

U.S. Missions Commemorate 60 Years of Peace and Prosperity

In June, U.S. Missions in France (USOECD, Embassy Paris, USUNESCO) together with their partners – the George C. Marshall Foundation, George Washington University, OECD and Jean Monnet Foundation – combined their efforts to commemorate the 60th anniversary of the Marshall Plan by organizing a symposium entitled, “The Marshall Plan: Lessons Learned for the 21st Century.”

Taking place at the George C. Marshall Center, Hôtel de Talleyrand in Paris, home of Marshall Plan offices from 1948-1951, eight world renowned scholars and academics served as panelists, debating the lessons learned and future applications. In attendance was a diverse audience of French government officials, European Ambassadors, business leaders, students, and former Marshall Planners such as Professor Thomas C. Schelling, the 2005 Nobel Prize laureate in Economics.

Under Secretary of State Nicholas Burns delivered the keynote address in which he paid tribute to Marshall by reminding everyone of the monumental significance of Marshall’s vision. Burns quoted former Dutch Foreign Minister Dirk Stikker, Marshall’s contemporary as saying “Churchill’s words won the war and Marshall’s words won the peace.” Burns also praised America’s European partners for their steadfast cooperation, and concluded by thanking the host country France, the oldest ally of the United States, for its unwavering and enduring friendship throughout the U.S.’s 230 year history. ■

Under Secretary of State Nicholas BURNS Greets Marshall Plan 60th Anniversary Symposium Partners



(Photo Embassy Paris)

Left to right: Brian SHAW, Vice President, George C. Marshall Foundation, John B. ADAMS JR, Vice Chair, George C. Marshall Board of Trustees, Under Secretary BURNS.

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Dear Friends,

It was just 10 minutes, 1 500 words or so, a short speech – but one that changed the world forever. Sixty years ago, Secretary of State George C. Marshall delivered an address at Harvard University calling for a “family of nations.” Through the Marshall Plan, war-torn Europe was rebuilt. From the Marshall Plan, the Organization for Economic Cooperation and Development (OECD) was born. “Lessons Learned for the 21st Century” was the theme of our June 60th anniversary commemoration in Paris at the Hôtel de Talleyrand, the former headquarters of the Marshall Plan.

Four years ago I was given the high honor to represent our great country as Ambassador to the OECD. I now leave most grateful for the opportunity to serve our nation in this international organization during such important times. I leave confident that the OECD will continue to meet the challenges and opportunities of globalization.

During my tenure we have reformed the governance structure, improving organizational efficiencies and decision-making processes. We elected a new Secretary General, Angel Gurría, former Finance and Foreign Minister of Mexico, who was strongly supported by the U.S.

The OECD, as a global institution, plays a key role in engaging new economic players to learn and share best practices, thus helping to “level the playing field.” At OECD’s recent Ministerial meeting, the 30 member countries made historic decisions. A major strategy of robust outreach with the fastest growing non member countries was adopted. Five emerging economies have been chosen for “enhanced engagement”: Brazil, China, India, Indonesia, and South Africa. Significant progress has already been made in working with these countries. The OECD’s environmental review of China is such an example. MENA (Middle East and North Africa) and other regional groupings are also included in the strengthened outreach program.

With a vision to the future, OECD recognized the need to enlarge its membership. In another historic move, Chile, Estonia, Israel, Russia, and Slovenia were invited to open discussions for membership to the Organization. Country specific roadmaps for accession are being designed to assure that OECD’s high standards are maintained in the process.

Our public diplomacy efforts have enabled us to reach out to OECD members and 70 non member countries to advance economic growth and prosperity using OECD core tools. I am pleased the Council approved a Global Communications Strategy coordinated by the OECD Committee on Public Affairs and Communication (CPAC) which I chair. The Committee values its work with the Business and Industry Advisory Committee (BIAC) and the Trade Union Advisory Committee (TUAC) as well as the OECD Centers in Washington, Tokyo, Berlin, and Mexico City; parliamentarians; and the international media.

Many lessons can be learned from the success of the Marshall Plan 60 years later. Paramount is that when nations work together, they can overcome the gravest of challenges and build a better future based on core values.

I am proud of our team at the U.S. Mission who has shown steadfast commitment to that goal. My appreciation extends to the over 1,000 delegates from Washington who assist in advancing that goal. The future is promising. OECD is ready.

I invite you to visit our new website at www.usoecd.org for more information about our work.



USOECD AMBASSADOR CONNIE MORELLA

OECD Conducts Historic Review of China's Environment

Building upon more than a decade of cooperation, the OECD has completed the first Environmental Performance Review of China. While much progress has been made, the OECD's groundbreaking report reveals that following a period of fast economic growth, China now faces environmental pressures that include a depletion of natural resources and human health problems.

The OECD review offers 51 recommendations evaluating domestic and international goals and obligations. Included in the suggestions on air quality, water pollution and waste management are lessons learned from previous experiences of OECD member countries, and a continuing collaboration between China and the OECD. The recommendations encourage Chinese authorities to execute more fully laws already in place, to strengthen the environmental infrastructure, and to restructure economic and social growth for sustainable development.

Since the global environment is inextricably linked to China's trade and development, China shares an interest with the OECD in efforts to examine environmental challenges. With growing international cooperation, the OECD review is a major step in engaging China more fully in global environmental protection and marks a significant achievement in OECD-China relations. ■

Secretary General Meets with Senior Chinese Officials



(OECD Photo/Michael Dean)

Left to right: Val KOROMZAY, Director, Country Studies and Prospects Branch, OECD Economics Dept, Angel GURRÍA, OECD Secretary General, Vice Minister LIU He, Vice-Chairman, Office of the Central Leading Group on Financial & Economic Affairs, China

ADVANCING THE OECD AGENDA FOR GROWTH AND EQUITY

The U.S. Delegation to this year's OECD Ministerial Council Meeting (MCM) was led by Deputy Secretary of State John Negroponte, U.S. Trade Representative, Ambassador Susan Schwab, Edward Lazear, Chairman of the President's Council of Economic Advisers, and Daniel Sullivan, Assistant Secretary of State for Economic and Business Affairs. At the MCM, OECD Members agreed to strengthen the Organization's cooperation with Brazil, China, India, Indonesia and South Africa with a view to possible membership for those countries and to open accession discussions with Chile, Estonia, Israel, the Russian Federation, and Slovenia. These two historic decisions, which were strongly supported by the United States, will ensure that the OECD continues to expand its global reach and policy impact.

This year's Ministerial, chaired by Pedro Solbes, Spain's Deputy Prime Minister and Minister of Economy and Finance, focused on the theme "Innovation: Advancing the OECD Agenda for Growth and Equity" and brought together not only ministers from OECD member countries, but representatives from Argentina, Brazil, Chile, China, Hong Kong, India, Russia, and South Africa. Representatives from the Bank for International Settlements (BIS), the International Labor Organization (ILO), the International Monetary Fund (IMF), the World Trade Organization (WTO) and the World Bank were also invited to participate in the Ministerial. The main issues discussed at the meeting included: globalization, growth and equity; innovation and growth; and future challenges for an open global trading system.

Deputy Secretary Negroponte addressed the opening session of the Ministerial, emphasizing that the central importance of partnership in achieving the common objectives of democracy, security, and prosperity based on open markets remains as valid today in the OECD as it was when the Organization was founded. ■

OECD EXAMINES HIGH COST OF COUNTERFEITING AND PIRACY

Capping several years of work proposed by the United States, the OECD is expected to release a report on the Economic Impact of Counterfeiting and Piracy. The report represents a significant step in understanding the magnitude and scope of counterfeiting and piracy that governments, industry and consumers face every day. It puts the value of international trade in counterfeit and pirated tangible goods at nearly \$200 billion in 2005.

While this figure seems staggering, it represents only a preliminary assessment for a portion of the world's economies. It does not include the significant value of counterfeit and pirated goods that are produced and consumed domestically, and it does not include digital goods that are transferred over the Internet. Even as a partial indicator, however, it underscores the pervasiveness of counterfeiting and piracy, which, the report notes, damages innovative industries, undermines creative endeavors, weakens investment, reduces jobs and opportunities for our citizens, shrinks tax revenue, and endangers the health and safety of our citizens. Today, counterfeit goods can be found in almost every industry from music to medicines and automobiles to aircrafts, to name but a few.

The OECD found that fake goods are being produced and consumed in most economies. Asia is emerging as the main region for counterfeit trade, with China being the single largest source of production. The report notes that the nature of pirated goods varies from market to market. The main market for counterfeit car parts, for example, is the Middle East, while consumption of counterfeit tobacco products is highest in Latin America, Africa and Asia. Counterfeit drugs are a major problem in Africa, but there have also been major seizures in Europe and North America. Counterfeit electrical components, household products, food, and beverages are appearing worldwide, with Africa, Asia and Latin America being key markets.

To address the counterfeiting and piracy problem, the OECD makes a number of recommendations, including increased law enforcement, stronger penalties, better cooperation between governments and industry, and enhanced consumer education to increase awareness of the growing threat to health and safety.

Once released, the 400 page report will be available on the OECD website at www.oecd.org. The report's executive summary has been released and is available at www.oecd.org/dataoecd/13/12/38707619.pdf. ■

SPOTLIGHT ON THE ENVIRONMENTAL COMMITTEE

As some of the world's top experts recently gathered in Paris to debate the environmental and energy implications of the burgeoning biofuels markets, another group was implementing a multinational research strategy for assessing the environmental impact of the vast array of new "nano" manufactured products.

Do all biofuels offer a benefit for the environment from a greenhouse gas emission perspective? If so, then what are the impacts on agricultural markets of shifting crops from food to fuel?

Are the tiny nano particles safe for the environment? Are there environmentally beneficial uses of nanotechnology?

While these questions are very different, they both stem from initiatives fostered by OECD's Environmental Policy Committee. For decades, OECD has been at the cutting edge of environmental economics and environmental policy. In the 1970's, OECD's pioneering work on transport and the environment led the way. In the 1990's, the Environment Committee's biotechnology expertise helped sort out the implications of genetically modified food. By bringing robust analysis to bear on the most pressing environmental challenges, the Environment Committee continues to be a strategic asset for OECD members, as it has been for over 30 years.

Today, the Environmental Policy Committee manages a group of approximately twenty working bodies, groups and task forces. For example, tax and environmental experts convene to explore the benefits and costs of "green" taxes, chemical experts meet to develop money-saving harmonized test practices, while Environmental Ministers debate the environmental implications and opportunities of increased globalization.

These environmental issues and others will be addressed in the forthcoming OECD project, the *Environmental Outlook to 2030*. This flagship effort by the Environmental Policy Committee will combine advanced economic modeling with environmental projections. The Outlook will identify the future challenges and assess how innovative environmental policies can provide solutions.

Information on this and all OECD environmental work can be found at www.oecd.org/maintopic. ■

PARTNERSHIP FOR DEMOCRATIC GOVERNANCE TO LAUNCH

The United States, the OECD Secretary General and United Nations Development Program (UNDP) are leading the effort to establish the Partnership for Democratic Governance (PDG), a multilateral group of like-minded countries and organizations whose goal is to assist fragile states and emerging democracies in building governance capacity and in improving service delivery to their citizens.

The Partnership will initially be composed of countries funding an OECD Advisory Unit, other OECD countries supporting the Partnership's objectives and, as appropriate, other non-OECD countries and international/regional bodies that have expressed strong support for the Partnership. Following an OECD Council decision to house the Advisory Unit, these "founding members," including the OECD and UNDP, will convene in the coming months to establish the Partnership.

Most multilateral development organizations and bilateral donors are active in the fields of governance and capacity building. However, there is no concerted or focused international effort underway to examine how the international community can directly support service delivery or provide personnel to deliver core policy functions. The PDG will concentrate attention, expertise, and resources on this important area.

In a letter thanking the OECD Secretary General for the Organization's leadership and agreement to host the Advisory Unit within the OECD, Secretary of State Condoleezza Rice reaffirmed her commitment and indicated that, "The United States is working hard to ensure the success of the PDG... and I look forward to the opportunities it offers for expanded multilateral cooperation on democratic governance." ■

U.S. Delegation Meets at USOECD Mission in Paris



(Photo USOECD)

From left to right: Ambassador MORELLA, USTR Susan SCHWAB, Deputy Secretary of State John NEGROPONTE, and Mike JOHANNIS, Agricultural Secretary.

U.S. Missions in France Honor Marshall Plan Veterans at 60th Anniversary



(Photo Embassy Paris)

From left to right: Ambassador MORELLA, Dr. Thomas SCHELLING, M. Pierre VALLEE, Ambassador OLIVER, retired U.S. Ambassador John GUNTHER-DEAN, retired U.S. Ambassador James LOWENSTEIN, retired U.S. Ambassador Arthur HARTMAN, and Ambassador STAPLETON.

OECD Appoints former USTDA Director as Deputy Secretary General



(Photo USOECD)

From left to right: Thelma ASKEY, OECD Deputy Secretary General, OECD Secretary General Angel GURRIA, Ambassador MORELLA.

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Did You Know?

South Africa became the first African country to sign the OECD's Anti-Bribery Convention at a ceremony at OECD Headquarters in Paris on June 19, becoming the 37th signatory of the Convention. Adopted in 1997 and adopted so far by 36 countries, the Convention outlaws the bribery of foreign public officials in international business transactions.

Miami University students visit USOECD during their TransAtlantic Seminar 2007



(Photo USOECD)

Left to right front row: Curtis STONE, Counselor for Economics, Environment, Science and Technology, USOECD, and Professor Warren MASON, Miami University

OECD SIGNS LANDMARK AIRCRAFT AGREEMENT

The historic 2007 Sector Understanding on Export Credits for Civil Aircraft, known as the Aircraft Sector Understanding (ASU), was signed in July. Signatories to the ASU include the world's leading civil aircraft exporting countries – OECD members, the U.S., Canada, Australia, Japan, Korea, New Zealand, Norway, Switzerland, and the European Community, representing the 27 European Union states – as well as Brazil, a non-member country which is the 3rd largest producer of commercial aircraft and has the fourth largest work force in this sector. Brazil's participation is noteworthy for it marks the first time an OECD non-member country has chosen to participate in a trade agreement on export credits.

The landmark achievement of this agreement is the establishment of limits on government subsidies in export deals, thereby strengthening competition and enhancing production quality within this sector. Signatories of the agreement also expect that it will quell any future litigious trade disputes. This broad and versatile "gentleman's agreement" replaced the Officially Supported Export Credits pact of 1986 which did not include Brazil and other players in the civil aircraft sector.

OECD Secretary General Angel Gurría remarked that the conclusion of this agreement attested to the OECD's "metamorphosis," referring to its role as a leader in the globalization process. He reaffirmed the OECD's commitment to "innovative policy tools for improving the global economy," and expressed confidence in "predictable and healthy competition" taking the place of "distrust and litigiousness" in the aircraft sector. ■

What's New @ OECD?

- Economic Survey of the United States. May 29, 2007
- Pensions at a Glance 2007. June 7, 2007
- Employment Outlook. June 19, 2007
- International Migration Outlook. June 25, 2007
- OECD-FAO Agricultural Outlook 2007-1016. July 4
- China Environmental Performance Review. July 16-19, 2007
- Education at a Glance, September 18, 2007

Key Quarterly Meetings and Events

- Marshall Plan 60th Anniversary Commemorative Events, June 12-13, Paris
- South Africa signs OECD Anti-Bribery Convention, June 19, Paris
- 2nd OECD World Forum on Statistics, Knowledge and Policy, June 27-30, Istanbul
- Education International World Congress, July 22-26, Berlin
- National Innovation System Review of China conference, August 27-28, Beijing
- Federal Reserve Bank of Wyoming Economic Symposium "Housing, Housing Finance and Monetary Policy," Jackson Hole, August 31-September 1.
- G8 Foreign Affairs Ministers meeting, September 20, New York
- World Knowledge Forum, "Wealth Creation and Asia," October 16-18, Seoul
- The Food Economy: Global Issues and Challenges conference, October 18-19, The Netherlands
- 10th Anniversary Celebration of the OECD's Anti-Bribery Convention, November 21, Italy