Cheney
<b>Secretary of State</b>	Colin Powell
<b>Secretary of Defense</b>	Donald Rumsfeld
<b>Agriculture Secretary</b>	Secretary Ann Veneman
<b>Commerce Secretary</b>	Don Evans
<b>Energy Secretary</b>	Spencer Abraham
<b>Department of Health &amp; Human Services</b>	Tommy Thompson
<b>Department of Housing &amp; Urban Development</b>	Mel Martinez
<b>Department of the Interior</b>	Gale Norton
<b>Attorney General</b>	John Ashcroft
<b>Department of Labor</b>	Elaine Chao
<b>Department of Transportation</b>	Norman Mineta
<b>Department of Treasury</b>	Paul O'Neill
<b>Department of Veterans Affairs</b>	Anthony Principi
<b>Environment Protection Agency</b>	Christine Todd Whitman
<b>Office of Homeland Security</b>	Tom Ridge

**Next election: November 2004**

## CONGRESS

### House of Representatives

Total 435: 222 Republics, 211 Democrats, 2 independent

### Senate

Total: 100: 50 Democrats, 49 Republicans, 1 independent

## ECONOMIC DATA

<b>GDP:</b>	\$9,333.8 billion (2001)
<b>Nominal Value:</b>	Annual % Change: 1.2% (2001)
<b>GDP per capita:</b>	\$36,200 US\$ (2001)
<b>Economic growth rate:</b>	1.2% (2001 5.6% (1 <sup>st</sup> quarter 2002)
<b>Consumer Price Inflation:</b>	0.5% (May 2002)
<b>Unemployment Rate:</b>	5.8% (May 2002)
<b>Interest Rate:</b>	Fed's Fund Rate: 1.75% (May 2002)
<b>Exchange Rate:</b>	Euro to US\$ - \$1.058 Cdn\$ to US\$ - 1.544 Yen to US\$ - 124.6 UK to US\$ - 0.678 (June 14, 2002)
<b>Current Account:</b>	\$98 billion deficit (4 <sup>th</sup> Quarter 2001)

## Summit Objectives for the United States

The events of September 11<sup>th</sup> have given new direction to US foreign policy in the post-Cold War era. The result has been a fundamental shift in US priorities for the upcoming G8 Summit.

Not only are issues of terrorism receiving unprecedented attention, the US is also focusing on development issues, an unlikely priority given its past record on this issue. Although these two issues have removed several other traditional priorities of the US, strengthening the US economy, the main focus of US foreign policy in the 1990s, has remained a focus for this upcoming summit.

# 1. TERRORISM

Since the events of 11 September 2001, strengthening counter-terrorist objectives has been the number one priority for the United States on levels of both international and domestic policy-making. During the 2002 G8 Summit in Kananaskis, the Americans will seek to build upon the G8 Statement of 19 September 2001 by translating support for the global campaign against terrorism into tangible commitments, designed to strip terrorists and their coalitions of financing capabilities, whilst enhancing global security measures via increased patterns of intelligence sharing. In addition, the US will also no doubt attempt to obtain G8 support for its approach to addressing several issues that are challenging the unity of the international coalition against terrorism. In light of this, as well as the need to take pre-emptive action to reduce its susceptibility to future attacks, the US will focus on three areas within the broader issue of terrorism:

## *a) Conflict Resolution in Order to Maintain the Coalition*

Working within the Framework of UN Security Council Resolution 1373, the US will endeavor to mobilize the global counter-terrorism network in issues of conflict resolution. To that end, rising tensions between Palestinians and Israelis in the Middle East have warranted both US attention and leadership in measures of conflict resolution. President Bush, has stood by UN Security Council Resolution 1397 in adopting a vision of the Middle East, based on two states, Israel and Palestine, living side by side. However, the US has outlined the necessary actions that need be taken if such a condition of peaceful coexistence is to occur:

1. Israel must end the siege imposed on the Palestinian people, and withdraw its forces to positions occupied on September 28, 2000; and halt assassinations and the repeated incursions in the territories under the control of the Palestinian Authority; and immediately halt all settlement activities in the occupied territories, including the illegal confiscation of land and expansion of settlements under the pretext of natural growth or any other consideration. A recognition of boundaries consistent with UN Resolutions 242 and 338 must occur.

2. The Palestinian Authority must continue to intensify its efforts towards restructuring in a way that facilitates the better performance of its functions based on the principles of transparency and trust, in preparation for the establishment of its sovereign independent state. The Palestinian Authority must continue in its firm implementation of President Arafat's decisive commitment to halt the violence and intensify the security cooperation and coordination under the supervision of the United States.

The US call for strong and responsible leadership in the Middle East, has been coupled with doubts surrounding the failure of Palestinian Authority leader, Yasser Arafat, to oppose and confront terrorist operations, despite his renouncement of terror as an instrument of his cause. The US has maintained a desire to work with the both the Arab League and the Israeli Authorities in resolving the crisis, whilst working within the larger framework of the UN-backed global campaign against terrorism. Specifically, the US has

called on the Middle East to stop terrorist activities via halting the glorification of terror in state owned media and the disruption of terrorist financing.

President Bush will seek to work with the G8 leaders in "writing a new story of trade and development and democracy" in the Middle East. The success of this 'new story' will depend strongly on the conditions of peace that both the international community and regional authorities are able to secure. The President has called for a process of institution-building to occur, citing it as necessary step on the ladder to increased cooperation and communication between the warring parties. On 24 May 2002 both the United States and Russia reaffirmed their commitment -during the April 10 and May 2 meetings of the "Quartet" composed to the US, Russia, EU and United Nations- to undertake all efforts to help Israel and the Palestinian authority achieve these goals. These "efforts" include the provision of humanitarian and economic assistance and reconstruction of Palestinian institutions so as to lay a future foundation of peace and economic prosperity. During the summit in Kananaskis, the US may look to leaders of the world's wealthiest nations for the "humanitarian and economic assistance" needed for this new phase of institution building.

The US acknowledges that the success of such policies will rest on the strength of partnerships undertaken towards completing such endeavors, and as such will use this international meeting to create serious momentum towards the promotion of a comprehensive Middle East strategy.

A second area warranting international conflict resolution has involved the escalating tensions between India and Pakistan, leading some to fear the outbreak of nuclear war. With the "war on terrorism" in full gear, the United States will undoubtedly be much more intricately involved in South Asia in the future than it has been up to now. On this front, the US has maintained a strong dialogue with both nations urging them to take steps that will ease tensions in the region and reduce the risk of war via a path of diplomacy. America has called on President Musharraf to maintain Pakistan's commitment to live up to end all support for terrorism, whilst emphasizing to Prime Minister Vajpayee the need for India to respond with de-escalatory steps. President Bush has sent Deputy Secretary of State Richard Armitage and Secretary of Defense Donald Rumsfeld to reiterate these sentiments during their trips to South Asia. Decreasing tensions in the region, will be a top priority for the US government at the G8 meeting in Kananaskis. Critical to the US role in the overall international diplomatic push to relieve tensions is, first, its position as the world's only superpower. As such, the US will seek to further strengthen worldwide commitment to promoting diplomatic efforts in the region, thereby looking to the G8 nations to shoulder some of the responsibility via diplomatic or militaristic means.

#### ***b) Crackdown on State Sponsored Terrorism: Iraq***

In a speech made on 1 June 2002, US President George W. Bush emphasized his commitment to take pre-emptive action against potential threats - striking before suspected terrorists have the chance to do so themselves. This recent US warning of -

“you’re either with us or against us” - has prompted many to believe that the American campaign to remove Iraqi leader Saddam Hussein from power may be heating up again. Though Hussein was not specifically targeted in this latest set of US warnings, the President did in fact state that he would not leave the safety of the United States and of the planet to the mercy of a few "unbalanced dictators" who are suspected of working to develop weapons of mass destruction. Since the events of 11 September, the link, between terrorists, nuclear weapons and hostile regimes has prompted the US to intensify its efforts in Iraq. During the Summit in Kananaskis, the US will look to reaffirm a commitment from the leaders of the world’s G8 nations to increase efforts designed to crackdown on states who harbor, aid and protect terrorist organizations. It is unclear at this time whether the US will look to secure military support for the achievement of such ends-namely a full scale assault on Iraq.

### ***c) Weapons of Mass Destruction***

In the arena of preventing the proliferation of weapons of mass destruction a close link between such proliferation and the threats of international terrorism will be outlined. In a joint statement issued on 24 May 2002, both Russia and the US recognized the "profound importance" of preventing the spread of WOMD and missiles into the hands of terrorists and the organizations and countries that harbor them. The US will seek to expand upon international support for measures towards non-proliferation through enforcing export controls, curbing illegal transfers, prosecuting violators and increasing border controls for worldwide protection, as the global campaign against terror intensifies.

## **2. STRENGTHENING THE US ECONOMY**

The general priority for the US government within the issue of the world economy and trade is strengthening the US economy. In order to achieve this priority the US will support the liberalization of international trade at the G8 summit. In Kananaskis, the US will encourage investment and the opening of markets in order to sustain economic recovery as well as create new jobs for the American people.

US support of the Doha Trade Round is an example of efforts to further open markets. In a statement by US President George W. Bush, he outlined the advantages of the trade round, primarily for the American agenda to liberalize world trade. An improvement in export markets would improve the domestic state of affairs by allowing for the creation of high-paying jobs for American workers as well as providing more choices and lower prices for goods and services in the US. The US will likely seek endorsement of its objectives in the Doha Round at the summit. Accommodating developing countries' priorities as well as pursuing rules on trade facilitation and transparency in government procurement will be some of the issues on the US agenda.

The US government’s encouragement of liberalizing trade is evident in the passing of trade legislation which will help restore the US’ authority to negotiate trade agreements. Trade Promotion Authority, which is a key part of the US agenda to promote

open trade, will give the president the flexibility needed to secure trade agreements largely immune from Congress.

Support for trade liberalization by the US is also evident in free trade agreements that the United States has embarked on. US efforts are evident in the goal of completing the Free Trade Area of the Americas (FTAA), the conclusion of a free trade agreement with Jordan and a basic trade agreement with Vietnam. The United States and the European Union have also been undergoing discussions to enhance economic cooperation for both businesses and consumers under a "positive economic agenda".

While supporting the liberalization of trade, the US has also embarked on some protectionist measures such as steel tariffs and farm subsidies. At the summit the US will attempt to maintain its protectionist measures in certain industries in order to strengthen the domestic economy. As a result of well-known opposition among other G8 countries to these protectionist measures, the US will no doubt try to keep this issue off the summit agenda and out of the final statement.

In terms of the other G8 members, EU Trade Commissioner Pascal Lamy stated that the EU would be willing to impose sanctions if necessary. Japan and other countries have also complained about protectionist US trade practices to the WTO. French President Jacques Chirac sharply criticized what he called US unilateralism during a recent Latam Summit, claiming US protectionist measures would highly disadvantage poor countries. German Deputy Finance Minister Caio Koch-Weser also criticized the US for adopting what he deemed unfair trade policy, stating it posed a risk to the global economy. The issue of steel tariffs is likely to arise at the summit, considering that Japan and the countries of the EU will use the summit as a platform for discussion on the matter. In response, the US will attempt to convince G8 members that American trade policies are lawful under WTO regulations.

President Bush's three-year plan to give the American steel industry the opportunity to restructure and compete in the world economy will include the imposition of tariff safeguards of 30 percent on major steel products. Zoellick stated the US had pursued measures in line with WTO trade rules, which recognize that safeguarding provisions are warranted in particular cases. Should the issue of protectionism reach the agenda at the summit, the US will surely use the evidence that other countries such as Japan, the EU and Brazil have also used safeguards to protect domestic industry.

Accusations of US protectionism have increased with the passing of a new six-year law boosting U.S. crop and dairy subsidies by 67 percent. The bill is an attempt to provide a safety net for the US agricultural industry.

Countries such as Canada, Australia and the EU have complained the new law contradicts US calls for freer farm trade. Bush and Zoellick have insisted that the US is committed to global free trade and will continue to maintain this stance, reaffirming its commitment to liberalization of trade at the summit. The US delegation will explain recent measures as attempts to defend the US against unfair trade practices by other countries. The US will

likely point to the subsidies which European countries, in particular, have engaged in to protect their agricultural industry as proof of EU hypocrisy.

### **3. AFRICA ACTION PLAN**

Within the G8, the US is the lowest donor of Official Development Assistance as a percentage of Gross National Product. In light of this, development issues are not normally expected to be among the top priorities of the US at the annual G8 Summit. Although not the number one objective for Kananaskis, the new partnership for Africa will, however, be one of the key objectives for the US this June. While there was movement in Bush administration prior to the terrorist attacks of September 11<sup>th</sup> to redefine relations with Africa, these efforts have received unprecedented attention in the past year. September 11<sup>th</sup>, among other things, demonstrated the effects of failed states and underdevelopment are not regionalized to the third world but can have serious security implications for the US and its allies. While poverty does not singularly produce terrorism, it is indeed, a contributing factor.

The US is determined to show the world that it is committed to helping the developing world. Movement in this direction is exemplified by the recently announced increase in development assistance by the Bush Administration in Monterrey, Mexico. The US priorities for Africa have been articulated on several occasions by Assistant Secretary for African Affairs Walter H. Kansteiner, III. Assistant Secretary Kansteiner is also President Bush's Personal Representative for Africa in the G8. He has, as a result, been actively involved in G8 discussions and negotiations for the Africa Action plan to be presented in Kananaskis.

In his speeches, Assistant Secretary Kansteiner has outlined five key priorities of the US in Africa. In Kananaskis, the US will no doubt work to ensure that these five objectives receive substantial focus in the highly anticipated G8 Africa Action Plan.

The first objective for the US is to increase trade and investment in Africa in order to stimulate economic development. The US is confident that economic growth will lead to higher wages which will produce higher levels of human development. The Bush Administration has already made efforts to increase US trade through the *African Growth and Opportunity Act*.

The second priority is to ensure good governance through democratic institutions and respect for the rule of law. This requires public sector technical assistance for the development of institutions such as an independent judicial system. It also necessitates the assistance of non-governmental organizations to promote free press and the creation of a civil society.

The third US objective is to address the HIV/AIDS epidemic. While this disease is found in every country, it has had a particularly tragic toll on Africa where as many one in four people in certain states have been affected. This obviously has important implications for

health and child care as well as general economic productivity of the population. The fight against this disease has been a priority under the Bush Administration as reflected through budgetary increases and the establishment of a high level task force chaired by Human Services Secretary Thompson and Secretary of State Powell. Efforts towards this end will no doubt build on the Global Health Fund established last year in Genoa.

Environment is the fourth US priority. Africa has a unique ecosystem which has been jeopardized by unsustainable economic development practices by both the public and private sectors. This has negative implications for future growth within countries and regions. The US is committed to assisting with conservation efforts in areas like renewable energy, biodiversity, wildlife conservation, and range management. They have also stated their intentions to promote regional environmental cooperation and assist in the development of transborder conservation areas.

The last objective of the US in Africa is conflict resolution. This is due to the fact that the presence of war undermines the fulfilment of the four other US priorities. It also leads to failed states which often become havens for terrorists. This makes other African countries in which the US has interests susceptible to terrorist attacks. A key example is the 1998 US Embassy bombings in Kenya and Tanzania.

The US is thus committed to moving forward with the development of a concrete action plan for Africa. As the plan is finalized over the next couple of weeks and discussed at length in Kananaskis, the US will work to ensure that their priorities are directly translated into the priorities of the Africa Action Plan. While speculation abounds, the success of these efforts will only become apparent upon the release of the plan in Kananaskis.

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