



Weekly Special Report



Produced by the Public Affairs Section

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Ambassador Yamamoto Hosts Meskel Lunch and Iftar Dinner in Bahir Dar

The last weekend of September showcased Ethiopia's long, rich history of religious tolerance and coexistence as the Ethiopian Orthodox Meskel holiday coincided with the Muslim holy month of Ramadan. To celebrate the two holidays and their charitable traditions, Ambassador Yamamoto traveled to Bahir Dar on September 26-27. His visit, organized by the Public Affairs Section's (PAS) Cultural Affairs Team, was part of the Embassy's ongoing outreach to faith communities, which play an important role in our bilateral development partnership.



Amb. Yamamoto speaks with Sheikh Mohammed Kemal of the Selam Ber Mosque in Bahir Dar, where over 300 guests attended the Iftar.

After landing in Bahir Dar on Friday afternoon, the Ambassador took part the town's Meskel Eve *Demera* ceremony. Clergy and church youth groups dressed in colorful robes marched from all corners of Bahir Dar to a central field, where the local bishop said holiday blessings. An elaborate ceremony followed, in which local churches took turns singing and dancing before they lit an enormous bonfire, topped with the bright yellow "Meskel flowers."



U.S. Ambassador Donald Yamamoto hands out food at the Meskel luncheon at the St. Giorgis Church in Bahir Dar

As dusk fell over Lake Tana, the Ambassador and embassy staff arrived at Bahir Dar's Selam Ber mosque. The community, although fasting for Ramadan, had been cooking since 6:00am, and the air was heavy with savory smells. When PAS had offered to cater an Iftar for the commu-

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nity to celebrate Ramadan, the mosque committee eagerly accepted, but insisted on preparing the food itself. PAS Faith Communities Outreach Coordinator Bahir Jibril oversaw the planning of the event and meal, including the purchase of dates, enormous quantities of rice and even two live cows to slaughter and cook. Food ready and waiting, prayers commenced under the mosque's large dome.

After the prayer, community members broke their fast with dates and Ambassador Yamamoto made remarks, wishing the crowd a happy Ramadan and emphasizing the role of faith in making us better people, neighbors and citizens. He joined the mosque leaders, the mayor of Bahir Dar, and the community members for the Iftar meal they had prepared. On the other side of the Selam Ber compound, the female members of the mosque community and embassy delegation broke the fast together.

Following the Iftar, Ambassador Yamamoto and PAS staff were guest stars at the Summerland Hotel's own Demera bonfire. The Ambassador helped light the bonfire, wielding a four-foot long bundle of flaming sticks. With the help of Embassy security personnel, the fire finally took off (in its intended location), flames rising into the night sky beneath the palm



Ambassador Yamamoto speaks to the assembled crowd of over 250 people at St. Giorgis Church on the occasion of Meskel.

According to the Meskel holiday's tradition of giving to others less fortunate, on Saturday the Ambassador hosted a lunch for the needy at St. Giorgis Church. Joined by the local bishop and church leaders, Ambassador Yamamoto addressed the crowd. He said the Embassy was happy to provide a small meal, and noted, "It's to show that the United States cares about the people of Ethiopia both today, the holy day of Meskel, and each and every day." He talked about the United States' role in responding to the drought and food

insecurity in Ethiopia, and emphasized the need to work hand-in-hand with government, religious and community leaders for sustainable development. The Ambassador and embassy staff helped serve food to more than 250 members of the community, including the destitute and sick.



Muslim women prepare Iftar dinner sponsored by the U.S. Embassy.

The weekend of religious festivities and faith communities outreach provided an opportunity for the Embassy to connect with and appreciate the religious diversity of Ethiopia. As the Ambassador told the community in Bahir Dar, "Ethiopia is really a crossroads for all religions and I think Ethiopia stands as a model for the entire world for harmony between the religious groups." ♦

trees. The crowd danced around the fire to traditional music.

Embassy Hosts Media Roundtable on DV-2010 Program

In an effort to help the Ethiopian public understand the rules and procedures of the new Diversity Visa 2010 program, the U.S. Embassy Public Affairs Section hosted a media roundtable with representatives of Ethiopia's leading daily and weekly newspapers, as well as television and radio, on October 1, the first day of the new DV-2010 program.

Acting Consul Heather Guimond, and Vice-Consul Brian Adkins, explained in detail the new education rules that go into effect this year, as well as the need to complete all application forms accurately and completely. Many past applicants have been turned down, she said, because of simple mistakes that could easily have been avoided. While it is certainly not necessary for Ethiopian applicants to avail themselves of "visa services" or other private individuals or companies, there is certainly a need for some people to get help in translating the forms and supplying the information in English. However, she warned, no one can guarantee the issuance of a visa or otherwise promise consular services for a fee.

Vice-Consul Adkins went into detail about the deadlines and procedures for applications, noting that all of the information is available on the U.S. Embassy's website (<http://ethiopia.usembassy.gov>) and all forms are available free of charge.

In response to questions from the reporters, of whom more than a dozen attended, Mrs. Guimond noted that Ethiopia has the highest acceptance rate for Diversity Visas

readers and listeners with accurate information about the DV-2010 program, the media will ensure that deserving Ethiopians will have a fair chance at receiving a Diversity



Public Affairs Counselor Michael McClellan introduces Acting Consul Heather Guimond (L) and Vice-Consul Brian Adkins (R) to journalists

in the world. Last year, almost 3500 such visas were issued to Ethiopians from the Embassy here in Addis Ababa and she expects the number this year to be just as high. 3500 is currently the limit for Ethiopia.

Public Affairs Counselor Michael McClellan thanked the media for their attention to this issue as it is clearly of great importance to the general public. By publishing the website addresses and providing

Visa, while preventing those who would commit fraud to succeed and take a place from an honest and deserving person. ♦

**SEE PAGE 21 AND 22
FOR FURTHER
INFORMATION ON
THE DV-2010
PROGRAM**

USAID Loan Agreement Increases Credit Access for Diaspora and Women Entrepreneurs

FRIDAY, SEPTEMBER 26, 2008 Addis Ababa (U.S. Embassy) – Two new loan guarantee agreements signed today between the United States Agency for International Development (USAID) and Abyssinia Bank and NIB will allow these two banks to offer more short and medium term loans to entrepreneurs engaged in manufacturing, services, trade, export and agricultural related activities. The agreements reduce collateral requirements to beneficiaries by 50%, amounting to more than \$17 million USD in potential loans for Diaspora and women – two underserved groups of the economy who have little or no access to credit.

"This assistance from the American people will strengthen access to credit for two very important entrepreneur groups – the Diaspora and women – who will in turn help bolster an already growing national economy," USAID Mission Director Glenn Anders comments.

USAID expects the credit enhancing program to provide lessons learned for the larger banking community by demonstrating the viability and profitability of women and Diaspora owned business. The program will be complemented by USAID technical assistance to both target groups



(L-R) Wzo. Asefetch Mulugeta, President of Bank of Abyssinia, Glenn Anders, Mission Director of USAID/Ethiopia, and Amerga Kassa, President of NIB Bank at the signing.

from USAID's Volunteers for Economic Growth Alliance (VEGA) AGOA+ Program. The program will provide business development services and training to maximize each participant's chances for success. VEGA's AGOA+ program will also play a facilitating role, providing basic information about financing options to the banks, introducing lending mechanisms based upon cash flow and utilizing U.S. Credit Bureaus to assess the credit worthiness of Diaspora borrowers.

Support to the Diaspora borrowers includes the development of a Diaspora Business Center, a fully staffed one-stop shop with an interactive website and annual business con-

ferences. The center is a public-private sector initiative funded by the World Bank and implemented by Precise Consult International, in close partnership with the Government of Ethiopia and the Donors Assistance Group on Private Sector Development.

"This loan guarantee program, coupled with technical support for the Ethiopian Diaspora, is the first of its kind in the world with the aim to stimulate private sector investment and channel economic benefits from the Diaspora community into development back home," Addis Alemayehou, Chief of Party for the USAID VEGA AGOA+ Program. "We are hopeful that it will encour-

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New U.S. Military Command to Focus Exclusively on Africa

By Jacquelyn S. Porth
Staff Writer

Washington — After long preparations, the new U.S. Africa Command that President Bush announced in February 2007 is scheduled to become fully operational October 1.

On the eve of its official launch, Deputy Assistant Secretary of Defense for African Affairs Theresa Whalen said the command — known as AFRICOM — will be the most visible element of the U.S. goal to strengthen ties with Africa through sustained engagement.

The purpose of the sixth U.S. geographic command is to promote military-to-military programs and other activities in concert with a variety of U.S. government agencies, such as the U.S. Agency for International Development and the State Department, as well as with help from international partners.

In the past, responsibility for working with Africa was divided awkwardly across three U.S. military commands that were simultaneously focused on the Middle East, Europe and the Pacific. Former Defense Secretary Donald Rumsfeld questioned the efficacy of a fractured U.S. focus on Africa when he joined the Bush administration in 2001. Repeated evacuations of international citizens in Liberia further led to the drive to pay singular attention to a continent of 53 nations with an estimated population of 690 million people speaking more than 1,000 languages.

In an interview with America.gov,



*Ambassador Mary Yates
of the new U.S. Africa Command*

Whalen said U.S. relationships with African nations will be easier as a result of AFRICOM's systematic focus on the entire continent (except Egypt) and its island nations. It is easier to develop and maintain good working relationships, she said, "if you see and work with people frequently."

She pointed to AFRICOM's ability to provide effective peacekeeping training and technical support for the Africa Union's African Standby Force, which is developing a peacekeeping brigade for each of five regions of the continent. Whalen said this effort dovetails well with the U.S. objective to help African nations provide their own security.

Whalen said AFRICOM will be "a more effective tool" to promote security and sustainability and to help Africa nations grapple with famine, disease, poverty, weapons proliferation, piracy and conflict. Restriction

on what the U.S. military can do in Africa have not changed with the creation of the new command. "So the fact that we created a new organizational structure to implement security strategy in Africa," she said, "hasn't changed any of the rules that governed the old organizational structures."

Whalen dismissed the idea that the command represents what some critics have called the "militarization" of U.S. foreign policy in Africa. She said "people will be surprised that AFRICOM's leadership [half military and half civilian] will be more cautious about looking for military solutions to problems in Africa."

AFRICOM's main focus will be to build up the capacity of partner nations' land and marine forces so they can cooperate to address emerging regional challenges — ranging from disaster response to counterterrorism to conflict prevention. A stable, prosperous Africa is important to long-term U.S. interests, Whalen said, since a secure, healthy and more prosperous continent will contribute to worldwide security and a stronger world economy.

The United States also will be working with African partners "to further strengthen their democracies, institutionalize respect for human rights, pursue economic prosperity and build effective regional institutions," she said.

The command, currently headquartered in Stuttgart, Germany, will

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adapt and evolve as it adds staff to grow to 1,300 people and develops a cadre of Africa specialists. Whalen emphasized that AFRICOM is a staff headquarters, not a troop headquarters.

Army General William "Kip" Ward is leading the command with the support of two co-deputies: a foreign service officer, Ambassador Mary Carlin Yates, who has served in Burundi and Ghana and focuses on civil-military activities, and Navy Vice Admiral Robert Moeller, who coordinates operational activities.

U.S. PRESENCE WILL FLUCTUATE ACCORDING TO JOINT ACTIVITIES

Whalen said one country, Liberia, publicly has offered to host some element of the command. But in congressional testimony, she said there are no plans to establish large, permanent military bases in Africa.

The size of any future presence will fluctuate depending on the kind of engagement, according to Whalen. Some level of equilibrium "will be found," she said, suggesting it will be "fairly small in the scheme of

things."

She pointed to the existing presence of 1,500 military and contrac-



DOUALA, Cameroon - Petty Officer 3rd Class Nicholas Schmit plays for a group of students at Bonadowito public school during a community relations project September 12, 2008. The service members will spend the 11-day sports diplomacy tour in Cape Verde, Cameroon, and Gabon in an effort to improve understanding and develop goodwill through sports, music, and community relations. (U.S. Navy photo by Petty Officer 2nd Class Marc Rockwell-Pate)

tor personnel operating out of Djibouti. Their civil-military activities have been well received.

Whatever the future U.S. presence in Africa involves, Whalen predicted "it will end up being part of the landscape. It won't even be noticed."

Asked about daily command activities, she said the menu will include activities such as exchanges, conferences, officer visits and the implementation of State Department-led, but Defense Department-administered, security assistance programs.

Whalen knocked down the notion

that AFRICOM came about in response to China's interest in the continent. Increased Chinese activities in Africa were not on the horizon when the concept for the command was growing in the early part of the decade, she said, nor was China part of "the strategic calculus."

What is on the horizon? Whalen said a medical training exercise is scheduled in Swaziland in 2009. She also indicated that more creative activities likely will be scheduled in

2010, after the command's "training wheels are off."

For more about AFRICOM on America.gov, see "Africa-Centered Military Command Designed to Listen and Respond (<http://www.america.gov/st/peacesec-english/2008/May/20080501145524sjhtrop0.6495325.html>)"; for more on the continent itself, see Africa (<http://www.america.gov/world/africa.html>). More on the African Standby Force (<http://www.africa-union.org/root/au/AUC/Departments/PSC/Asf/asf.htm>) is available on its Web site. ♦

Natural Resources Should Benefit All Africans, Says Official

The United States is helping African countries use their own natural resources more wisely and leverage their wealth into strong economies and strong states for the benefit of all of their citizens, says Deputy Assistant Secretary of State for African Affairs Todd J. Moss.

In testimony September 24 before the Senate Foreign Relations Committee's Subcommittee on African Affairs, Moss said, "U.S. policy in Africa has emphasized helping African countries build economies that generate prosperity and create a middle class that is the bedrock of democracy." However, that effort, he cautioned, is far from complete.

"In too many countries, oil, gas and mineral wealth have instead become associated with high poverty rates, weak state institutions, corruption and war. Although the 'resource curse' is not a uniquely African problem, Africa has many economies that rely on one or two extractive exports."

Moss told the lawmakers that higher prices for a dominant export commodity often crowd out other industries and provide little incentive to build a broader tax base, deliver public services or help build strong, accountable state institutions.

He encouraged countries where natural resources have just been discovered to try to "get in front of the problem" by insisting upon transparency and accountability. He cited the Extractive Industries Transparency Initiative (EITI) and the Kimberley Process as ways countries can build greater accountability.

Following is the text of Deputy Assistant Secretary of State for African Affairs Todd J. Moss' remarks, as prepared for delivery:

(begin text)

Mr. Chairman and members of the Committee, thank you for inviting me here today to testify on Africa's resources. Conflict resolution and the promotion of good governance are hallmarks of this administration's policy in Africa. Since 2000, seven major conflicts on the continent have ended.

U.S. policy in Africa has emphasized helping African countries build economies that generate prosperity and create a middle class that is the bedrock of democracy. The United States actively works to build partnerships with capable governments who can be allies in the fight against the 21st century transnational threats of crime, drugs, disease, and terrorism. To do this effectively, we have ramped up our cooperation and assistance. With the support of Congress, total U.S. aid to Africa reached an all time high of \$5.7 billion in 2007 — \$4.5 billion in bilateral assistance and \$1.2 billion in multilateral. But, we also recognize that for these partnerships to grow and be sustainable, we must help countries develop the capacity to use their own resources more wisely.

Managing the continent's resource wealth in a way that brings broad benefits to populations and reduces poverty is a key priority for Africa and the United States. Unfortunately, too many countries have failed to leverage their natural resource wealth into strong economies and strong states. The luck of

having valuable commodities in the ground should provide countries with the opportunity to make lives and societies better, but the opposite often occurs. In too many countries, oil, gas, and mineral wealth have instead become associated with high poverty rates, weak state institutions, corruption, and war. Although the "resource curse" is not a uniquely African problem, Africa has many economies that rely on one or two extractive exports.

What explains this paradox? Economists point to "Dutch disease," whereby higher prices for a dominant export commodity crowd out the development of other industries, typically through appreciation of the exchange rate. We see this in Nigeria where high oil prices drive up the value of the naira, harm the competitiveness of Nigerian industry and agriculture, and turn the focus of politics to controlling oil wealth.

A second concern is the reinforcement of weak and unaccountable state institutions. When a government gains its income from the activities of a few oil or mining companies rather than taxing its population, there are few incentives to be responsive to the people's needs or wishes. In Nigeria, more than three-quarters of government revenue comes from the oil and gas sector, so there is little incentive — especially in a time of high energy prices — to build a broader tax base or to deliver public services.

The most devastating effect is the vulnerability to conflict. It is no coincidence that some of the most vicious civil and regional wars have

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been sustained by competition over diamonds and minerals.

How to break the downward resource-governance cycle, and create a virtuous one? When possible, get in front of the problem. A recent oil find offshore Ghana is still some years away from production. Before the money flows, the government of Ghana is actively seeking mechanisms to manage future oil wealth and to ensure revenues are used in a transparent and productive way that bolsters its democracy. We are collaborating with the government, oil companies, civil society, and international organizations as they develop the best model to achieve these goals.

In countries where the resource curse has already set in, we must encourage transparency and find other ways to create accountability.

The Extractive Industries Transparency Initiative (EITI) is one important part of this effort. EITI establishes accounting and reporting norms for revenues from natural resources. EITI now has 23 candidate countries, 16 of which are in sub-Saharan Africa. The United States supports EITI as part of larger efforts to enhance transparency and accountability, and has committed \$3 million for FY08 to a multi-donor EITI trust fund. We have also supported through USAID specific EITI implementation projects in Nigeria and the Democratic Republic of the Congo. But it is worth keeping in mind that EITI focuses on only one link of the chain that can turn oil and gold into roads and schools.

The Kimberley Process monitors and controls the rough diamond trade to prevent the use of so-called blood diamonds to finance wars and to enrich warlords. This initiative now encompasses 73 countries, has tracked \$38 billion in the diamond trade, and covers virtually the entire international market.

Special arrangements have been implemented in extreme cases to put extra international oversight on key sectors to try to prevent revenues from leaking or being misused. In Liberia, the Governance and Economic Management Assistance Program (GEMAP) provides intensive external oversight on key ministries, allowing the trade in diamonds and timber to resume. So far this has been highly successful in building confidence and improving fiscal management. In Chad, on the other hand, an effort to sequester oil revenues offshore appears to be failing. The different outcomes in these cases highlight that the donor-supported activities to strengthen extractive industries revenue management are likely only to succeed where there is strong country ownership.

While these efforts are helpful, much of what is necessary to beat the resource curse are not necessarily new high-profile initiatives, but rather the solid footings of sound economic management. Publishing detailed budgets, independent auditing, expenditure tracking, and other practices that are the norm in the United States are still not prevalent in many countries. Technical assistance from USAID and the U.S. Treasury in these practices has been helpful in Nigeria, Guinea, Liberia, and Zambia. In other countries, the U.S. works

with the World Bank and other partners to promote budget management.

In spite of some progress thus far, we face continued challenges. There are severe limits to the influence of the international community when powerful, corrupt, or greedy local politicians thrive by defending opacity instead of transparency. The emergence of new investors and donors who are less concerned about transparency and accountability can undermine voluntary schemes like EITI. High commodity prices similarly can often reduce government incentives for reform.

One approach is to support reform from within by aiding those who are confronting entrenched interests. A more challenging avenue is to convince governments that the gains of transparency are greater, in a political sense, than the threat to rent-seeking. One key to this effort is to generate public awareness and demand for transparency, which is one reason the EITI is a valuable effort.

Stronger anti-corruption efforts are also vital. Developing countries must take sustained efforts to investigate, prosecute, and punish corrupt officials and those who corrupt them. Our G8 partners and other developed and emerging countries need to do more to go after businesses and individuals from their countries who bribe public and political party officials. The United States is aggressively enforcing our laws against foreign bribery; others must do so, too. Commitments to deny safe havens to corrupt officials and their assets need to be implemented.

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Ultimately, there must be greater accountability by both developed countries and partner governments to follow through on commitments undertaken in this area. This year, at U.S. urging, the G8 prepared for the first time an accountability report on actions taken by each G8 country to implement anticorruption commitments. At their summit in July, G8 leaders pledged to update this report annually. This effort complements peer review work done in the Organization for Economic Cooperation and Development and emerging efforts under the United Nations Convention Against Corruption.

Let me end on a positive note about how current global trends can be helpful in beating the resource curse. More and more African countries genuinely want to attract private investment outside of the extractive sectors. And fortunately, there is now greater investor appetite for Africa. As governments shift strategy from squeezing mining and oil to trying to attract new companies in new sectors, they recognize that they need to make the business environment more attractive. This means better and more open economic policies and compliance with international business norms. This shift also has political and governance benefits. By building an independent business class, countries broaden the tax base and create a constituency for more reform.

The line between the future winners and losers in Africa will be drawn between the governments that recognize and seize upon this shift and those that cling stubbornly to the past. The policy of the United States is to help more countries make the right choice.

(end text)

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

USAID Loan Agreement Increases Credit Access . . .

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age substantial new investment into Ethiopia over the coming years.” The new agreements build upon the success of previous loan guarantee programs with Abyssinia, Awash and Dashen Banks. Loan amounts currently utilized by the program total nearly \$24.8 million USD and support 141 Ethiopians involved in agriculture, agro-processing, and manufacturing who otherwise would not have access to this type of financial support.

The Development Credit Authority (DCA) is a broad financing authority

that allows USAID to leverage private sector resources to have a greater, more sustainable impact in supporting economic growth. The DCA instrument translates into partial loan guarantees of 50%, encouraging private banks in Ethiopia to increase their investments in local businesses and projects. For every USAID dollar spent on DCA guarantees, an average of \$10-15 USD of private credit can be mobilized. ♦

Economy Remains Central Issue in Presidential Race

By Elizabeth Kelleher
Staff Writer

Washington — American voters' concern about the economy is a boon to Democratic presidential nominee Barack Obama, pollsters say.

Obama benefits from voters' belief that Democrats are best at domestic issues and from the fact that, when things are bad, voters punish the incumbent party.

In a Washington Post-ABC News poll taken before the conventions — and before Wall Street's meltdown — 50 percent of voters said they trust Obama more than McCain to handle the economy; 39 percent said they trust McCain more.

Larry Jacobs, a polling expert at the Center for the Study of Politics at the University of Minnesota, said that even though voters might not understand the ins and outs of the financial crisis, long-standing biases are coming into play.

"On national security issues, the benefit of the doubt goes to the Republicans, perceived as stronger and meaner," Jacobs said. "When it comes to economic and social-welfare issues, it is the Democrats who are favored, as more caring and attentive."

McCain was criticized for saying September 15 that the "fundamentals of our economy are still strong." But the economy is not in recession, defined as two consecutive quarter of decline in the



U.S. Republican presidential candidate John McCain (L) makes a point as U.S. Democratic presidential candidate Barack Obama listens during the first U.S. presidential debate at the University of Mississippi in Oxford, Mississippi, September 26, 2008.

gross domestic product (GDP).

To some, the pace of the economy feels like recession. Economist David Cross, of Market Outlook LLC in California, said, "We haven't seen it, but all my clients [consumer-related companies] believe there will be a recession."

He cited the problems: weak housing, high oil prices, falling household income, weak corporate profits, slow GDP growth, and a Medicare system that will be drained as baby boomers retire.

Cross sees both candidates moving toward a more populist stance — one that sympathizes with the un-

employed worker in Michigan or Ohio, for instance.

Those and other Midwestern "swing states" matter, according to Karen Hult, author of several books on the presidency, because they are conservative strongholds that are experiencing harder times than other areas.

ROLE OF GOVERNMENT

Typically, Democrats are portrayed as likely to raise taxes and fix problems through government intervention, and Republicans as likely to lower taxes and choose market solutions.

The stereotypes largely fit in the 2008 presidential campaign.

Obama wants to fix the problem of Americans without health insurance at a cost of \$115 billion per year. (He says the cost can be offset with savings elsewhere.) Obama also proposes projects to repair and improve America's infrastructure.

McCain would take responsibility for health care away from employers and give individuals money to negotiate their own care.

Obama would let several Bush-enacted tax cuts expire in 2010 but lower other taxes, while McCain would extend the Bush cuts and lower rates on corporations.

CBS and NYTimes and other polls show that a large percentage of voters believe Obama would raise taxes, although he says he would lower taxes for some. "It is difficult to get that across," said Carroll Do-

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Economy Remains Central Issue in Presidential Race . . .

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herty, of Pew Research Center. "The traditional role for the Democrat is 'tax raiser,' and that is how McCain is painting him."

The nonpartisan Tax Policy Center reports that McCain's tax plan would reduce government revenues by \$3.6 trillion from 2009-2018 and Obama's, by \$2.7 trillion. Even with a \$700 billion rescue plan now before Congress, the candidates continue to talk tax cuts.

In a presidential debate September 26, moderator Jim Lehrer pressed them to square their plans with grim budget realities. Before bail-outs of the Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac) and insurer AIG, the U.S. federal deficit was on track to rise from \$161 billion in 2007 to \$407 billion in 2008, or from 1 percent to 3 percent of GDP.

Obama said he could slow his timetable on implementing and paying for alternative energy programs and would end the Iraq war. McCain promised to stop wasteful government spending, but would not commit to an end-date for the war, which has cost more than \$600 billion.

REALITY CHECK

The notion that anyone in government can do very much about the

economy might be overstated, experts say. "I get frustrated, in presidential elections generally, how both candidates feel others' pain, say they'll bring change, that they'll be the one to solve the problem," Hult said. To do anything, the future president will need support from Congress.

Presidents, once elected, have been known to deviate from plans put forth during their campaigns. Bill Clinton campaigned on health care reform. Once in office, when it became clear he lacked the support of Congress for his reforms, he focused on reducing the deficit — his inherited deficit was more than 3 percent of GDP — and pushed the North American Free Trade Agreement.

If, as is expected, the newly elected Congress has a stronger Democratic majority than that elected in 2006, it likely will want to legislate stricter controls on lending practices. McCain, known for his aggressive stance against government controls over the private sector, might have to go along if he is president.

Obama, if elected, might scrap some of his plans, just as Clinton did. He already has softened his opposition to new off-shore drilling — McCain adviser Douglas Holtz-Eakin has called Obama "the Dr. No of energy growth" — and hinted at slower development of alternative energy.

The campaigns' economic focus is not strictly domestic. One in five U.S. jobs is trade-related, Holtz-Eakin said, and "McCain gets out of bed every morning as a friend of trade."

The current financial crisis underscores that international relationships are about more than trade. Jared Bernstein, an adviser to Obama from the Economic Policy Institute, said that Obama believes financial regulations should be negotiated with other countries. Both campaigns see repairing the U.S. standing in global capital markets as a top objective.

A year ago, no one would have predicted the economy would overshadow Iraq in the 2008 election. Now the question is whether the economy remains the top voter concern on Election Day?

Jacobs said it could recede in importance. "This campaign is just getting going," he said.

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

U.S. Voters Will Address a Wide Range of Issues on November 4

By Michelle Austein
Staff writer

Washington — When American voters head to the polls, often they are not just selecting their future leaders. Many also weigh in on a variety of issues, including how their taxes are spent or what rights their state constitutions guarantee.

Ballot measures, including initiatives and referendums, give voters an opportunity to enact or repeal laws, endorse proposed laws, determine how funds will be raised or spent and approve or reject potential amendments to the state constitution.

As of mid-September, voters in 33 states are set to vote on 139 ballot measures, according to the Initiative and Referendum Institute, part of the University of Southern California's Gould School of Law. While this number will likely change slightly as Election Day nears, there will almost certainly be fewer ballot measures in 2008 than in 2006 or 2004.

The most common ballot measures are initiatives, allowed in 24 states. Citizens vote on proposals that have garnered a minimum number of signatures on a petition. In some of those states, petitions for legislative action first are submitted to the state legislature, which can choose to act on the petition or allow the voters to decide.

Each state has its own rules governing how ballot measures are placed before the voters, but there



When voters head to the polls November 4, many will weigh in on ballot measures in addition to electing state and federal officials.

are many elements in the process that are common to all states. For example, each state has requirements setting the number of signatures needed on a petition to allow an initiative to be placed on the ballot. The required number usually is based on a percentage of votes cast for governor in the most recent gubernatorial election.

From 1904 through 2007, some 2,236 initiatives appeared on state ballots; 41 percent of those were approved by the voters, according to the institute. There is no provision for nationwide ballot measures in the United States.

The measures that will seek voter approval in 2008 cover a wide range of topics, including funding state projects, changing educational standards and establishing lotteries.

Ballot measures often can be a good indicator of how strongly the electorate feels about an issue. If support for an issue turns out to be stronger than expected, state and

national lawmakers would take notice. Because initiatives can draw national attention, a group might promote a ballot initiative in hopes that it will encourage Congress or the judicial branch to take action.

POTENTIAL EFFECTS IN SOUTH DAKOTA, CALIFORNIA

One example of such a measure is South Dakota's Initiated Measure 11 that seeks to ban abortion except in situations involving rape or threats to the health of the mother. A 1974 U.S. Supreme Court

effectively legalized abortion. Some anti-abortion activists believe the Supreme Court should consider overturning that ruling. In order to do so, the court would need a case to review.

In 2006, the South Dakota legislature passed a law banning abortion, but citizens garnered enough petition signatures to get a referendum on the ballot calling for the ban to be overturned. Anti-abortion and abortion-rights activists from across the country participated in a heated campaign; ultimately citizens voted in favor of the referendum, overturning the South Dakota ban. According to the institute, one reason citizens overturned it was because it had no exception for pregnancies that resulted from rape or threatened the health of the mother.

This year South Dakota voters will vote on a ban that does include an exception for such situations. If Measure 11 passes, which the institute says is a possibility, it is almost

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Do Candidates Who Avoid Reporters Serve Interests of Democracy?

By Eric Green
Staff Writer

Washington — U.S. presidential and vice presidential candidates usually reduce their interactions with reporters as Election Day approaches, several journalists tell America.gov.

Michael Scherer, a Time magazine reporter covering the 2008 presidential election, said the “natural evolution of a presidential campaign is that during the [presidential] primaries, the candidates are more open to the press.” But “right before the general election” — this year on November 4 — the candidates run “pre-programmed operations with very limited access to the press,” Scherer said.

“It’s very typical that candidates will only do in the final weeks local [press] interviews” while avoiding the national press, he said. That is what is happening now with Republican presidential nominee John McCain, his vice presidential nominee, Sarah Palin, and with Democratic presidential nominee Barack Obama, according to Scherer.

Democratic vice presidential candidate Joe Biden has proved the exception, granting numerous interviews to local and national news media.

Scherer said that for the first time in almost six weeks, McCain took questions September 23 from reporters. Journalists found the lack of interaction a “little jarring” be-

cause McCain was exceptionally open during the presidential primaries, “holding press availabilities after every public event.”

The change came, said Scherer, because McCain and his campaign “recognized that he needed to control his message better” after the primaries and a perception in the campaign that his openness to jour-



Barack Obama speaks to reporters travelling with him aboard a plane between Macon, Georgia, and Birmingham, Alabama, 27 January 2008.

nalists allowed the press “to throw him off message by dictating what the conversation was about.”

Scherer described Obama, who never allowed the press “free rein,” as a more controlled candidate than McCain.

Marvin Kalb, former chief diplomatic correspondent for CBS News and NBC News, said “it is generally the candidate with higher poll numbers who stays away from the media [with] the one with lower numbers seeking greater exposure. This is not new.

“Candidates often say they will hold weekly news conferences, only to

change their minds once they get into office and problems multiply,” said Kalb, now senior fellow at the Joan Shorenstein Center on the Press, Politics and Public Policy at Harvard University in Massachusetts.

FAIR REPORTERS GET ACCESS TO CANDIDATES

Dotty Lynch, a political consultant for CBS News, said “clamping down on [press] access — especially during a general election — has been the norm” during U.S. presidential elections.

Lynch, who also teaches in the School of Communication at American University in Washington, said, “The stakes are so high that candidates are afraid of making a mistake and thus try for as many scripted events as

possible.”

She cited a 2004 book by journalist Walter Shapiro (*One-Car Caravan: On The Road With The 2004 Democrats Before America Tunes In*), who wrote that in the early part of a presidential campaign, candidates are more accessible to the press.

Part of McCain's attractiveness to the press when he ran for president in 2000 was his “accessibility, but that has changed dramatically in 2008,” Lynch said.

Obama has talked about the need for more “transparency but he too is running a rather conventional

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Do Candidates Who Avoid Reporters Serve Interests of Democracy? . . .

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campaign” and might avoid the press if he is elected to the White House, she said.

Lynch added that some of the blame for the candidates’ lack of access “has to be put on the media and the rise of ‘gotcha’ journalism. There has been a breakdown of trust between public officials and the media,” although “some news organizations and reporters can break through this.”

She cited John Harwood of the CNBC network and The New York Times as a reporter who is “seen as serious and fair.” Lynch said McCain and Obama each felt that Harwood would treat them fairly. As a result, both nominees gave Harwood one-on-one interviews on September 21 about the U.S. economic crisis.

DEMOCRACY NOT SERVED BY CANDIDATES AVOIDING THE PRESS

Steven Thomma, chief political correspondent for McClatchy Newspapers, said that during the 2000 campaign, Republican presidential candidates McCain and George W. Bush were “much more accessible” to the press than candidates in the 2008 race.

Thomma said he interviewed Bush six times during the campaign, “but much more importantly” Bush took questions from the “traveling press almost every day.”



Republican presidential candidate, Sen. John McCain, R-Ariz., speaks to reporters aboard his campaign plane en route from Jackson, Miss., to Washington, in this Mar. 31 file photo. By Mary Altaffer, AP

Over the last several presidential campaign cycles, candidates have become much more “shielded from the press,” Thomma said, adding that presidential candidates have become “obsessed with message control.” He cited Palin, who has granted only three television interviews since her nomination, as the “ultimate case” of this mindset.

“It is a huge disservice to democracy, the candidates and to the public” for the candidates to avoid the press, Thomma said. “It is a short-term strategy that doesn’t see the importance” of a candidate “being able to communicate well their own ideas.

“Politicians have a responsibility to talk to the press,” Thomma said. “That’s why they put” the right of

freedom of the press in the U.S. Constitution. It’s in there precisely so we could question political leaders.”

For additional information see Press Freedom (<http://democracy.america.gov/democracy/press-freedom/index.html>) and “Newspaperman Ben Bradlee Says Good Reporters Dig for Truth (<http://www.america.gov/st/democracy-english/2008/April/200804081628431xeneerg5.489528e-03.html>).”

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

How Will Washington Prevent Another Financial Crisis?

By Burton Bollag
Special Correspondent

Washington — Whatever the impact of the federal government's gigantic rescue plan for the country's financial system, observers say, new rules governing the system will surely follow.

Treasury Secretary Henry M. Paulson Jr. indicated as much to a 60 Minutes reporter in a September 28 interview. "We don't have the regulatory authorities and structure in place to protect the American people," he said.

Officials will seek new regulations in two areas: the way housing loans, credit cards and similar financial products are sold to consumers — the "primary market" — and how banks and other institutions invest the money they raise from these operations — the "secondary market."

The crisis, the worst since the Great Depression of the 1930s, has already brought down a half-dozen major banks and other financial companies. But at its core, the debacle was caused by the fairly recent practice of selling to more and more homebuyers larger loans than they could afford.

Observers expect new regulations to rein in some lending practices, such as "teaser rates" that make loans look more attractive. The loan carries a low interest rate for the first two years that can increase at a fast rate thereafter. The loan can carry a ban on early payoff, so borrowers would be obligated to pay above-market rates for years.

Observers say borrowers who took

such teaser rates often did not understand what they were signing up for. With housing prices rising steadily until 2006, borrowers were often persuaded that they could sell their house at a profit. But as housing prices fell, many were left with homes worth less than their mortgages.



Experts expect new rules to ban credit card companies from offers with hidden or unjustified interest fees.

Sometimes borrowers were required to present little or no documentation that they earned enough money to make the monthly payments they agreed to. "That was just an invitation for brokers to say, 'Who cares, I'll write the mortgage and then sell it on,'" said Barry P. Bosworth, a senior fellow in economics at the Brookings Institution.

Such practices were made possible by changes in the housing market at the beginning of the decade that made it easier for people with low or moderate credit scores to buy homes. A significant change in the home-loan business also contributed. Before, mortgages were made by local savings banks, to which the borrower made payments until the loan was repaid. In recent

years, more and more loans have been "securitized" — pooled and then sold to other financial institutions, and then traded further as investment vehicles.

"Banks had an incentive to make sure borrowers could repay," said Barbara Roper of the Consumer Federation of America. "With securitization, banks lost that incentive."

Mark Tenhundfeld of the American Bankers Association expects Congress to pass laws against so-called predatory lending. Additionally, he said, it may require a federal license for mortgage lenders. "But enforcement will probably be left to the states," he said.

In September 2008 the House of Representatives passed a first-ever law against abusive practices

by credit card companies — practices such as charging hidden or unjustified interest fees, which have forced some Americans to go into debt and default on their home loans, said the Consumer Federation. The Senate is expected to consider similar legislation.

Mark Perlow, a securities attorney with the law firm K&L Gates LLP, thinks the government will require companies to keep a financial stake in all the mortgages, credit cards and similar consumer products they sell. "The originators of debt will have to keep some skin in the game," he said.

A key factor that made the mortgage defaults so damaging was the

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How Will Washington Prevent Another Financial Crisis? . . .

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growth of so-called credit-default swaps. These abundant but exotic financial instruments function like an insurance policy that the holder of a pool of mortgages buys from another financial institution as protection against the mortgages defaulting.

The problem has been that these instruments are complicated — often traders did not understand their risk — and they were spread among many financial institutions in a complex, interlocking web.

The market in credit-default swaps and other complex instruments known collectively as derivatives has become huge and lucrative in recent years, but is unregulated. Observers expect Congress and the regulators to make the field more



The government seized IndyMac Bancorp in July after it ran into problems related to defaulted mortgages.

transparent and to introduce new regulations.

Reserve requirements could be established. Commercial banks, for example, are generally required to keep on hand \$1 of cash for every \$10 they owe to account holders or they loan out. (Investment banks typically have no such requirements, and keep only \$1 for every

\$30 or more they borrow to invest. They have made fortunes. But when investments go bad, they have few reserves to cover their losses.)

Perlow, the attorney, expects Congress to debate amending the Commodity Futures Modernization Act of 2000, which kept derivatives unregulated. But, he said, such an attempt will face stiff opposition.

Bosworth said officials will want to create rules to prevent a repeat of the current crisis, without burdening the financial markets with overregulation. "It's hard to strike a balance," he said. "You don't want to stop innovation, which has brought many benefits."

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

U.S. Voters Will Address a Wide Range of Issues on November 4 . . .

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certain to be challenged legally by abortion-rights activists. That case could provide an opportunity for the Supreme Court to review abortion laws.

On November 4, Colorado voters will weigh in on a similar ballot measure, but the institute does not believe the Colorado measure will pass.

One of the most common ballot issues in recent elections is gay marriage. Twenty-four states have

voted on initiatives to define marriage as between a man and a woman. Only one state, Arizona, rejected such a measure, but Arizona voters will weigh in again on this topic on Election Day 2008.

The measure likely to receive the most attention this year is California's Proposition 8, which asks voters to amend the state's constitution to include a gay marriage ban. In 2000, voters approved a statute that banned gay marriage but did not alter the constitution. In May the California Supreme Court ruled that this ban was not only unconsti-

tutional, but that same-sex couples have a right to marry.

In the wake of that ruling, California became the second state to allow gay marriages, a situation that would change if Proposition 8 passes. However, the institute says polls indicate the measure is unlikely to pass.

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

House of Representatives Rejects Massive Financial Rescue Plan

By Andrzej Zwanecki
Staff Writer

Washington – The U.S. House of Representatives rejected the initial version of a \$700 billion plan to shore up the U.S. and global financial systems, which have been jeopardized by the fallout from the U.S. mortgage crisis.

Despite the bipartisan compromise deal struck September 28 by the Bush administration and congressional leaders, on September 29 the chamber defeated the measure 206-227 as most Republicans refused to support it. The Dow Jones industrial average stock index fell 778 points, or close to 7 percent, on the news, the largest one-day percentage drop in the New York Stock Exchange since 2001.

For the bill to become law, both the House and Senate must pass the same version of it, and the president must sign it. The Senate had planned to vote on the plan October 1.

President Bush expressed disappointment over the surprising defeat of the plan, which was put together by his Treasury Department with support from the Federal Reserve, the U.S. central bank.

Treasury Secretary Henry Paulson, the plan's main promoter, expressed a similar sentiment when he said the measure "is much too important to simply let [it] fail." The plan was designed to restore inves-

tors' confidence in the financial markets and boost the credit system, which was significantly weakened by the collapse of the U.S.



House Republican leader John Boehner, center, speaks to reporters after the failed House vote on the financial rescue package.

mortgage market.

Bush said he and his administration will be working with Congress on the next step.

"Our strategy is to continue to address this economic situation head on," he said.

In a September 27 radio address, the president warned the rejection of the plan or a significant delay in approving it might cause the failure of the financial system. This "would mean financial hardship for many of you," he told Americans.

But many private economists and ordinary Americans have remained unconvinced about the necessity, effectiveness, cost or timing of the plan. Many Republican House members who voted "no" face re-

election in November and thus were reluctant to support the unpopular plan.

OTHER ACTIONS

While the Bush administration has been meeting with congressional leaders on the bill, it also has taken action to shore up the financial markets in ways that do not require congressional approval.

It initiated a temporary guarantee program for money market funds and facilitated the sale of Wachovia Bank to Citigroup to mitigate potential mar-

ket disruptions from Wachovia's possible collapse.

The Federal Reserve, together with central banks of several other countries, took additional steps to prevent the crisis from spreading to the international currency markets.

The rejected version of the bill calls for the government to act as the buyer of last resort for mortgage-backed and other securities held by struggling financial institutions. These securities lost much of their value as hundreds of thousands of Americans defaulted on their home loans. If the bill were to pass, it would amount to the largest government intervention in the markets since the Great Depression of 1930s.

The drafters of the plan expected

U.S. Partners May Act Individually on Global Financial Woes

By Andrzej Zwanecki
Staff Writer

Washington — Some foreign countries will try to shore up their financial systems but are not expected to emulate the U.S. financial rescue plan and make their efforts a coordinated global action, according to experts.

U.S. Treasury Secretary Henry Paulson and the chairman of the Federal Reserve, the U.S. central bank, Ben Bernanke, put together the \$700 billion plan, which calls for the government to buy mortgage-backed and other securities that no one else wants to buy.

Paulson and other U.S. officials have been trying to persuade governments of developed countries to help the American effort to clean up the balance sheets of banks with bad loans.

"We have a global financial system, and we are talking very aggressively with other countries around the world and encouraging them to do similar things," Paulson said.

U.S. officials argue the crisis — caused by the weakness in the U.S. mortgage market — affects the global financial system because of interconnections among countries' financial markets. They suggest that action on a global scale will more fully solve the problem.

The United Kingdom's prime minister, Gordon Brown, expressed a similar belief when he said the global nature of the recent turmoil requires an international response. But Alistair Darling, the British

chancellor of Exchequer, told the governing Labor Party's conference that the United Kingdom will not create a government fund to buy bad assets.

And some other U.S. economic partners from the Group of Seven (G7) are not convinced that they need to bail out firms holding bad

foreign nationals holding U.S. mortgage-backed securities are unlikely to exceed \$75 billion.

Ken Rogoff, an economist at Harvard University and former chief economist of the International Monetary Fund, said that countries such as the United Kingdom, Ireland and Spain probably will act in the

next few months to address their financial woes, which weigh on their economic growth in a way similar to the way toxic securities weigh on the U.S. system.

"It is hard to imagine that the United States will be alone in this," he told America.gov. But other countries will take action in their self-interest, not under pressure from Washington, he said.



Japanese businessmen look at a stock indicator in Tokyo.

debt, the way the U.S. administration proposes, said John Kirton, director of the Group of Eight (G8) research group at the University of Toronto.

For example, Japanese central bank governor Masaaki Shirakawa said he did not believe the stability of the Japanese financial system was at risk.

Other countries believe that the problem should be solved by the United States because most of the distressed debt is held by American banks, Kirton told America.gov. Some German and U.K. banks have had significant holdings of bad U.S. assets, but Asian banks have not invested as much in such assets. An August study by the Federal Reserve estimates that losses of

In a statement issued at the conclusion of a September 22 teleconference, G7 finance ministers vowed to "enhance international cooperation." They also expressed support for "whatever actions may be necessary" taken by individual countries.

George Friedman, chief executive of Stratfor.com, an intelligence analysis firm, said solving the U.S. financial crisis is critically important to the entire global economy.

"It is in the national interest of all these countries to see the American markets come through it," he told the National Public Radio network.

Kirton said U.S. partners have

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Laura Bush Announces \$2 Million Grant for Literacy Programs

By Judi Hasson
Special Correspondent

Washington — First lady Laura Bush, the honorary ambassador for the United Nations Literacy Decade, has announced a \$2 million grant to promote literacy around the world.

The \$2 million will be used to target literacy-promotion efforts at women and girls; out-of-school youth, orphans and vulnerable children; and people disadvantaged or discriminated against based on age, economic level, religion, illness or disability.

Mrs. Bush, a former teacher and librarian, also told the scores of first ladies from around the world gathered in New York on September 22 that she is committed to remaining in her ambassador role through 2012, years after her husband leaves office. The announcements came at the second White House Symposium on Advancing Global Literacy, which highlights literacy projects in the countries of first ladies in attendance.

The \$2 million, provided by the U.S. Agency for International Development (USAID), will be placed in a special literacy fund to be used by the U.N. Educational, Scientific and Cultural Organization (UNESCO). Bush hopes that the grant will attract other donations from governments, foundations and corporations to support literacy projects in the 35 countries with the lowest literacy rates.

Bush spoke of successes in places like Zambia when she outlined the

possible uses of the new literacy money.

There, health activist Jennifer Chiwela saw patients who could not read and thus could not follow written doctor's instructions or understand labels on their pills. Chiwela, who directs a charity called Peo-



First Lady Laura Bush addresses the White House Symposium on Advancing Global Literacy in New York 09/22/08.

ple's Action Forum, which trains caregivers and builds awareness of HIV/AIDS in Zambia, helped the organization launch a program — Reflect and HIV/AIDS — in which participants learn literacy and numeracy skills as they discuss strategies to reverse the spread of HIV/AIDS.

"We know that literacy is at the core of sustainable solutions to the world's greatest problems," Mrs. Bush said. "Literacy builds the foundation for freedom from poverty, freedom from disease and freedom from oppression."

The latest data show that 774 million adults worldwide lack reading skills; 64 percent of them are women. The number of out-of-school children is 712 million, according to a UNESCO report.

But a drive for literacy has increased in many regions of the world, according to Alexander Zemek, director of the U.S. National Commission for UNESCO.

Sarah Moten of USAID, who attended the symposium, said she has seen progress since she began her job in 1999. "There are more children in schools, especially girls," Moten said. "There are more resources made available through teaching and learning material. There's better training for teachers in order to be able to transfer the knowledge. And there is tremendous support from the United States."

Bush's education-related background has inspired her work as honorary ambassador since 2003. "I've seen how our efforts to reduce illiteracy are

making differences in nations around the world, and I look forward to continuing this work with each one of you," she said during the symposium at the Metropolitan Museum of Art.

Her announcement that she will remain in the position through 2012 was welcomed.

Bush's involvement "has brought the importance of literacy to the world," said Aida Iglesias, director of Alfalit International Inc., a Miami nonprofit group that provides literacy training in 25 countries.

Mrs. Bush said: "I look forward to promoting literacy education for years to come. From women entrepreneurs in Afghanistan to students in rural Zambia, literacy gives every person the freedom to achieve their full potential." ♦

Egyptian American Wins Highest U.S. Science Honor

By Daniel Gorelick
Staff Writer

Washington — Chemist Mostafa El-Sayed has received the National Medal of Science, the nation's highest science award, for his work on small compounds known as nanomaterials.

He received the award in a September 29 ceremony at the White House.

"I am very fortunate and lucky to be doing science in America. There are so many excellent people doing science all over this country," said El-Sayed, a professor in the Department of Chemistry and director of the Laser Dynamics Laboratory at the Georgia Institute of Technology in Atlanta. He is also noted for his collaboration with scientists in Egypt.

Born and raised in Egypt, El-Sayed completed his undergraduate training at Ain Shams University in Cairo, Egypt. He came to the United States for graduate school and later joined the faculty of the University of California at Los Angeles in 1961.

"We're proud to honor a new generation of people who have strived for excellence, people whose discoveries have changed America and the world," President Bush said at the ceremony. "This is an important day for our country because it reminds people that innovation and

science are important for our future, and that good education is important for that future, as well."

Congress established the National Medal of Science in 1959. The medal is bestowed annually by the president for outstanding contribu-



President Bush, right, presents Mostafa A. El-Sayed of the Georgia Institute of Technology a 2007 National Medal of Science medal, Monday, Sept. 29, 2008, during a ceremony in the East Room of the White House in Washington. (AP Photo/Charles Dharapak)

tions to the physical, biological and engineering sciences. El-Sayed is one of eight winners of the 2007 award. The United States has recognized the scientific achievements of citizens of diverse national origins. In 1962, President John F. Kennedy awarded the first medal to Theodore Von Kármán, an aeronautical engineer who was born and raised in Hungary.

PIONEER IN NANOTECHNOLOGY

The field of nanotechnology focuses on exploiting the unique and often surprising properties of materials at

nanoscale sizes, one thousand times smaller than the diameter of a human hair. At that scale, solid objects might become liquid, opaque materials transparent, or an insulator could become a conductor of electricity.

At nanosizes, platinum becomes a better catalyst (a material that speeds up chemical reactions but is not consumed in the process). El-Sayed showed that the shape of a nanoparticle influences catalytic activity as well.

The production of many industrial chemicals involves catalysis. Exploiting nanoparticle shape to generate more efficient catalysts could improve manufacturing efficiency and make numerous products easier and cheaper to produce.

In 1996, El-Sayed and his colleagues developed a method of generating platinum nanoparticles of different shapes and then demonstrated that the shape (cube or pyramid) of these nanoparticles influences their catalytic activity.

This method subsequently was extended to other metals, allowing scientists to study how shape affects the chemical and electrical properties of a variety of nanomaterials. Since then, scientists have generated metals in a variety of shapes: nanospheres, nanorods and even nanorice (rice-shaped nanoparticles).

In 2007, the global market for nanotechnology was \$11.6 billion and estimated to increase to \$12.7 billion by the end of 2008, accord-

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2010 Diversity Visa Lottery Registration Opens October 2, 2008

Washington — The 2010 Diversity Visa Lottery (DV-2010) will be held from October 2 to December 1, 2008, the U.S. State Department announced. Applicants are urged not to wait until the last minute to apply because excessive demand on the lottery Web site may cause delays as the deadline nears.

Each year the U.S. government makes 50,000 permanent residency visas (“green cards”) available through the Diversity Immigrant Visa program. Visa applicants are selected through a computer-generated, random lottery, which is open to persons from eligible countries who meet certain education or work experience requirements. (See “Diversity Visa Applicants Must Meet Eligibility Requirements (<http://www.america.gov/st/diversity-english/2008/October/20071001155438xlrennef4.357547e-02.html&distid=ucs>).”)

Persons seeking to enter the visa lottery must register online through the designated Web site (<http://www.dvlottery.state.gov/>) (www.dvlottery.state.gov). Applications will be accepted only from noon Eastern Daylight Time (1600 GMT) on Thursday, October 2, to noon Eastern Standard Time (1700 GMT) on Monday, December 1, 2008. No applications will be accepted after that, the State Department said September 30.

The selection of a person’s name in the lottery does not automatically guarantee that a diversity visa will be issued; those who are selected have the opportunity to take the next steps in the visa application process.

The State Department’s Consular Center in Williamsburg, Kentucky, will notify the lottery winners by postal mail (not e-mail) between May and July 2009. The applicants will receive instructions on how to complete the application process for DV-2010 visas, which will be issued during fiscal year 2010 (October 1, 2009, through September 30, 2010).

This lottery is only for DV-2010 visas. The DV-2009 lottery — which was for visas to be issued in fiscal year 2009 — is closed. Winners were selected from more than 9 million qualified entries and were notified by mail earlier in 2008.

Diversity visas are available only to people from eligible countries with low immigration rates to the United States. Two important changes for DV-2010 are the return of Russia to the list of eligible countries and the addition of Kosovo.

Natives of the following countries are not eligible to apply for the DV-2010 lottery because those nations sent more than 50,000 immigrants to the United States over the previous five years: Brazil, Canada, China (mainland-born), Colombia, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, India, Jamaica, Mexico, Pakistan, Peru, the Philippines, Poland, South Korea, United Kingdom (except Northern Ireland) and its dependent territories, and Vietnam.

People born in the Hong Kong Special Administrative Region (SAR) of China, Macau SAR and Taiwan are eligible to apply.

In the DV-2010 lottery, for the first time, applicants may check the

status of their entries online and learn whether their entries are selected or not selected.

There is no fee for entering the lottery or downloading and completing the application form. The State Department warns applicants (http://travel.state.gov/visa/immigrants/types/types_1749.html) to be wary of fraudulent schemes asking for money, fraudulent e-mails, or Web sites posing as official U.S. government sites. Each person may enter the lottery only once; spouses may each submit an application.

The English-language version of the DV-2010 Lottery instructions is the only official version, according to the State Department. Instructions will be available in other languages (on the instructions page) as translations become available.

The announcement (<http://www.state.gov/r/pa/prs/ps/2008/sep/110467.htm>) on the DV-2010 Diversity Visa Lottery and instructions (http://travel.state.gov/visa/immigrants/types/types_1318.html) for submitting the application online are available on the State Department Web site.

Results of the DV-2009 visa lottery (http://travel.state.gov/visa/immigrants/types/types_4317.html) are available on the State Department Web site.

Also see Diversity (<http://amlife.america.gov/amlife/diversity/index.html>).

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

Diversity Visa Applicants Must Meet Eligibility Requirements

Washington — Each year, the State Department holds a lottery — a computerized random drawing — to select the names of people who may apply for one of the 50,000 permanent residency visas made available through the Diversity Immigrant Visa program. The lottery for the fiscal year 2010 program (DV-2010) is October 2 to December 1, 2008.

People who register for the lottery should be aware that diversity visas are available only to persons who meet “simple but strict eligibility requirements,” according to the State Department.

The selection of a person’s name in the lottery does not automatically guarantee that a diversity visa will be issued. The lottery is just the first step in the visa application process.

Those selected in the lottery who go on to apply for a diversity visa must meet certain education or work experience requirements: either a high school education or its equivalent, or two years of qualifying work experience. The requirements are outlined in the DV-2010 instructions.

“If you cannot meet these requirements, you should NOT submit an entry to the DV program,” according to the State Department’s instructions for the visa lottery.

For the DV-2010 program, lottery registration entries will be accepted between noon Eastern Daylight Time (1600 GMT) on Thursday, October 2, 2008, and noon Eastern Standard Time (1700 GMT) on Monday, December 1, 2008. No entries will be accepted after that

time, according to the DV-2010 instructions. (See “2010 Diversity Visa Lottery Registration Opens October 2, 2008 (<http://www.america.gov/st/diversity-english/2008/October/20081001151224xlrenneF0.6754267.html>).”)

There is no fee for entering the Diversity Visa Lottery. However, there are mandatory fees connected with the visa application process itself, and those fees are paid at the time of visa application directly to the consular cashier at the embassy or consulate.

People are “strongly encouraged to enter early in the [lottery] registration period,” the instructions note. “Excessive demand at end of the registration period may slow the [computer] system down. No entries whatsoever will be accepted after noon EST [1700 GMT] Monday, December 1, 2008.”

Applicants should complete the online lottery registration process very carefully. People often make careless mistakes that can disqualify them at a later date, even if they are selected in the initial lottery. They should read the instructions thoroughly before registering. Some common mistakes that people make include neglecting to list a spouse and all their children in their original entries, or choosing the wrong native country. These mistakes will disqualify the applicant at the time of a visa interview.

The Department of State Kentucky Consular Center in Williamsburg, Kentucky, will notify the people whose names are selected in the visa lottery that they are registered

“for further consideration” in the Diversity Visa Immigrant program for fiscal year 2010. Selected persons will be notified by mail (not e-mail) between May 2009 and July 2009.

Those selected in the lottery will receive instructions concerning the next steps in the process of applying for DV-2010 visas, which will be issued during fiscal year 2010 (between October 1, 2009, and September 30, 2010).

The visa instructions will include information on fees connected with the application for immigration to the United States. Payment of visa application fees does not guarantee that a diversity visa will be issued. Visa applicants are selected on the basis of eligibility.

Any fees paid — or costs incurred to prepare for the interview, such as for medical examinations — are nonrefundable.

Diversity visas are available only to persons from countries with low rates of immigration to the United States. These countries are listed in the DV-2010 instructions.

For more information, see DV-2010 Diversity Visa Lottery instructions (http://travel.state.gov/visa/immigrants/types/types_1318.html), as well as a warning note (http://travel.state.gov/visa/immigrants/types/types_1749.html) on fake DV program Web sites.

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See also

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

Telling America's story

Egyptian American Wins Highest U.S. Science . . .

(Continued from page 20)

ing to an analysis by BCC Research. Nanomaterials accounted for 87 percent of the total nanotech market in 2007.

FOSTERING U.S.-EGYPTIAN RELATIONS

El-Sayed has mentored more than 100 graduate students and postdoctoral fellows. One former student, Mona B. Mohamed, returned to Egypt and runs a laboratory at the National Institute of Laser Enhanced Sciences of Cairo University. Mohamed now has several students of her own and is a source of nanotechnology reagents for colleagues in the region, El-Sayed said in an interview with America.gov.

The U.S. National Science Foundation (NSF) funds El-Sayed to collaborate with scientists in Egypt. Each year, he takes approximately 20 American nanotechnology professors

to Egypt for a four- or five-day conference with their Egyptian counterparts.

El-Sayed said that America's scientific collaboration with other countries is a great strength. He hopes to enhance relations among American and Egyptian scientists and wants to see the NSF program continue.

The other winners of the 2007 National Medal of Science are Robert J. Lefkowitz and Bert W. O'Malley (biological sciences), Leonard Kleiner and Andrew J. Viterbi (engineering), and Fay Ajzenberg-Selove, Charles Slichter and David Wineland (physical sciences).

More information about the National Medal of Science is available at the National Science Foundation (http://www.nsf.gov/news/news_summ.jsp?cntn_id=100684) Web site. ♦

U.S. Partners May Act Individually on Global Financial Woes . . .

(Continued from page 18)

proven their willingness to cooperate. The Federal Reserve worked together with central banks in Australia, Canada, Europe, Japan and Switzerland to provide access to funds to their respective domestic lenders or prevent the crisis from spreading to the international currency markets. Regulators in the United Kingdom and Australia have joined their American counterparts in temporarily banning a stock-trading practice they believe increased market turmoil.

WILL THEY DO MORE?

Kirton said it is not entirely clear what the U.S. administration expects from other countries. If Washington counts on foreign money to help it finance its plan, as some news reports suggest,

foreign funds will not be coming, he said.

Rogoff considers the U.S. plea for help reasonable, particularly in that the administration included in its proposed legislation a plan to buy bad assets from foreign banks with significant U.S. operations.

"But I don't think financial help is in the cards," he said. "There just isn't enough agreement among G7 countries about the plan's necessity or effectiveness."

Kirton said it is extremely difficult for foreign leaders to ask their taxpayers and legislators to send money to Washington, when the U.S. administration is struggling to convince its own legislators about the merits of the largest government intervention in private markets since the Great Depression. Governments of several key coun-

tries also are constrained by economic and political realities, he added. Some, like Japan, have large budget deficits, others are constrained by fragile political coalitions or face elections.

"At the minimum, G7 partners would want to see the details of the [U.S. rescue] plan," Kirton said, a plan that is likely to emerge from Congress with some differences from what the administration has proposed.

The full text of the G7 finance ministers' statement (<http://www.treas.gov/press/releases/hp1152.htm>) is available on the Treasury Department Web site.

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