




Proposes of the Forum

 In the time span of seven forthcoming years, the tariff restrictions on agricultural products import from the developing countries should be removed completely. Already benefiting from extensive subventions (doubled in the case of EU member countries), agricultural production in developed countries holds twice the advantage on the world markets. As the world food prices soar, Forum considers the suspension of subventions and removing tariff restrictions as one of the most reasonable ways to stop the steep increase in food price levels that endangers the already troublesome access to nutrition in the poorest regions of the world. Furthermore, it would provide developing countries vital incomes to spur their progress and at the same time cheaper food in developed countries.

Opinion of USA:


The USA believe that open access to all markets on the basis of comparative advantage should be the core rule of the functioning of the world market as expressed also in U.S. Trade policy. However, these fully open and free markets do not exist and it is the role of the government in many cases to ensure that the enterprises, in this case the farmers, have the access to markets of other countries. The interventions of the governments are continuously minimized by efforts of WTO and GATT Agreement to turn them into acceptable, helpful and mutually beneficial steps of all countries.

As concerns the developing countries, the USA are part of certain trade preference programs, such as GSP, the Caribbean Basin Economic Recovery Act, the Andean Trade Preferences Act and the African Growth and Opportunity Act which substantially are conducted to encourage the economic growth and combat the poverty in developing countries by increasing exports to the USA.

Furthermore, we would like to point out, that not only developing countries would be the ones to benefit from this measure once being taken, but also the developed countries, and to a huge extent also the world as a whole.

Almost all of the studies predict that the United States would gain from full liberalization of agriculture (that is, complete elimination of all tariffs and subsidies) by all countries. Moreover, almost all of the studies predict that U.S. agriculture as a whole would benefit, although to a lesser extent than would the country as a whole.

The fact remains that the USA impose lower tariffs on agricultural products than any other developed or developing countries in the world.

 Of the main imbalances present in the world economy, Forum finds China's long-term trade surpluses and, on the other hand, US trade deficits the most pressing one. Yuan, China's national currency is considerably undervalued compared to US dollar. Taking this into consideration, it is apparent that China's exports hold unfair advantage in the world trade. Moreover, the amount of Chinese monetary reserves in US dollars creates




the unprecedented situation when the exchange rate of the main world reserve currency, that US dollar still remains, could be significantly influenced by the economic policy of China. Therefore, Forum suggests that China, as well as some other Asian countries, namely Japan and South Korea; stop intervening in favour of keeping the exchange rates at artificially low levels.

Opinion of USA:

The United States of America would support an adoption of a more flexible currency policy in China. China continues to “manipulate” its currency in order to give its exporters an unfair trade advantage, and this policy has led to U.S. job losses.

Chinese officials have expressed concern that the growing U.S. debt will eventually spark inflation in the United States and a depreciation of the dollar, which would reduce the value of China’s holdings of U.S. securities.

The U.S. Trade deficit has suffered from China's monetary policy as Barack Obama already said and does not think that the current exchange rate does reflect the real value of China's currency. The USA reiterates the need for China's trade and monetary reform. Otherwise, we would be forced to take relevant steps, e.g. approving the bill allowing us an economic retaliation which when agreeing of China to respond our calls and suggestions can be avoided. We underscore that we are not the only ones influenced by current Chinese monetary policy, therefore we will welcome and appreciate the more expressed and convincing initiative of other actors of the world economy.

 Forum for the 21st Century recommends that, in the global dispute over the sources of energy, greater space is given to scientists who oppose pessimistic scenarios concerning the depletion of conventional sources of energy. Existing scientific studies, which question the pessimistic scenario accepted worldwide without contradicting voices being heard, provide us with a different perspective regarding the future use of energy resources. Using financial resources and scientific capacities to further improve efficiency of already existing facilities is substantial. Funding the development of alternative sources of energy should be done based on both environmental and economic arguments. Forum regards reopening the debate on the use of nuclear energy highly essential. Thermal energy should be taken into consideration as a cheaper alternative to solar and wind energy, where possible, as well.

Opinion of USA:

The question of energy supply and resources is crucial for the United States of America.



Firstly, we see a huge potential in the improving drilling technologies, which have brought our country to horizontal drilling, an invention which helps gaining shale oil and gas from areas where it was not possible before. Therefore, we see the improvement in technologies and innovation as a step, which can lead the whole energy supply to a new revolution.

Secondly, with the significant energy and environmental challenges facing the nation in this new century, the benefits of clean and safe nuclear energy are increasingly apparent.

Last but not least, the United States of America are pro – alternative energy usage.

- With its value falling due to the long-term Federal Reserve Fund inflationary policy, the unique position of US dollar slowly but steadily deteriorates. Forum proposes that the use of the International Monetary Fund reserve currency shall be augmented. SDR currency basket should be composed of five currencies belonging to the countries with the highest share of the world trade, strictly in the proportion equal to their respective shares. The second alternative is the return to the gold standard where the new money could not be printed by central banks unless adequately covered by gold. This would stabilize exchange rates around their real values and stop the widely adopted countries' inflationary policies leading to losing control over their currencies.

Opinion of USA:

The USA highlights that none of the current world's currency provide such liquidity and acceptance as U.S.dollar. It is derived from the fact that the American economy is the strongest on the world with strongly stable political system proved by the amount of investments coming to the USA. We stress that the dollar's status as international reserve currency is stable and long lasting and there is no need to put it in a question.

The United States of America would advice cautious approach to the gold standard, as the return to this standard might be risky.

The immediate problem of restoring a GOLD STANDARD is fixing a gold price that is consistent with market forces. Besides with unlimited dollar conversion into gold, the ability to issue dollar claims would be severely limited. The issue which we see problematic as concerns gold is that there is not enough gold which would cover all mankind's GDP.

- According to Forum, the “brain drain” phenomenon is, amongst many other issues, one of the most common that hamper the progress of developing countries. Often, individuals benefiting from the free education in their home countries leave in pursuit of better careers. However, countries have currently no means to recoup the funds spent on professional growth of such individuals. To counterbalance drawbacks caused by the brain drain phenomenon, Forum recommends the adoption of measures



that would guarantee the return of funds invested in education of individuals who do not contribute to the gross domestic product. As a possible solution, Forum proposes legal precautions, which would ensure that either the individual or the country of destination would refund the money spent on the individual's education, to be taken.

Opinion of USA:

Brain drain is considered a very fragile issue. The United States of America believe, that the organizations and systems in developing countries can only be changed by the people from developing countries, the USA can only ensure that the voices of these people are being heard. We encourage the people to stay in their home countries, and improve their conditions. Furthermore, many developing countries are growing more than developed countries, making it therefore more convenient for the entrepreneurs to settle business in their home countries.

In case of insufficient possibilities, the brain drain takes place. This should not be considered as making use of free education, and therefore the United States doubt the proposal of Forum, which shall guarantee the return of funds invested in education of individuals who do not contribute to the gross domestic product.