



Weekly Special Report



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U.S. Supports Antiretroviral Treatment for 1.73 Million Worldwide

The U.S. Government announced on Thursday, June 16, 2008 that, through the U.S. President's Emergency Plan for AIDS Relief (PEPFAR), it is supporting life-saving antiretroviral treatment for approximately 1.73 million men, women and children worldwide, including nearly 1.68 million people in sub-Saharan Africa. This represents a dramatic increase from the roughly 50,000 people on treatment in all of sub-Saharan Africa in 2003, when President George W. Bush first an-

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Management Sciences for Health, a PEPFAR-funded non-profit, upgraded the pharmacy at Zewditu hospital in Addis Ababa, Ethiopia. The hospital now offers free antiretroviral treatment paid for by the U.S. government. (Photo by Marina Walker Guevara)

Business Changing in Africa to Confront Food Crisis

By Charles W. Corey
Staff Writer

Chicago -- An Indian company that until now has largely grown roses in Kenya and Ethiopia is diversifying into food staples to help confront the African and global food crisis.



Rose field worker in Ethiopia

Rao Karuturi, director and

chief executive of Sher Karuturi Limited, spoke

recently with America.gov at the 2008 U.S.-Africa Agribusiness Forum in Chicago, which was sponsored by the Corporate Council on Africa (CCA).

Karuturi provided insights into how his private company is

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U.S. Supports Antiretroviral Treatment for 1.73 Million . . .

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nounced PEPFAR. This accomplishment, along with the similarly successful prevention and care programs supported through PEPFAR, is a testament to the commitment of the people of the countries in which the U.S. Government is privileged to serve.

Together, PEPFAR and the Global Fund to Fight AIDS, Tuberculosis and Malaria are supporting antiretroviral treatment for approximately 2.4 million of the 3 million people on treatment in low- and middle-income countries. These results also reflect the strong country-level partnership between PEPFAR and the Global Fund in support of host nations. The U.S. Government, as a founding member of the Global Fund and its largest contributor, continues to play a leadership role in ensuring the success of this essential international effort. Since 2001, the American people have invested more than \$2.5 billion in the Global Fund, providing approximately 30 percent of its total resources.

"Only a few years ago, many doubted whether prevention, treatment and care could ever successfully be provided in resource-limited settings, where HIV was a death sentence," said Ambassador Mark Dybul, PEPFAR Coordinator. "Today, while much remains to be done, the skeptics have been proven wrong. Millions of people are on life-saving anti-retroviral treatment in developing countries, and many millions more have benefited from prevention and care pro-



With support from PEPFAR, Nompumelelo and Elihle receive antiretroviral treatment at McCord Hospital's Sinikithemba Clinic in Durban, South Africa.

grams."

As of March 31, 2008, PEPFAR reported that the number of individuals receiving Antiretroviral Treatment in Ethiopia reached close to 100,000 showing a more than ten fold increase from less than about 10,000 when free treatment was started in 2005.

The number of patients who have ever started ART since Anti Retroviral Treatment was launched in 2003 is 136,168. That is, a little over 35,000 patients who had been started on ART are no longer receiving their treatment. But, this is not just "because of logistical problems" or "due to religious beliefs". Although it is difficult to determine

the exact outcome of all these patients, at least as high as half of these patients have died due to HIV related illnesses and complications. Some targeted assessments done by PEPFAR implementing partners have clearly confirmed this fact. It is well known that patient death after starting ART is very high in sub Saharan Africa. This is partly explained by the fact that patients come for care and treatment services at a very late stage of their illness.

PEPFAR Ethiopia is currently collaborating with the government of Ethiopia to provide an effective response to HIV/AIDS. The U.S. and Ethiopian governments recognize that success is firmly rooted in partnership between the American people and the people of Ethiopia. Over a period of five years, PEPFAR Ethiopia received approximately US \$ 850 million from the United States government.

PEPFAR is the largest global health initiative directed at a single disease with a funding level of 18.8 billion USD across five years. PEPFAR is on target to achieve its ambitious goals of supporting treatment for two million people, prevention of seven million new infections, and care for 10 million people infected and affected by HIV/AIDS, including orphans and vulnerable children at the end of the five year period (September 30, 2009). ♦

Business Changing in Africa to Confront Food Crisis . . .

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changing to meet needs both in Africa and globally in the face of the current food crisis.

Presently, Karuturi said, his company produces 1.5 million stemmed roses daily in Africa for shipment to Europe and the United States -- doing about \$100 million of business in Kenya and \$50 million in Ethiopia.

Karuturi said the company is negotiating with the government of Ethiopia to produce more than 100,000 hectares of rice and 100,000 hectares of wheat, corn and cereal crops.

Food from cereal crops would be for consumption both locally and globally, he said.

Whatever cannot be consumed locally in the East African community -- Uganda, Tanzania, Kenya and Ethiopia -- would be available globally, he said. With those crops being produced locally, Karuturi said, Africans will be able to access food more cheaply because they will be able to avoid significant transportation costs.

Karuturi said his company is actively working with the CME Group -- which operates the world's largest agricultural commodity exchange in Chicago -- to help market some of the futures trade in these crops.

Karuturi said Sher Karuturi Limited is presently growing food crops in India. "We have significant vegetable cultivation out of India and have vegetable processing operations as well," he said.

While his company is on the verge of starting a 2,000-hectare vegetable farm in Ethiopia for export to Europe, he said, the food grain farms his company hopes to establish will supply the local African and global markets.

Karuturi attributed much of the rise in food prices to the higher cost of fertilizers -- many of which are petroleum-based and are therefore going up as fuel costs rise. Those same high fuel costs, he said, also cause upward price pressure for foods because most large farms are heavily mechanized and operate large amounts of fuel-hungry farm equipment.

Asked what impact 100,000 hectares of rice would have on the current food situation in Africa, Karuturi called that amount "a significant chunk" of global production.

"Globally, about 650 [million] to 700 million tons of rice is produced every year, but only about 6 [percent] or 7 percent of that is actually traded globally, with 94 [percent] to 95 percent being consumed within the country where it is produced.

"So there is very little left for global trading. Our percentage in terms of global trading would be around 2 [percent] to 3 percent of the global supply, so we expect to have a significant influence on the global supply of rice and hopefully alleviate some of the global pressures that are coming into the global market."

Commenting on the important role adequate infrastructure plays in agricultural development, Karuturi acknowledged that there are major

challenges. To be globally marketed, he said, commodities must be shipped over roads to markets and ports and, if necessary, stored for future use.

He readily acknowledged that "sooner or later those issues will have to be addressed" if a significant amount of agricultural development is to take place in Africa.

Karuturi said his company is trying to build some of the infrastructure it needs itself. He stressed, however, that in the end, African governments must take up that challenge.

Asked if he senses a new kind of confidence in Africa, Karuturi said his company, which has been in Africa since 2004, has "seen steep changes every year we have been there -- this year more than ever. We are confident that the decision that we took four years ago to come to Ethiopia has been vindicated already and it will continue to prove itself over the next few years."

The two-day agribusiness forum in Chicago attracted Africans, Americans and a host of international agribusiness executives to examine the current food crisis and to seek solutions.

(This is a product of the Bureau of International Information Programs, U.S. Department of State. Web site: <http://www.america.gov>) ♦

Bush Calls for Additional Sanctions Against Zimbabwe's Rulers

By Stephen Kaufman
Staff Writer

Washington -- In response to the Zimbabwean government's June 27 decision to hold a "sham" presidential run-off election and its campaign of violence against political opponents, President Bush says the United States will prepare additional sanctions against President Robert Mugabe's regime and will work for strong U.N. and international action to resolve the country's ongoing crisis.

"The international community has condemned the Mugabe regime's ruthless campaign of politically-motivated violence and intimidation with a strong and unified voice that makes clear that yesterday's election was in no way free and fair,"

Bush said in a June 28 statement.

He said he had instructed Secretary of State Condoleezza Rice and Treasury Secretary Henry Paulson to "develop sanctions against this illegitimate Government of Zimbabwe and those who support it." Bush added that the United States will be pushing for "strong action" by the United Nations "including an arms embargo on Zimbabwe and travel ban on regime officials," and would also be working with Zimbabwe's neighbors in the African Union (AU) and Southern African Development Community (SADC) to resolve the crisis. A legitimate government in Zimbabwe must reflect the outcome of the March 29 elections in which the opposition Move-

ment for Democratic Change (MDC) won a parliamentary majority against the ruling Zimbabwe African National Union - Patriotic Front (ZANU-PF), as well as represent the interests of all Zimbabweans, Bush said.

"The United States stands ready to support a legitimate government

The G8 foreign ministers, who were meeting in Kyoto, Japan, also expressed deep concern over the Zimbabwean government's suspension of humanitarian aid work and called for its immediate resumption on behalf of the country's most vulnerable citizens.



A woman shows a dye-stained finger after casting her ballot in Zimbabwe's run-off presidential election in Bulawayo June 27, 2008. (Emmanuel Chitate/Reuters)

"We note that the results of the March 29, 2008, elections must be respected and that any dialogue between the parties must allow a legitimate government to be formed. We will not accept the legitimacy of any government that does not reflect the will of the Zimbabwean people," the statement says.

On her way to Seoul, South Korea, June 28, Secretary Rice described the G8 statement as

through a robust package of development assistance, debt relief, and normalization with international financial institutions," he said.

INTERNATIONAL CONCERN

Foreign ministers from the Group of Eight (G8) countries -- Canada, Japan, France, Germany, Italy, Russia, United Kingdom, and the United States -- issued a joint statement on Zimbabwe June 27.

In it, the ministers deplored the Mugabe regime's "systematic violence, obstruction and intimidation - which have made a free and fair Presidential run-off election impossible."

"particularly strong," and that U.S. delegates to the United Nations are working on next steps, including the possibility of a Security Council resolution before the U.S. presidency of the council expires July 1.

"The United States will use everything in our power in terms of ... appropriate sanctions. I think you're likely to see more from Europe," she said.

Rice said it is time for the international community to take action. "[I]t's hard to imagine that anybody could fail to act given what we're all watching on the ground in Zimbabwe." ♦

Global Food Crisis Demands New Approach to African Agriculture

By Charles W. Corey
Staff Writer

Chicago -- The world is in the midst of an unprecedented food crisis, a situation that underscores the need for a transformation of African agriculture, a U.S. Agency for International Development (USAID) official told agribusiness conference attendees.

To create real growth in African agriculture and feed the hungry, he said, investments must be made along the entire value chain of key food staples.

USAID's Franklin C. Moore, speaking June 26 at the

2008 U.S.-Africa Agribusiness Forum in Chicago, said that the current situation calls for more than "business as usual."

Moore told the audience attending the two-day event that the poorest 1 billion people in the world -- many of whom are in Africa -- are living on just \$1 a day and face stark choices by being forced to spend about 70 percent of their daily income on food.

He attributed the current food crisis to fundamental imbalances between supply and demand in major food staples, but added that those imbalances present opportunities for both Africans and Americans.

Moore summarized how the United States is working to confront the crisis. The latest U.S. response to

the food crisis began on May 1, he said, when President Bush asked Congress to provide an additional \$620 million in new funding to address the humanitarian aspects of the crisis and an additional \$150 million in longer-term agricultural solutions.

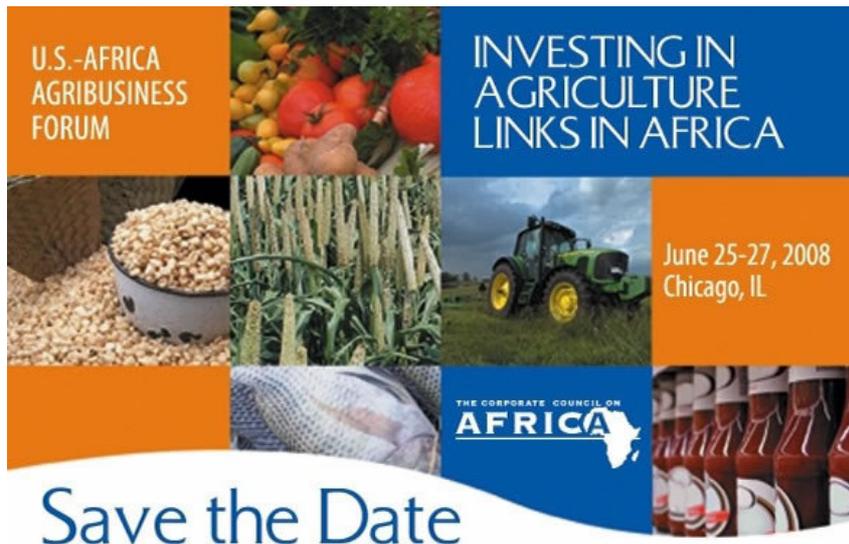
"In short, our desire is to focus on countries that have the potential to increase production and marketing of food staples and are committed to supporting their agricultural sectors, including creating the policy conditions to help private sector investment in agriculture expand and help the sector flourish," he said.

Moore said conversations in the past with the Corporate Council on Africa (CCA), which sponsored the forum, have revolved around flowers, green beans for the European market, coffee, tea and cocoa. "We tend to talk about either high-value crops intended for export or traditional export crops," he said.

While that will continue, he said, "real growth and transformation of African agriculture will come from integrated investments along the entire value chain of key food staples, including the livestock, meat and milk sectors. These value chains serve both growth and food security objectives," he said.

Africa's total food demand is about \$50 billion annually, he said, and it is estimated that the demand level will double to \$100 billion by 2015. Africa currently imports 25 percent of grain products in the form of maize, rice and wheat, he added. Food markets across Africa must be strengthened, he said, along with trade, transport corridors and comprehensive value-chain development.

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Chicago Forum Seeks to Link Africans, Americans in Agribusiness

By Charles W. Corey
Staff Writer

Chicago -- Closer business links and prosperity for all -- these goals have brought two businessmen, one from South Africa and one from the United States, to the 2008 U.S.-Africa Agribusiness Forum, hosted by the Corporate Council on Africa.

For his part, American business executive John Roller, of Africa Transportation and Logistics, is seeking wider business links. He represents small and medium-size African transportation companies owned by African entrepreneurs.

Roller is working to organize African entrepreneurs into franchised transportation operators across the continent, he said, "to empower them through education and marketing so that they might compete against the larger, primarily European-owned transportation organizations that dominate Africa."

Roller said his for-profit company believes very strongly that "Africa must build an independent and strong middle business class in order to achieve what it is capable of achieving."

In 2006, Roller said, his company, with the help of the U.S. Agency for International Development (USAID) and Africare, a private U.S. charitable organization, empowered African-owned transportation companies to move USAID food shipments from the port of Cotonou to five different locations in Niger. "We have since done the same thing in Guinea-Bissau, in Cameroon, in the Central African Republic, and we are [now] doing significant business in Congo-Brazzaville and Zambia," he said.

Roller said his company is expanding to include commercial agribusiness, the oil and gas industry and construction companies, moving goods around the continent and providing opportunities for African partners. "Our business is 100 percent African," he said.

The idea, Roller said, is to help small businesspeople in Africa "develop wealth and employ the people of their own nation, to pay taxes in those countries and to put pressure on their governments for infrastructure development and good governance."

Jacques Taylor, head of agricultural banking for Standard Bank Africa, shares Roller's goal of greater prosperity. Seeking ways to link the large U.S. agribusiness companies in the United States with African farmers is what brought the South African banker to Chicago.

Taylor, based in Johannesburg, acknowledged that there are many challenges in Africa, but he stressed that if both American agricultural know-how and American expertise in running large farming operations were available to African farmers, both Africans and Americans could benefit.

"I think Africans would appreciate support from U.S. agribusinesses to try to see if we can get more agricultural growth in Africa," he told America.gov June 25 at the forum's opening reception. More growth would mean more food for everyone, he said, and that is particularly important as food prices are skyrocketing across the globe, and especially in Africa.

As the largest bank in Africa, Standard Bank is expanding its funding to Africa's agricultural sector, Tay-

lor said, doing business in 18 African countries.

"One of the challenges is to increase production," in Africa, he said. "We all know that the soil in Africa is quite fertile. Commercial farmers in Africa can get up to seven tons of yield per hectare on maize while the emerging farmer in Africa only gets about 1.5 tons per hectare. So the challenge for us is to get the emerging farmer closer to the commercial farmer and to increase agricultural production by introducing better agricultural practices and fertilizer." Most emerging farmers in Africa do not use fertilizer, he said, because of the high costs.

Taylor also commented that the lack of infrastructure in Africa is "one of the biggest challenges. It is not only roads, but storage facilities for grain."

"Most of the rural farmers are 300 to 500 kilometers away from the largest farming center. That is one of the challenges we are facing," he said.

Taylor said his bank has been operating in South Africa for 145 years. The only market in sub-Saharan Africa that trades agricultural commodities, he said, is in South Africa, the Johannesburg Stock Exchange's South African Future and Exchange Market (SAFEX).

Another major challenge for African farmers, he said, is that unregulated markets make it difficult for farmers to trade and sell their crops in a timely manner. Both Kenya and Zambia, he said, are now looking at starting their own trading markets like SAFEX, but, he said, their efforts are in the very early stage. ♦

World's Hungry Fed Through U.S. Government Programs

By Charles W. Corey
Staff Writer

Washington -- The United States provides more than \$1 billion in food aid annually to those in need -- with the majority of that aid going to Africa, said the U.S. Department of Agriculture's Babette Gainor.

Gainor, who is deputy director of the department's food assistance division in the Foreign Agricultural Service, told America.gov June 23 that her department plays an important role in the U.S. government's food assistance effort through two development programs: the McGovern-Dole Food for Education Program and the Food for Progress Program.

Each program has its own priority countries, she said, and both together contribute nearly \$300 million in annual food aid to the world's hungry, the majority of whom are in Africa.

Both programs are administered through nonprofit organizations and through the United Nations' World Food Programme. A third U.S. government food program, Food for Peace, is by far the largest that is administered by the U.S. Agency for International Development with more than \$1.2 billion dispersed annually.

The McGovern-Dole program spends about \$100 million annually to cover commodity procurement, the shipping and distribution of those commodities overseas, and any activities that could complement the program, which focuses on feeding hungry schoolchildren. Most of the food distributed under this program is wheat flour, corn

meal, corn soy blend, vegetable oil, beans and rice.

Of the 22 priority countries eligible for the McGovern-Dole program in fiscal years 2009 and 2010, 16 are in Africa: Angola, Cameroon, Chad, Ethiopia, Guinea-Bissau, Kenya, Madagascar, Malawi, Mali, Mozambique, Niger, Rwanda, Senegal, Sierra Leone, Tanzania and Uganda.



US food assistance in Swaziland

Gainor said the McGovern-Dole program's mandate allows money for activities that enhance the feeding of schoolchildren. For example, the program can pay for construction of latrines at schools, which makes it possible for girls to attend school in a safer and more hygienic environment and encourages them to stay in school.

The Food for Progress program is an agricultural development program geared to emerging democracies. "That program has a \$40 million cap on transportation, so we could procure as much commodity in a given year as we can transport within the \$40 million transportation [budget]," she said. She warned, however, that under this program, any increase in transporta-

tion costs could adversely affect the amount of food shipped.

On average, she said, the Food for Progress program has been able to move about 150,000 tons of food annually to those in need. She said, however, that since 2005, freight charges have increased by about \$40 a ton.

Of the 22 Food for Progress priority countries for 2009 and 2010, 12 are in Africa: Ethiopia, Malawi, Mali, Namibia, Senegal, Uganda, Madagascar, Mozambique, Kenya, Liberia, Niger and Tanzania.

In Burkina Faso in 2002, a Food for Progress grant proved to be much more than a food "handout" -- it changed lives with new water wells, a farmers' co-op, and micro-enterprise loans. When the Department of Agriculture awarded the \$4 million Food for Progress grant, the sale of soybean oil helped establish a farmer's cooperative group to share cultivation equipment and resources; the program also sponsored the installation of clean drinking water wells in 90 villages, and provided micro-enterprise loans to more than 1,200 women.

All U.S. government food assistance programs, Gainor explained, are coordinated by two administering departments, the U.S. Department of Agriculture (USDA) and the United States Agency for International Development (USAID). Both USDA and USAID participate in a Food Assistance Policy Council at the beginning of each fiscal year to assess food needs worldwide.

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Survey Finds Americans Are Religious, Tolerant, Nondogmatic

Washington -- The typical American believes in God (92 percent), believes in absolute standards of right and wrong (78 percent), prays at least weekly (75 percent), believes in life after death (74 percent) and believes in sacred scripture as the word of God (63 percent). But that typical American is also tolerant of other peoples' beliefs and strikingly nondogmatic in the sense of not believing his or her own religion to be the only path to salvation or to have a monopoly on truth.

These findings emerge from a new study by the Pew Forum on Religion and Public Life.

When issuing its landmark U.S. Religious Landscape Survey in February on the religious makeup of American society, the Pew Forum promised to issue a second analysis, based on the same survey, that would examine American religious beliefs and practices as well as social and political attitudes of believers and nonbelievers. More than three-fourths of those surveyed classify themselves as Christian, and 5 percent belong to other faiths. A growing number of American adults (16 percent) do not belong to any particular religious group. More than 28 percent of American adults leave the faith of their childhoods to practice another religion -- or no religion.

Seventy percent of Americans who considered themselves affiliated

with a particular religious tradition believe many religions can lead to eternal life, including solid majorities of Protestants, Catholics, Orthodox, Muslims, Buddhists, Hindus and

Jews. Only among Mormons (39 percent) and Jehovah's Witnesses (16 percent) is the notion that many religions can lead to eternal life a minority view, and those two religious groups constitute just 2.4 percent of the U.S. population, ac-

ording to Pew, which is a nonpartisan research institution.

As for whether there is more than one true way to interpret the teachings of their particular religion, the overwhelming majority of Americans (68 percent) believe there is, again including solid majorities of Protestants, Catholics, Orthodox, Muslims, Buddhists, Hindus and Jews. Only Mormons (43 percent) and Jehovah's Witnesses (18 percent) lack a majority willing to give assent to multiple interpretations.



Bright sun reflects off the exterior of the Islamic Center of America mosque in Dearborn, Michigan. The Dearborn mosque is one of the oldest and largest in the United States. In April, it received a unique Braille edition of the Quran from the Kukaldosh Madrassa in Tashkent, Uzbekistan. (© AP Images)



Aruna Rao, an Indian American, stands near a statue of the Hindu god Ganesha, in Edison, New Jersey. (© AP Images)

Jews. Only among Mormons (39 percent) and Jehovah's Witnesses (16 percent) is the notion that many religions can lead to eternal life a minority view, and those two religious groups constitute just 2.4 percent of the U.S. population, ac-

The U.S. Religious Landscape Survey queried more than 35,500 adults age 18 and older living in the United States, gathering data

on not only the size of various religious groups, including the smallest ones, but also demographic characteristics, social and political values, religious practices and shifting religious affiliations. It was conducted by telephone in 2007 in both English and Spanish.

The survey found that a large portion (41 percent) of Americans who are unaffiliated with any particular group nevertheless say that religion is at least somewhat important in their lives and about 70 percent of

them believe in God.

The unaffiliated are likely to be secular in their outlook and to hold liberal political views, while those who regularly attend worship ser-

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Survey Finds Americans Are Religious, Tolerant, Nondogmatic . . .

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vices and hold traditional religious views are likely to be conservative in their political views, the survey found.

Among those who are affiliated with a particular religious group, less than a majority (44 percent) believe their religion should preserve its traditional beliefs and practices, while about one third (35 percent) believe their religion should adjust to new circumstances, and one-eighth (12 percent) believe their religion should adopt modern beliefs and practices.

Majorities of mainline Protestants, Catholics, Jews, Muslims, Buddhists and Hindus believe their religions should adjust to new circumstances or adopt modern beliefs and practices, the survey found.

Americans don't just believe in life after death; they believe in heaven



Father Ruben Rios walks behind altar boys at the Immaculate Heart of Mary Church in

Popular culture is seen as a threat to their values by a significant minority (42 percent), especially Mormons, Jehovah's Witnesses and evangelical Protestants.

For more information on religious diversity in the United States, see Diversity-At Worship (<http://amlife.america.gov/amlife/diversity/atworship.html>).

The complete U.S. Religious Landscape Survey (<http://religions.pewforum.org/pdf/report-religious-landscape-study-full.pdf>) (PDF 1.13 MB) is available on the Pew Forum Web site.

The new Pew Forum study (<http://pewforum.org/>) is also available on the Pew Forum Web site.

(Distributed by the Bureau of International Information Programs, U.S. Department of State. Web site: <http://www.america.gov>) ♦

(74 percent), hell (59 percent) and the supernatural (79 percent).

World's Hungry Fed Through U.S. Government Programs . . .

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One distinction, she said, is that Food for Peace is the U.S. government's emergency response program. "So when natural disasters hit, when manmade conflict breaks out that impact peoples' ability to have food security, USAID is the responding agency. USDA's programs are focusing on development elements that may happen around humanitarian or natural disasters and manmade conflicts, but we are

not the first agency to respond to that kind of crises. That is USAID."

Food for Peace also undertakes about \$300 million in development programs as well, so between USAID and USDA, she explained, there is about \$600 million in food-based development aid for the developing world.

"The real value in the developmental role that we are able to play is the unique USDA approach, which blends both agricultural develop-

ment as well as educational merits."

"We look at both factors. It is not just education, and it is not just agriculture. But we really try to look at where we can maximize the agricultural industry and enhance the farming practices in some of these countries, while looking at being able to give some of those farmers' children a future." ♦

More International Films Shown at U.S. Documentary Film Fest

By David Minckler
Special Correspondent

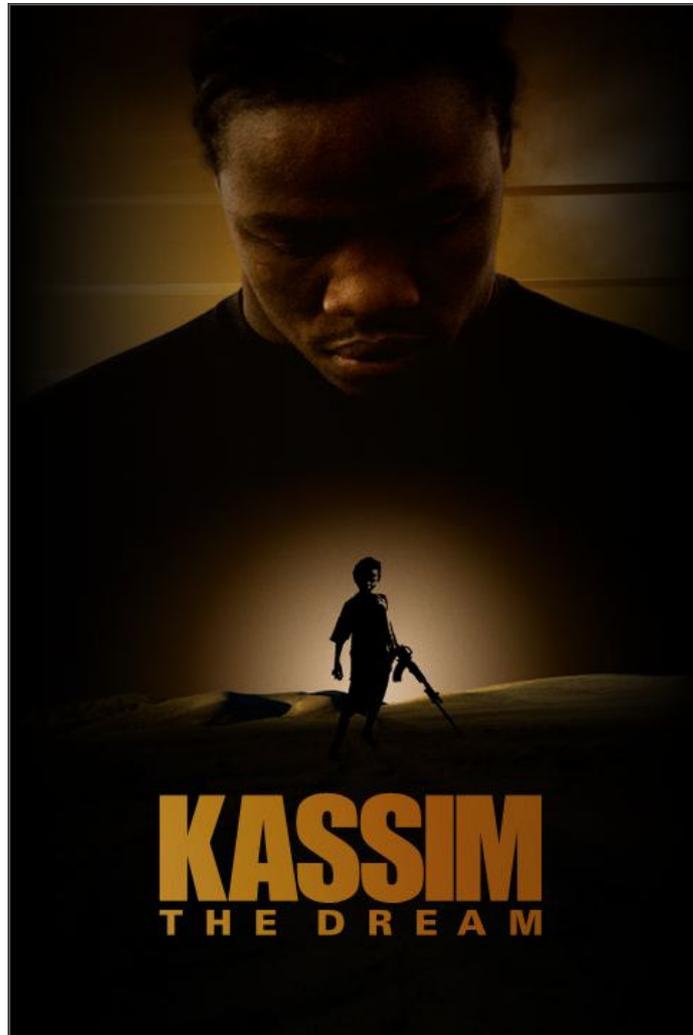
Silver Spring, Maryland -- In its six years of existence, the Silverdocs documentary festival in suburban Washington has steadily grown into the premier U.S. showcase for nonfiction filmmakers from around the world. This year's festival was the biggest and most international yet.

With 108 films from 63 countries, Silverdocs added two days to its schedule (June 16-23) and welcomed the increasing participation of foreign filmmakers by splitting its Best Feature award into U.S. and world film categories.

"By expanding our awards to include a world feature competition, we signal our recognition and deepening appreciation of global culture," said festival director Patricia Finneran.

The award for Best World Feature went to *The English Surgeon* by director Geoffrey Smith. It is the story of British neurosurgeon Henry Marsh, who for 16 years has spent several weeks annually in Ukraine performing brain surgeries. A special jury mention went to *The Red Race* by Chao Gan, which documents the grueling gymnastic training of kindergarten-aged children against the backdrop of the 2008 Beijing Summer Olympics.

The winning U.S. feature was *The Garden*, by Scott Hamilton Ken-



Kassim the Dream, by Kief Davidson, a former Uganda child-soldier who immigrated to America and became a boxer, is one of the award winners international film.

nedy, about the battle to save a community garden in a blighted neighborhood in Los Angeles. *Trouble the Water* by Kimberly Roberts, which chronicles the aftermath of Hurricane Katrina in New Orleans, received an honorable mention.

Silverdocs is an annual collaboration by the American Film Institute (AFI) and the Discovery Channel. Most films are shown at the AFI Silver Theatre in Silver Spring, Maryland,

although the festival has added venues to meet demand. In 2008, Silverdocs attracted more than 22,000 attendees, the highest number ever. Twenty more countries submitted films this year than in 2007.

German director Jan Zabeil earned the Best Short Film award for his film *What Would the Drop Know About That?*, which examines foreign-born custodial workers at the Reichstag (Parliament) building in Berlin. Japanese director Megumi Sasaki took home the Audience Award for *Herb and Dorothy*, her profile of a working-class Manhattan couple who amassed a world-class collection of contemporary art.

Other award winners offered peeks at a wide range of subjects, such as a Pakistani tailor in Barcelona, Spain (*The Tailor* by Oscar Perez); a former Uganda child-soldier who immigrated to Amer-

ica and became a boxer (*Kassim the Dream*, by Kief Davidson); a Liberian women's anti-war movement (*Pray the Devil Back to Hell*, by Gini Reticker); a journey to Africa to seek the origins of the banjo (*Throw Down Your Heart*, by Sascha Paladino); a man who hoards birds in his London flat (*Ground Floor Right*, by Marlene Schiött Rasmussen); and the trade in exotic animals as pets (*The Elephant in the Living*

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More International Films Shown at U.S. Documentary Film Fest . . .

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Room, by Michael Webber).

AN AUDIENCE FOR INTERNATIONAL FILMS

Silverdocs affords international filmmakers the opportunity to reach U.S. audiences and, in some cases, to enjoy greater freedom of expression than their home countries allow. Some films have little or no chance of ever being screened back home. Two that fall into this category, according to their directors, are *Football Under Cover* by Iranian-born director Ayat Najafi and *Kalinovski Square* by Belarussian director Yury Khashchavatski.

Najafi, who co-directed the film with David Assman of Germany, told an audience at the film screening that he made *Football Under Cover* under severe restrictions from the Iranian authorities. The film documents a friendly match between an Iranian women's football (soccer) team and a German women's team. Because of strict Iranian laws, the Iranian team never had competed, only practiced. The match was played in 2006 in Tehran's Ararat Stadium with about 1,000 women spectators in attendance; the stadium was closed to men. Najafi said he was told up front by the authorities that the fin-

ished film would never be shown in Iran.

In an interview with National Public Radio, Najafi said, "We're showing in *Football Under Cover* that the situation of women in Iran is really terrible. ... The limitations are so hard, but they also show that the women in Iran are so strong and they keep fighting against the situation."

Kalinovski Square revisits the 2006 presidential election in Belarus when 50,000 protestors filled October Square, the main square in Minsk, to await the election results. The crowd jeered the final tally, and for the next three days and nights occupied the square where President Viktor Lukashenko was going to hold his re-election celebration; they renamed it Kalinovski Square in honor of a 19th century Belarussian hero.

To cover the events, Khashchavatski enlisted sympathetic accredited cameramen. He could not stand near them or communicate directly with them, for fear that he and they would be arrested. (The end credits cite "those who have to stay anonymous.") The film -- which Khashchavatski narrates with biting humor -- shows protestors being beaten and arrested by the authorities. The footage was smuggled

into Estonia, where the film was assembled and finished.

Khashchavatski told the Silverdocs audience that opposition in Belarus is at a low ebb now after the election (which international observers labeled as unfair), but he wants the dispirited to see what the protestors did. He ends his film with these words: "This is the square, which they called after their favorite hero ... in the happy minutes of opposing lies, cynicism, and violence. They rose [up] in that square and this is forever. At all times and all epochs, people dreamt about freedom and gained it. But only after fighting for it and winning."

More information on Silverdocs (<http://silverdocs.com/>) is available at its Web site.

Also see *The Arts-Film* (<http://amlife.america.gov/amlife/arts/film.html>).

(This is a product of the Bureau of International Information Programs, U.S. Department of State. Web site: <http://www.america.gov>) ♦

Many Political Parties Shape Political Agenda

By Stu Gorin
Special Correspondent

Viera, Florida -- On the surface, there does not seem to be much in common among a teetotaler, a socialist, a reformer, an environmentalist and a bull moose. But in the U.S. political arena, they symbolize a wide range of past and present "Third Party" organizations, and have influenced U.S. presidential elections.

Many of the numerous smaller parties or independent candidates have been important factors – by drawing attention to campaign issues that otherwise may be ignored, by increasing voter turnout and by sending a message to the major parties by accumulating protest votes. In some cases, political experts argue, a third-party candidate also can change the outcome of an election.

Every state has its own rules for putting candidates on the ballot. While listing is automatic for Democrats and Republicans, third parties face extra challenges such as obtaining a set number of voter signatures on a petition or paying registration fees. This often limits the number of state ballots on which a candidate's name may appear.

The United States has followed a two-party system since the Civil War in the mid-19th century, when the Democrats and Republicans coalesced into separate major political parties that control national elections.

It was not until the turn of the 20th century that third-party presidential candidates of any note appeared on the scene. One of the most notable early third-party candidacies was that of a former U.S. president – Theodore Roosevelt. In 1912, Roosevelt, who was president from 1901 to 1909, broke away from the Republicans and formed the Progressive Party, nicknamed the "Bull Moose Party" because Roose-



Some Democrats argue that Ralph Nader's green-party candidacy resulted in Al Gore's loss to George W. Bush in 2000.

velt said he felt "as strong as a moose." Roosevelt carried six states totaling 88 electoral votes and gained 27.4 percent of the popular vote, the second highest percentage of the four candidates running. The Republican split enabled Democrat Woodrow Wilson to win the presidency.

There have been other times in which political leaders unhappy with their party have formed their own political organizations. In the 1948 election, there were two breakaway Democrats in the race – Strom Thurmond, who ran for the segregationist States' Rights

"Dixiecrat" Party and won 39 Electoral College votes from four states, and Henry Wallace, a Progressive Party candidate.

Even though Thurmond did not keep Democrat incumbent President Harry Truman from winning the presidency, he demonstrated the role third-party candidates can play in enabling a particular region to send a message to the major political parties. Thurmond's support

was entirely from southern states. Thurmond later joined the Republican Party.

In 1968, when Republican Richard Nixon won the election over Democratic Vice President Hubert Humphrey with 43 percent of the popular vote and 301 electoral votes, Democrat George Wallace, the former governor of Alabama, ran on the American Independent Party line and gained 13.5 percent of the popular vote and 45 electoral votes. Since Wallace's

campaign, no third-party candidate has won any Electoral College votes, although some have earned significant percentages of the popular vote. Ross Perot did in 1992 by gaining 18.9 percent of the national vote.

One of the most notable third-party candidates in recent history is Ralph Nader, who won 2.7 percent of the popular vote as the Green Party candidate in 2000. Nader won no Electoral College votes, but some Democrats still argue Nader cost Al Gore the presidency by taking votes that would have otherwise most

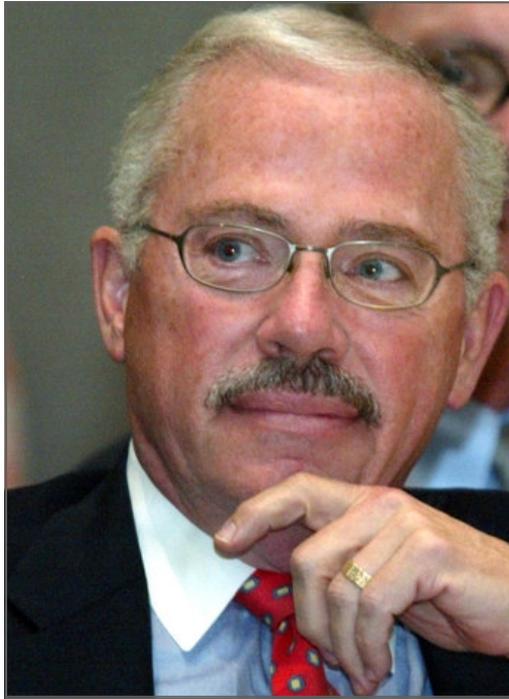
(Continued on page 13)

Many Political Parties Shape Political Agenda . . .

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likely gone to the Democratic candidate. These Democrats note that more than 97,000 people in Florida voted for Nader in a state where Gore lost to President Bush by 537 votes. Had Gore won Florida, he would have had enough Electoral College votes to win the presidency.

Nader is among the potential dozens of third party candidates competing for the presidency in 2008, although this time he is running as an independent. Among them will be Libertarian Party candidate Bob Barr. Barr is a former Republican congressman, worrying some from that party that he could take votes that would typically go to presumed Republican nominee John McCain. The current third parties that have national voter registrations of more than 100,000 are the socially and economically conservative Constitution Party, the left-of-



Former Republican Congressman Bob Barr is seeking the presidency - as a Libertarian.

center Green Party and the fiscally conservative but socially liberal Libertarian Party. Among smaller third

parties are several state Conservative parties, the Centrist Party, the Socialist Party and the Communist Party.

Over the years, while third party candidates stand little chance of being elected, their organizations have supported policies that have been incorporated into American society. For instance, the efforts of the Prohibition and Socialist parties helped give women the right to vote; the Populist Party's support for reduced working hours led to the 1938 Fair Labor Standards Act; and the American Independent Party's toughness advocacy led to the 1968 Omnibus Crime Control and Safe Streets Act.

(This is a product of the Bureau of International Information Programs, U.S. Department of State. Web site: <http://www.america.gov>)

Global Food Crisis Demands New Approach to African Agriculture . . .

(Continued from page 5)

What is most needed, Moore told his audience, is a "comprehensive and integrated approach to make food more affordable."

Such an approach, he added, must promote sound market-based principles, increase agricultural productivity through the practical application of research and alleviate transport and supply-chain bottlenecks.

Additionally, he said, what must be targeted is the elimination of waste from poor production and storage methods. "Currently, in post har-

vest for many staples, there are many countries that lose up to 40 percent of what is produced," he said.

What is hoped for overall, he said, is that African production of food staples and the markets for these staples significantly increase. "We don't look at this as business as usual" and it is not another iteration of the green revolution, which was public-sector-driven. What must be done, he said, largely must be stimulated and driven by the private sector.

"Now is the time," Moore said, for the private sector to invest in staple food crops.

Also addressing the forum was Ambassador John J. Danilovich, chief executive officer of the U.S. Millennium Challenge Corporation (MCC), who described MCC's accomplishments to date and stressed that his organization is proud of its work in strengthening African agribusiness.

(This is a product of the Bureau of International Information Programs, U.S. Department of State. Web site: <http://www.america.gov>) ♦

Democrats Poised to Make Big Gains in Congress, Experts Say

By Michelle Austein
Staff Writer

Washington -- The ongoing U.S. presidential race still grabs most of the headlines, but many congressional contests are heating up as well. Months before Election Day, political experts are already predicting big gains for the Democrats in the U.S. Congress.

Among the thousands of U.S. officials to be elected November 4 are all 435 members of the U.S. House of Representatives and 35 members of the U.S. Senate this year. Political pundits and party members are watching dozens of highly competitive contests throughout the country.

Congress' approval rating is currently low -- just 19 percent of those recently polled by Gallup/USA Today said they approve of how Congress is doing its job -- but the approval rating is significantly lower for congressional Republicans than Democrats. A recent NBC News/Wall Street Journal poll reported 52 percent of Americans prefer Congress be controlled by Democrats, while 33 percent say they favor Republican control.

Democrats currently are the majority party in both houses of Congress, having won control with big wins in the 2006 midterm elections. Political experts expect Democrats to retain control of both chambers in 2009.

"Right now it looks like an absolute landslide for the Democrats," Jeffrey



Democrats easily should maintain majorities in both houses of Congress, experts say.

Pollock, president of Global Strategy Group, told journalists at the Foreign Press Center in New York City June 24. Global Strategy Group conducts polling for many Democratic leaders.

LOOK AHEAD TO SENATE, HOUSE RACES

In the Senate, 12 Democratic incumbents are seeking re-election, and only one is expecting a competitive race. In contrast Republicans are defending 23 seats, five currently held by members who are retiring, and many of the remaining incumbents are facing tough re-election battles. Many Republican senators, including Oregon's Gordon Smith and Minnesota's Norm Coleman are already in the

midst of tight contests, while Democrats are looking to pick up seats currently held by retiring Republicans in places like Virginia and New Mexico.

In the House of Representatives, there are more than two dozen Republicans retiring, giving Democrats stronger opportunities to win these soon-to-be-vacant seats than they likely would have had running against incumbents.

Republicans already have suffered three defeats in 2007 in "places where the Democrat should not be winning," Pollock said. In special congressional elections held in Mississippi, Louisiana and Illinois, voters selected Democratic candidates despite their districts' conservative leanings.

There are many reasons Republican congressional candidates are struggling. History shows that when Americans are frustrated, as many are currently with the state of the Iraq war and the economy, their support for the party that holds the White House erodes. Additionally, the Republican National Congressional Committee, set up to help the party's congressional candidates, has raised much less money than its Democratic counterpart in recent months.

But not every Democrat has an easy race: Pennsylvania Congressman Jason Altmire faces a tough re-election fight against a familiar foe, former Republican Congresswoman Melissa Hart, whom he defeated in 2006. (To learn more

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Race Relations a Factor in 2008 Presidential Election

By Eric Green
Staff Writer

Washington -- Race relations will be a factor in the 2008 presidential election between presumed Democratic candidate Barack Obama and his presumed Republican opponent, John McCain, several political experts tell America.gov.

Arizona State University history professor Thomas J. Davis said various public opinion polls show "race will be a determinative issue for a significant number of voters" in the campaign between Obama, an Illinois senator who is African American, and McCain, a white senator from Arizona.

Davis cited a recent Washington Post-ABC News poll that put the likely number of U.S. voters concerned about race at approximately 30 percent.

"I think that percentage is low," said Davis, adding that America's difficult history with race relations has made "many Americans today uncomfortable in openly announcing their own racial bias. Yet such bias directs a full range of actions and decisions, such as voting."

Remarks about race made by Obama's former pastor, Reverend Jeremiah Wright, will be "only one of many controversies resonating with deep racial effect while on the surface supporting an air of color-blind neutrality," said Davis.

He said the "so-called Wright controversy reflected spin rather than

substance. It was much less about what Reverend Wright said rather than what could be made of what he said in connection with discrediting" Obama.



Presidential hopefuls John McCain (left) and Barack Obama greet each other at a campaign event in New Hampshire in January. AP photo / Steven Senne

Davis said Obama has a "50-50 chance" of winning the presidential election. He said several polls showing race as a significant issue in the contest also show McCain's age could be an even more significant issue for voters. If elected to the White House, McCain would be, at age 72, the oldest person in U.S. history inaugurated as president. (

RACE SEEN WORKING IN OBAMA'S FAVOR

David Greenberg, assistant professor of journalism and media studies

and history at Rutgers University in New Jersey, said he believes race has worked "largely to Obama's favor so far."

On the "flip side," Greenberg said, "there are surely a small percentage of people who are so bigoted that they'll never vote for a black man. But they would not likely vote for any Democrat, white or black." Greenberg said Obama will "probably suffer only a little at the polls because of his race."

Greenberg said the Reverend Wright story "surely will make some people think twice about Obama. He handled the episode badly from start to finish."

The professor said Obama often uses race in a "subtle and gentle way, and it's a style that's different from some other prominent black politicians. But it's very much part of his appeal."

Greenberg cited a June 26 essay Obama wrote for Time magazine which con-

cludes that with the senator's mother from Kansas and his father from Kenya, stories like Obama's "could only happen in America."

Obama is "trying to make people feel good about America by voting for him," said Greenberg, "since in doing so, they are demonstrating that America is not racist -- or at least not so racist that it can't elect an African American."

Even though McCain might be the strongest candidate the Republicans

(Continued on page 22)

Economists Cite Six Factors for Oil, Food Price Hikes

By Charles W. Corey
Staff Writer

Washington -- World prices for oil and food commodities are closely linked, and six key factors are creating a "perfect storm" of conditions that are boosting prices worldwide, a group of U.S. Department of Agriculture (USDA) economists said June 23.

Members of the group who spoke to America.gov, include Michael J. Dwyer, director and chief economist for the Foreign Agricultural Service; Daniel B. Whitley, deputy director of that office; and Hui Jiang, a USDA agricultural economist.

Normally, Dwyer said, the international system is dynamic enough to handle one or two simultaneous shocks, but the number of factors in play today "pretty much overwhelms the system's ability to deal with it, and prices are spiking sharply higher."

He and his colleagues outlined six factors.

First, higher energy prices have led to higher input costs for pesticides, fertilizers and herbicides (many of which are petroleum-based), higher processing costs and higher costs for transportation -- which directly affects the cost of food being shipped overseas.

"Right now, to ship a ton of corn out of New Orleans to Asia [costs] about \$130," a dramatic increase from not long ago. "When farmers have to pay more for their fertilizers and other inputs," Dwyer said, "it means these higher food prices are not all pure profit to a producer be-

cause their costs are up as well."

Dwyer said it is incorrect to single out the current U.S. biofuels policy, which promotes the conversion of some corn into biofuels, for driving up prices.

"A lot of the world press is covering this issue right now, and it is probably the number one issue in



the newspapers around the world. Unfortunately, a lot of the newspapers have unfairly scapegoated the U.S. biofuels policy as the driver behind why corn prices and commodity prices in general have spiked sharply higher in the last 18 months.

"We don't dispute that ethanol has had a role," he said. "What we are saying is that it is a little more complex than that." U.S. ethanol production is booming, he said, with one-third of the U.S. corn crop expected to be milled for ethanol this year. "We don't deny that it is having an impact."

The second factor is the growing demand for food, particularly emanating from China, India and Southeast Asia, Latin America, Africa and the Middle East. "As the middle classes are growing in these re-

gions, they want to eat more food and are all entering the international market at the same time," Dwyer said. "When the new middle class gets new income, they want to spend it on food in much of the developing world, so the demand-side growth for food is on a rapid growth curve right now."

Third, the dollar is at a 30-year low in real terms. "Any time the dollar goes down in value, any dollar-denominated commodity tends to go up in price," Dwyer said. Like oil, most major food commodities worldwide are traded in dollars, and a weak dollar contributes to upward pricing pressure.

Fourth, bad weather has reduced global food supplies, particularly wheat out of Australia. The European Union, Canada and Eastern Europe also had shortfalls in the last two years. "What happens is that you get this strong demand growth, coupled with a supply shock, and you draw your stocks or inventory down to make up the gap. Anytime your inventory is at a very, very low level the price shoots up at a corresponding rate."

The fifth factor is action by a number of countries that have either restricted or completely shut off exports, particularly of rice, to keep domestic prices low. The USDA estimates there is enough rice in the world to handle demand. Unfortunately, Dwyer said, rice-export bans prompted logistical problems and pricing scares. "The people who had it basically did not want to sell it to the people who needed it --

(Continued on page 17)

Economists Cite Six Factors for Oil, Food Price Hikes . . .

(Continued from page 16)

they got 'freaked out' and bid the price sky-high." Dwyer stressed that the United States has not shut off any of its food exports.

The final factor cited is increased interest from investors in oil and commodities. In the oil markets alone, up to 70 percent of the futures contracts

are being held by investors with no intention of taking delivery, up from 30 percent historically, he said.

"We do not have comparable numbers for agricultural commodities, but anecdotally, a lot of these index funds go out and buy all of these commodities. Investors are playing a much, much bigger role in the commodity markets. So the concern is that investors may be having an undue influence on prices," by heavily moving into these markets, he said.

Supply and demand fundamentals indicate that prices needed to be higher than they were, Dwyer said. The question is whether they need to be \$15 a bushel for soybeans versus the historic price of \$6. It is the same story with wheat and



corn, he said.

Whitley added that large-scale agriculture operations -- which contribute much of the crops sold on the world markets -- are "heavily dependent" on energy, both in petroleum-based products fueling the tractors and equipment in the fields and petroleum-based fertilizers and herbicides.

Adding to that, Jiang said, emerging economies simultaneously are increasing their demand for oil, gas and electricity.

As stated at the recent United Nations food summit in Rome, Whitley said, the United States is working on a three-pronged approach to help stem the food crisis worldwide.

The first step is to provide immediate, short-term and long-term humanitarian assistance for those hungry due to higher food prices.

Second, the United States will continue to pursue the successful completion of the Doha round of trade talks in the World

Trade Organization. The talks seek to establish rules covering export restrictions on food as well as lower tariff on agricultural products, allowing producers to access more markets.

Third, the United States will continue its technical-assistance efforts in the developing world and promote technologies that safely increase agricultural production.

(This is a product of the Bureau of International Information Programs, U.S. Department of State. Web site: <http://www.america.gov>) ♦

Equipment Maker Caterpillar Works to Spare Environment

By Andrzej Zwanecki
Staff Writer

This article is the first in a series on sustainable manufacturing.

Washington -- Caterpillar Incorporated is like a secretive alchemist. Not only does it wring gold from the old, it leaves no footprints. Environmental footprints, that is.

Based in Peoria, Illinois, Caterpillar is the world's leading manufacturer of heavy equipment with more than \$25 billion in assets.

The company takes machine parts back at the end of their first lives. Used engines, transmission pumps and other components are returned to company plants where workers take them apart, restore to "same-as-new" condition and reassemble.

Caterpillar has learned that giving a component a second, third or even fourth life can be both profitable and friendly to the environment.

The quality and performance standards of remanufactured parts can be exceptionally high because every part is checked for quality flaws, whereas quality assurance in manufacturing processes relies on sample checks.

Remanufacturing also allows for upgrades when new technologies have been introduced during the product's original lifespan.

For the company, this advanced recycling is pure win. Remanufactured components produced at a fraction of the original costs have attractive profit margins even though they are sold at discount prices with the same warranty as new ones.



Caterpillar plans to expand its remanufacturing operations from parts to entire machines.

"The business pillar of our sustainability strategy is very strong," Joseph Allen, a manager at the Caterpillar remanufacturing division, told America.gov.

The remanufacturing division, with 17 plants worldwide, has become Caterpillar's fastest growing unit with annual revenue exceeding \$1 billion in 2004, according to Business Week magazine. This makes the company almost recession-proof, because when new-equipment orders fall due to a slowing economy, revenues and profits from remanufacturing continue to rise.

Inspired by the success, the company wants to apply its remanufacturing model to entire machines as well as to electronic waste -- de-

fect or unwanted electrical or electronic devices.

The benefits of remanufacturing go well beyond the company's bottom line. By extending the products' lifecycles, it reduces use of materials, energy and water as well as greenhouse gas emissions and waste.

These environmental benefits combined with the financial advantages have encouraged Caterpillar and other U.S. producers to expand remanufacturing operations and aim at higher goals. As processes advance, Caterpillar hopes to reduce landfill use to zero.

Remanufacturing also contributes to economic development: Buyers in the developing world can purchase components that they otherwise could not afford, according to Allen.

He said the Caterpillar corporate culture has contributed greatly to the success of its remanufacturing division. "All [workers] in the operation know that a key part of their job is [to] not only manufacture high-quality products but also do it with the least waste possible," he said.

Workers at remanufacturing plants tend to be more innovative and engaged, he said, because advanced recycling requires a constant flow of ideas and gives them a chance to see concrete results from their entrepreneurship.

More information on remanufacturing (<http://www.cat.com/cda/layout? = 8703&x = 7&f = 177263#/miningreman/>) is available on the Caterpillar Web site. ♦

U.S.-Chinese Relations Progress Despite Military Modernization

By Julie Hyman
Staff Writer

Washington -- While questions remain about China's increasing military expenditures, the country's shared interests with the United States in enhanced regional security ensure cooperation and continued progress, senior U.S. defense officials say.

"As China's influence expands, there will naturally be areas where our national interests overlap. It is our desire that, through a policy of constructive engagement, those areas of overlap become opportunities for cooperation with the Chinese, rather than points

of conflict," Assistant Defense Secretary James Shinn and Air Force Major General Philip Breedlove said in prepared testimony for the House Armed Services Committee.

The committee conducted an oversight hearing June 25 to determine the degree to which the United States is engaging with China and if China is responding with the necessary openness about its military intentions. "Although some progress has been made, China [has] still not adequately revealed its full defense spending, military modernization efforts or its strategic intentions," Committee Chairman Ike Shelton said in opening remarks.

Recent openness he saw while traveling in China and being briefed by



Senior Captain Guan Youfei, Deputy Director of the Foreign Affairs Office of the Chinese Defense Ministry, greets the first of two US aircrews delivering earthquake relief supplies. U.S. earthquake relief supplies bound for China in May mark one of many recent advancements in the U.S.-China relationship. US Air Force Photo

Chinese military officials is encouraging, Shelton said, but it is not enough.

Shinn, who is assistant defense secretary for Asian and Pacific security affairs, and Breedlove, who is vice director for strategic plans and policy on the Joint Chiefs of Staff, presented the most recent edition of the Pentagon's annual report on Chinese military power.

Although positive steps have been taken in the relationship between the United States and China, there remains a lack of understanding about some of China's recent actions, especially the reason behind its military investments and lack of transparency.

According to Shinn and the annual China Military Power Report, the official budget of the Chinese armed forces this year is reported to be about \$60 billion. "Our estimates suggest it's perhaps twice that, but we don't really know," Shinn said.

The buildup is modernizing all areas of the military including sea, land, and air forces, a process begun almost five decades ago. "It's also particularly significant that it includes the nuclear as well as the conventional forces," he said.

Given the country's rapid economic growth and market-driven economy, however, the military modernization should come as no surprise, Breedlove testified.

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U.S.-Chinese Relations Progress Despite Military Modernization . . .

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China agreed recently to begin submitting an annual report of its military expenditures to the United Nations. The depth of the report will show the international community China's future intention toward openness, Breedlove and Shinn said.

The United States continues to maintain a dialogue with China to encourage reduced tension in the Taiwan Strait, maintain and improve the U.S.-China relationship and encourage China's continued integration as a responsible power in the international system, they testified.

U.S.-CHINA RELATIONS

Shinn and Breedlove cited several recent developments, especially China's role in helping acquire a nuclear declaration from North Korea, to highlight the progress made between the two countries. Throughout the Six-Party Talks involving North Korea, South Korea, China, Japan, Russia and the United States, there was close cooperation between China and the United States to end the nuclear threat and help eliminate nuclear weapons on the Korean Peninsula.

China hosted the talks, and was the first to announce North Korea's declaration June 26 in Beijing. (See "North Korea Nuclear Declaration Step in Right Direction, Says Bush (<http://www.america.gov/st/peacesec-english/2008/June/20080626115900idybeekcm0.7194635.html>).")

A direct telephone link was established in March between Defense Secretary Robert Gates and China's minister of national defense, General Chi Haotian, to improve communication between the two countries, promote military cooperation and avoid possible misunderstanding, they said.

"An important part of our military-to-military relationship has been focused on addressing transnational and nontraditional security challenges, including humanitarian assistance and disaster relief," Shinn and Breedlove said in their prepared testimony.

After brutal storms early in 2008 in China, the United States provided 6,000 winter coats, 1,657 blankets and 87,552 boxed rations worth \$820,000 to the Chinese people. In May, after an earthquake devastated much of southwest China, the United States contributed \$500,000 for disaster relief. The winter humanitarian relief prompted Chinese Major General Lihua Qian to say that the transfer promoted friendship between the two nations and militaries. (See "United States Sends Coats, Blankets and Food to China (<http://www.america.gov/st/peacesec-english/2008/February/20080212122409sjhtrop0.3409235.html>).")

To combat bilateral concerns including drugs, piracy, infectious disease, environmental degradation and terrorism, the two countries must work together and establish a stable relationship, according to a

report from the Center for Strategic and International Studies and the Peterson Institute for International Economics. Current economic ties and cultural and educational exchanges mark the beginning of this commitment, the report adds.

Other developments include a program launched in May for a U.S.-China exchange of environmental expertise; a partnership between the United States, Mexico and China to reduce drug trafficking; security cooperation for the 2008 Olympics; and a 10-year Energy and Environment Cooperation Framework signed in June. (See "United States, China Sign Accord on Energy, Environmental Issues (<http://www.america.gov/st/econ-english/2008/June/20080619152833dmslahrelle0.1905329.html>).")

An audiocast and prepared statements from the hearing (http://armedservices.house.gov/hearing_information.shtml) are available from the House Armed Services Committee Web site.

The report from the Center for Strategic and International Studies and the Peterson Institute for International Economics, "The China Balance Sheet (<http://www.chinabalancesheet.org/>)," is available on a Web site of the two groups.

(This is a product of the Bureau of International Information Programs, U.S. Department of State. Web site: <http://www.america.gov>) ♦

Merida Initiative Will Help Battle Drug Trafficking

By Merle D. Kellerhals Jr.
Staff Writer

Washington -- Recognizing that illegal drug trafficking is not just a Mexican and Central American problem but also a problem for the United States, Congress and President Bush have launched a multiyear partnership to provide equipment and training to support law enforcement efforts to curb the flow of illegal narcotics.

Congress passed legislation in late June to provide Mexico with \$400 million and Central American countries with \$65 million this year for the Merida Initiative, and Bush signed the legislation into law June 30 at the White House.

The Merida Initiative, proposed by Bush in October 2007, is significant for several reasons. It establishes a solid partnership with Mexico and Central America in a campaign to stem the flow of illegal drugs sent by criminal organizations into the United States. It also respects the sovereignty of Mexico.

"This bill includes \$465 million for the Merida Initiative, a partnership with Mexico and nations in Central America," Bush said at the signing ceremony. The measure was contained in the fiscal year 2008 supplemental appropriations bill that primarily includes funding for U.S. military operations in Iraq and Afghanistan.

For Mexico, the help comes at a critical time. Mexican authorities have reported that drug-related crime has been responsible for the deaths of an estimated 1,400 people nationwide this year and 2,500 in 2007. The Mexican government



Mexican authorities stand with packages of cocaine seized from a ship in the port of Manzanillo.

has spent approximately \$7 billion in an 18-month-old campaign against drug cartels. It is estimated that 90 percent of the cocaine coming into the United States comes through Mexico.

U.S. Senator Christopher Dodd, the chairman of a Senate Foreign Relations subcommittee on Western Hemisphere affairs, praised the bill's passage. "I am confident that this language will be acceptable to both the American and Mexican governments. The United States and Mexico must continue to work together to tackle our common security challenges and reduce drug trafficking and violence on both sides of our border."

Originally, the Merida Initiative legislation included a requirement to make Mexico's police operations more transparent and responsive to complaints, and to ensure investigations of reports of abuse. However,

Mexico already has those requirements in place. That requirement was reduced substantially at Mexico's request.

Bush had sought \$500 million this year for Mexico and \$50 million for Central America, but Congress cut \$100 million for Mexico and boosted the amount for Central America. It is part of a three-year, \$1.5 billion plan.

The Merida Initiative includes funding for nonintrusive inspection equipment, ion scanners and canine units for Mexico and Central America to stop drugs, arms, cash and criminals. It also includes secure communications systems, helicopters and surveillance aircraft, and it includes training and community action programs for anti-gang measures. ♦

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See also

<http://www.america.gov/>

Telling America's story

Democrats Poised to Make Big Gains in Congress . . .

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about these and other high profile congressional races, see America.gov's State and Local (<http://uspolitics.america.gov/uspolitics/elections/stateandlocal.html>) Web page.)

Pollock predicted that the Democrats could win an additional 25 House seats, and potentially could get "to that magic 60 number" in the Senate, but other political experts are skeptical that the Democrats can reach that number. Holding 60 seats is important because 60 votes are needed to end a filibuster (a parliamentary procedure that allows senators to block or delay votes on a measure or nomination). Currently, 48 Democratic senators and the Democrat-caucusing Independents Joe Lieberman and Bernie Sanders give the Democrats their narrow edge.

Kellyanne Conway, president of the polling company™ inc., an organization that conducts polling for Republicans, said one reason Democrats have been successful in recent congressional contests is that many of their new candidates share the same views as their typically Republican voters. Many of these candidates are pro-life, anti-taxes, pro-gun rights – views typically associated with Republicans. These Democrats were "acting like Republicans in these important races where the constituencies are much more conservative."

A poor outlook for Republican congressional candidates will not necessarily hinder presumed Republican presidential nominee John McCain's campaign. Most nationwide polls currently show McCain and Obama in a close contest, likely because voters identify McCain as "a maverick, an independent," rather than as a typical Republican, Conway said. ♦

Race Relations a Factor in 2008 Presidential Election . . .

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could have fielded, said Greenberg, "at this point" Obama "seems a good bet to win" the November 4 election.

VOTERS HAVE CHANCE TO FULFILL KING'S DREAM

Political scientist Alvin Felzenberg, a visiting lecturer at the Annenberg School for Communication at the University of Pennsylvania and the Elliott School of International Affairs at George Washington University, said "whether and how much race features in the campaign will very much depend on the candidates."

"Now that the voters in multiple primary elections [in 2008] have demonstrated a willingness, if not eagerness, to nominate the son of

an African-American immigrant for the nation's highest office, I would expect turnout to be exceptionally high in the African-American community," said Felzenberg, who covers the issue of race extensively in his new book, *The Leaders We Deserved and a Few We Didn't: Rethinking the Presidential Rating Game*.

McCain has "made it clear that he does not want the votes of people who would vote against an African-American candidate merely because of that candidate's race," said Felzenberg. He added that voters of all parties and races "have an opportunity to give meaning" to the dream of the late civil rights leader Martin Luther King Jr. by giving Obama "a chance to be judged not by his race, but by the strengths of his ideas and his qualifications for the

office he seeks. The same should hold true of John McCain."

Felzenberg said that given President Bush's low standing in the polls, the Republicans selected in McCain "the only Republican with a chance of winning the presidency," while Obama has "galvanized multiple, new first-time and young voters into the political process. That is a considerable achievement."

McCain, said Felzenberg, has an "inspiring, personal story to tell and a significant record of achievement. After many years of listening to voters complain about the nature of their choices, this time, the electorate is in for a treat." ♦