

American

NEWS & VIEWS

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In U.S. Congress, Financial Reform Is a Work in Progress

By Andrzej Zwaniecki
Staff Writer

Washington — A comprehensive regulatory overhaul designed to make the U.S. financial system less prone to crisis faces uncertainty as interested parties, policymakers and legislators maneuver for opportunities to push it through Congress, change it or kill it.

In the Senate, Banking Committee Chairman Chris Dodd, a Democrat, unveiled in November 2009 a “discussion draft” (PDF, 275KB) and vowed to work with Republican members to produce a bipartisan bill. But except for the statement of shared goals in late December 2009 from him and the highest ranking Republican on the committee, Richard Shelby, clear signs of progress have been missing.

The House of Representatives approved in December 2009 a financial reform bill (PDF, 25KB) supported by the White House that drew a “no” vote from every Republican member.

The Senate must pass a bill that emerges from the banking committee and the House and Senate versions must be reconciled before the president can sign legislation into law.

Both the Senate discussion draft and the House bill try to address what the lawmakers believe are the root causes of the financial crisis: an ineffective and complex regulatory structure; excessive risk-taking by big financial institutions whose failure could endanger the entire financial system; and insufficient government powers to deal with large failing banks and to protect consumers.

But the two efforts in Congress differ in how they deal with some key issues, making the potential task of resolving differences difficult. The Senate proposal, thus far, would abolish most existing regulatory agencies and transfer their authorities to one super-regulator; the House legislation would merge only three agencies and give key regulators enhanced powers. The Senate plan would create a new agency to identify and address risks to the entire system posed by big banks and complex products; the House bill would give such authority to the U.S. central bank, but make it share decisionmaking powers with other key regulators.

The loss by Democrats of a critical Senate seat in a January special election in Massachusetts deprives them of the assured path to legislative victories and “has created a lot of uncertainty about the legislative process,” said Reid Cramer of the New America Foundation, a Washington policy research organization.

The Republicans, having gained some leverage over Democrats, likely will extract concessions, according to Peter Wallison of the American Enterprise Institute, another policy research group. Nevertheless, Wallison said, Republicans are unlikely to obstruct the process to the point of killing the legislation. The November 2010 midterm congressional election puts pressure on them; they are not likely “to go to the voters without having something to say about what they might have done to address the financial crisis,” he said.

The Massachusetts election indicated popular dissatisfaction with the weak economy and with Wall Street excesses. President Obama has since advanced a plan to turn back the consolidation of the financial industry and to discourage commercial banks’ reach by capping their size, preventing them from engaging in risky proprietary trading and putting a size-related tax on them. In the January 27 State of the Union address, he reaffirmed his support for a strong financial reform bill and threatened to veto any legislation that comes short of his expectations.

The administration stance has triggered intensified lobbying by the big banks, which worry that the financial legislation may move in directions they least desire, according to the New York Times.

By directly confronting the big banks, Cramer of the New America Foundation said, Obama has provided a political cover for lawmakers from both parties to press ahead with the legislation and “not run away from the responsibility to govern and address the problems” for the sake of economic growth and financial stability.

Desmond Lachman of the American Enterprise Institute said the Obama plan would put reform on “a more desirable path” as it intends to make American banking more efficient and less prone to crisis. “But it doesn’t improve the prospects of getting legislation through, as it is likely to be a path that is heavily resisted by the banks,” he said.

Senator Dodd views the plan as a monkey wrench thrown into the delicate negotiations, adding another layer of complexity. “I don’t want to be in a position where we end up doing nothing because we tried to do too much,” he told Paul Volcker, an adviser to President Obama and a former head of the U.S. central bank who has long promoted the plan that Obama has embraced, at a February 2 hearing.

Cramer said the recent Obama comments add urgency to the legislative process and will broaden public awareness of the banks’ role “in bringing about the economic downturn.”

Most experts believe it will be difficult for Dodd's bill to get through the Senate in its original form and that the Federal Reserve, the U.S. central bank, is likely to get its powers truncated or changed. Cramer predicted a consumer financial protection agency will be created while Wallison sees it as unlikely.

Obama continues to urge strong consumer protections, but in his recent statements he did not specifically mention the idea of a separate agency.

Mobile Phone Donations Break Records for Haiti Earthquake Relief

\$31 million raised through American Red Cross text messaging

By Jim Fisher-Thompson
Staff Writer

Washington — After the devastating earthquake struck Haiti on January 12, millions of Americans grabbed their mobiles, but instead of calling friends or family they hit a number that automatically donated \$10 to the American Red Cross, resulting in an unprecedented \$31 million raised for Haitian relief through mobile phone technology.

"To raise \$31 million dollars, \$10 at a time, with mobile phones is overwhelming and nothing short of amazing," says Roger Lowe, senior vice president for communications at American Red Cross headquarters in Washington. "Think about it, that's 3.1 million people," he told America.gov in a February 4 interview.

Commenting on philanthropy in general, Lowe said, "I think people want to be able to help" in an emergency instead of just waiting for government to jump in.

"People all over the United States are helping with events such as concerts, food sales and raffles," he said. "One school is trying to come up with a 'Mile of Quarters'; another is making chains of \$1 paper hearts and having different classes compete to make the longest chain."

Lowe said an 8-year-old child went so far as to send in a dollar that he said he got from the tooth fairy. [In America, children put teeth that have fallen out under their pillows and are rewarded with money their parents say comes from "the tooth fairy."] In North Dakota, a rancher donated five cows that were to be auctioned off at the stockyard in nearby Aberdeen.

Since the end of January, the American Red Cross has raised \$203 million for Haiti relief. Total donations from individuals, nonprofit groups, businesses and other groups in America amounted to \$560 million during that period, which compares to \$402 million provided by the U.S. government.

"One thing you have to understand," Lowe said, is that "this \$31 million donation obliterates every record ever set on mobile giving." And texting the word "Haiti" to 90999 continues to bring in money for stricken Haitians, providing essential emergency supplies like clean drinking water and shelter material such as tents, blankets, tarps and sleeping mats.

"Most young adults today have their mobile phones practically melded to their hands," Lowe said, "so mobile phone giving is a way to engage a new generation of donors who want to help out somebody they've never met."

With help from the State Department, Mobile Accord/mGive Foundation and CTIA-The Wireless Association, Lowe said, "We were able to set up the program within hours of the earthquake and it became a great opportunity for instant giving."

The involvement of the State Department was indispensable, Lowe said, "because the day after we started the mobile giving program, Secretary [Hillary Rodham] Clinton went on the morning TV shows and promoted the effort, which was a great help."

A big benefit of mobile phone giving, Lowe said, is that "the mobile carriers, who charge the \$10 gift to the caller's phone bill, are able to advance us the money." The Salvation Army also raised \$82,000 via text messaging, according to The Chronicle of Philanthropy.

The \$10 pledges are being put to use by the Red Cross almost immediately, Lowe said. A pledge can provide a family with two water cans to store clean drinking water, basic first aid supplies or a blanket. The donations will also help support training from the Red Cross that "will help them recover and rebuild for years to come."

Internet giving is also on the increase, reports The Chronicle of Philanthropy. It states that nonprofit organizations like Network for Good, an online charity portal, received \$5.2 million in donations that it distributed to 140 charities providing aid to Haiti. JustGive, which also collects online gifts for charities, received \$3.8 million in donations by the end of January.

Businesses and corporations are contributing with the Business Civic Leadership Center, affiliated with the U.S. Chamber of Commerce. The center announced that 299 companies in the United States had contributed more than \$122 million to Haiti relief within two weeks of the disaster. One hundred companies have also launched employee-giving campaigns in coordination with the American Red Cross.

Shortly after the earthquake, Jeffrey Towers, chief

development officer for the American Red Cross, told the press, "We are rushing supplies and disaster management staff to Haiti in the aftermath of the earthquake and are very grateful for the support of these companies for humanitarian mission."

Former President Clinton to Lead International Haiti Coordination

By Stephen Kaufman
Staff Writer

Washington — United Nations Secretary-General Ban Ki-moon has appointed former U.S. President Bill Clinton to lead the international coordination for Haiti earthquake relief, with responsibilities ranging from continuing emergency response efforts to focusing on long-term reconstruction needs, as well as coordinating a new U.N. funding appeal.

In agreeing to accept the expanded leadership role, Clinton, who has served as the U.N. special envoy to Haiti since May 2009, will be "coordinating on my behalf," the secretary-general told reporters in New York February 3.

"In particular, he will provide strategic guidance in our work for Haiti's early recovery and long-term reconstruction, with a special emphasis on mobilizing international support and donor funding," Ban said.

Clinton has been asked to launch a revised U.N. flash appeal on February 17 that will raise funds for Haiti's long-term reconstruction effort. The first funding appeal, launched in January for \$575 million, has received 82 percent of its requested funding, according to press reports. Clinton is also being asked to help prepare for a March donor's conference for Haiti that will be held in New York.

"Needless to say, he has hit the ground running," Ban said. "He will be in Haiti on Friday."

In a February 4 statement released by the Clinton Foundation, the former U.S. president said that while relief efforts in Haiti have been increasing to meet the country's "staggering needs," "the long road to recovery has just begun."

On February 5, "I will return to Port-au-Prince for the second time since the disaster to unload supplies and talk to Haitian officials to ensure assistance continues to be effective, coordinated and sustained in the weeks and months to come," Clinton said.

Clinton previously traveled to Haiti on January 18 for meetings with Haitian and U.N. officials and to deliver water, food, medical supplies, solar flash lights, portable radios and generators provided by private and corporate

donors, according to the statement.

Clinton has followed Haiti for more than three decades, ever since he and his wife, Secretary of State Hillary Rodham Clinton, visited there for the first time in the 1970s.

"I think I understand what its shortcomings have been, but I've always believed most of its problems were not as some people suggested: cultural, mystical. I think they were subject to misgovernment," he told the Miami Herald in a May 2009 interview. "They were either oppressed or neglected, and they never had the benefit of consistently being rewarded for effort in education, in agriculture, in industry and in any area. And, therefore, they were forced to become incredible ... social entrepreneurs and to make the most of daily life."

Since the January 12 earthquake, Clinton has been leading relief efforts through his foundation's Haiti Earthquake Fund to provide immediate financial assistance to nongovernmental organizations working in Haiti. President Obama has also asked him and former President George W. Bush to raise funds and coordinate relief aid through the Clinton Bush Haiti Fund, similar to Clinton's efforts with former President George H.W. Bush after the Pacific tsunami in 2004.

In an interview with the television channel CNBC aired February 2, Clinton expressed his respect for the Haitian people, saying they often have "either been ignored or abused or patronized."

"I don't want people to say I'm doing this because I feel good and these poor people need my help," he said. "They do right now ... but you have got to understand, these are smart, innovative people who have survived against odds that most of us couldn't live in on a daily basis for a long time."

U.S. Filmmaker Projects Real Life in Russia, America

Films help foster cultural understanding

By Carrie Lowenthal Massey
Special Correspondent

Washington — At 10 years old, Robin Hessman begged her parents for a subscription to Soviet Life magazine. Fascinated by the publication's pictures of Soviet children at school and at play, Hessman did not think these young people looked so very different from herself or her friends, and she imagined what it would be like to live in this foreign land.

A child of the 1970s and early 1980s, the American filmmaker grew up in the midst of the Cold War. Though she explains that American media of the time encouraged her to see the USSR as the United States' enemy, Hessman

could not suppress her curiosity about real life behind the Iron Curtain. Hessman's insights as a child would come to symbolize her future professional life: a documentary film producer and director with a keen interest in fostering an honest cultural exchange between Americans and the people of the former Soviet Union.

Hessman sees her medium as a powerful vehicle for cultural diplomacy and understanding.

Documentary films "are stories told by people to make people understand human experience. They are really one of the most valuable ways for cultures to learn about each other," Hessman said. Through documentary film, the viewer can "experience all of the nuances and images and sounds of a place, and really get to know people."

Hessman's latest film, *My Perestroika*, which began screening January 24 at the Sundance Film Festival in Park City, Utah, captures her effort to bring to American audiences a slice of real life in modern-day Russia. The project follows five Russians of a unique generation: the last to come of age under the Soviet Union and the first to live as adults and raise children in a democratic Russia. ("Perestroika" refers to the restructuring of the Soviet political and economic system through reforms introduced in 1987 by former Soviet leader Mikhail Gorbachev.)

"I'm telling the story of Russians of my generation," said Hessman, who is 36 years old. "When they are teenagers the country starts transforming rapidly. They graduated from college at just the moment the USSR collapses, leaving them no model to follow in a new society. Everyone has to figure it out for themselves."

Borya and Luby Meyerson, the married couple on whom the film centers, grew up across the street from each other in a residential neighborhood of Moscow. Both history teachers at Moscow School #57, the Meyersons welcomed Hessman into their home, their jobs and their 9-year-old son's life, and introduced her to some of their former school classmates whom they have known since childhood. Hessman combines interviews with the Meyersons and three of their classmates, the home movies they shared with her, and state-made propaganda films to convey the complexity and richness of the subjects' childhoods and adult lives.

Hessman found the home movies played an especially critical role in giving her audience an authentic perspective.

"Americans have never had the opportunity to see anything of normal everyday life in the Soviet Union. Home movies are such a beautiful, personal, intimate way to tell a story; they're taken to preserve memories for

future generations. It's such a different point of view from what most Americans have seen from the Soviet Union," she said.

By providing a personal, insider's angle on her subjects, Hessman said she "absolutely thought the film might change people's perspectives, break apart stereotypes of life in the Soviet Union or what life today in Russia is like." If nothing else, she hopes *My Perestroika* helps her audience understand that "there is so much more to know," she said.

While *My Perestroika* portrays Russian life for American audiences, Hessman also strives to educate Russians about the nuances of American life and culture. Since 2006, she has been curator of the American Film Festival (Amfest) in Moscow. Sponsored in part by the U.S. Embassy in Moscow, Amfest brings to Russia American films that do not make it to Moscow's multiplex theaters. These movies have included many documentaries, like *Trouble the Water*, which tells the story of two people caught in Hurricane Katrina when it devastated the U.S. Gulf Coast in 2005, and *Garbage Warrior*, the tale of a New Mexico man who lobbies for legislation that will allow him to build sustainable housing from discarded tires, cans and bottles. Filmmakers attend the festival and hold discussions with the audience.

"People will talk to the filmmakers for hours about how the films changed their lives," Hessman said.

The festival draws people from the greater Moscow area, as well as many students who travel to the city for the screenings. At times, Amfest has expanded its reach beyond Moscow to surrounding communities that may find value in particular films. For example, a screening of *Hear and Now*, the story of a couple's life before and after cochlear implant surgery, informed a group of deaf Russians that this type of treatment existed. The couple in the film had been deaf since birth, and the cochlear implants created for them a new, aural world.

When selecting films for the festival, Hessman takes into account their educational value, with consideration for the insights the film will give the audience into American life. However, her decision to screen a film depends on more than the message the film may send.

"The films are works of art. They are not propaganda or educational for the sole purpose of educating. That's a wonderful part of it, but really it's to tell a beautiful story," Hessman said.

Hessman would love to continue to expand Amfest to reach a wider audience.

"I think it's absolutely had an impact on people who have

seen these films. It would be nice on both sides if there was more opportunity to show films to more people," she said.

State Department Statement on World Cancer Day

United States a leader in the global effort to conquer cancer

U.S. DEPARTMENT OF STATE

Office of the Spokesman

February 4, 2010

MEDIA NOTE

World Cancer Day

World Cancer Day has been commemorated globally on February 4 since the 2000 World Summit Against Cancer. The United States government supports international efforts to raise cancer awareness and encourages continued endeavors to prevent, treat, and cure cancer. The U.S. also applauds the many governmental and private organizations that work tirelessly to develop and deliver safe and effective cancer diagnostics, therapies and prevention strategies for all patients--especially minorities and medically underserved populations.

The United States is a leader in the global effort to conquer cancer. The U.S. Department of State has several international projects underway that are focused on the prevention of specific cancers, notably breast and other women's cancers. The National Cancer Institute at the National Institutes of Health leads the domestic U.S. National Cancer Program while the Centers for Disease Control and Prevention coordinates efforts in cancer screening and control, two agencies that the U.S. Department of Health and Human Services (HHS) oversees. Both agencies are actively engaged in a range of cooperative cancer research, training, epidemiological and clinical programs in countries around the world.

Cancer is a leading cause of death around the world. The World Health Organization estimates that 84 million people will die from cancer between 2005 and 2015. Nearly 70 percent of all new cases are expected to occur in low and middle-income countries, where the resources available for prevention, diagnosis and treatment of cancer are often limited or nonexistent.

Statement on Contribution to U.N. Agency for Palestine Refugees

United States provides \$40 million for humanitarian services

U.S. DEPARTMENT OF STATE

Office of the Spokesman

February 4, 2010

MEDIA NOTE

United States Contributes \$40 Million to the United Nations Relief and Works Agency for Palestine Refugees in the Near East

The United States announced today that it is making an initial contribution of \$40 million to the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) to support UNRWA's regular budget and emergency programs in the West Bank and Gaza.

The \$40 million contribution will provide critical health, education, and humanitarian services to 4.7 million Palestinian refugees across the region. Of this contribution, \$30 million will support UNRWA's core services in Jordan, Syria, Lebanon, the West Bank, and Gaza. An additional \$10 million will support UNRWA's emergency appeal for the West Bank and Gaza, including emergency food assistance, and job creation programs.

The United States is UNRWA's largest bilateral donor. In 2009, the United States provided over \$267 million to UNRWA, including \$116.2 million to its General Fund, \$119.5 million to its West Bank/Gaza emergency programs, \$30 million to emergency programs in Lebanon, and \$2.2 million to assist other Palestinians in the region.

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