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Economics and Trade

1. CHINA'S STEEL INDUSTRY AND ITS IMPACT ON THE UNITED STATES: ISSUES FOR CONGRESS

Tang, Rachel

Congressional Research Service, Library of Congress, September 21, 2010, 32 pages

China's steel industry has grown significantly since the mid-1990s. China is now the world's largest steelmaker and steel consumer. In 2009, China produced over 567 million tons of crude steel, nearly half of the world's steel. That was 10 times the U.S. production. The majority of Chinese steel has been used to meet domestic demand in China. However, as its steel production continues to grow, overcapacity is becoming a major concern to Chinese industrial policy makers, as well as steelmakers outside China. Although industry statistics indicate that the Chinese steel industry is not export-oriented, its consistently high output keeps U.S. steelmakers concerned that excess Chinese steel might overwhelm the global market once domestic demand is adequately met. These concerns become increasingly acute as the United States and the rest of the world are in the middle of a slow recovery from the economic recession started in December 2007.

Currently available online at <http://www.fas.org/sgp/crs/row/R41421.pdf>

2. COPING WITH CHINA'S FINANCIAL POWER

Miller, Ken

Foreign Affairs, vol. 89, no. 4, July/August 2010

China has been trying to make the best of its sudden financial might; it has been accumulating vast foreign currency reserves and spending it abroad on direct investment, aid and concessional loans to secure raw materials and new technologies that bolster domestic growth and the Communist Party's legitimacy, says Miller, the head of the banking firm Ken Miller Capital LLC. Miller calls these policies mercantilist, but acknowledges that the resources deployed overseas are relatively small and pale in comparison to what U.S. companies invest abroad. Having been present in the world's financial markets only ten years, China has yet to learn the best ways to achieve its overall domestic goals and be a responsible global financial player. The author outlines a positive scenario of China investing more in developed economies through different instruments. Liberalization of its capital flow policies would prompt Chinese companies to seek more opportunities for cross-border mergers and acquisitions, and lead to the emergence of strong national brands able to expand overseas. Renminbi convertibility would strengthen the China's international financial position and make Shanghai a major financial center. But both strategic shifts would dramatically change the character of the Chinese economic model and could lead to considerable domestic disruptions, Miller concludes.

3. FAULTY BASEL: WHY MORE DIPLOMACY WON'T KEEP THE FINANCIAL SYSTEM SAFE

Levinson, Marc

Foreign Affairs, vol. 89, no. 3, May/June 2010, pp. 76-88

Following some financial crises in the mid-1970s, representatives from the major economic powers have worked together to create regulations to make the global banking system safer. A new organization was formed in Basel, Switzerland, known as the Basel Committee on Banking Supervision, and has crafted successive international agreements to regulate banking and securities. However, notes the author, Senior Fellow for International Business at the Council on Foreign Relations, Basel did little to protect against the global financial meltdown that started in 2007. In this article, published before the recently-concluded Basel III talks, Levinson argues

that regulation at the national level creates more resilience than a single set of international rules, which could be exploited at a global level. As an example of such regulatory “diversity”, he points to Spain, whose banks weathered the financial crisis much better than their other European counterparts, despite the collapse of the Spanish property market; Spain required its banks to set aside extra reserves for potential future losses. Levinson does not like the idea of an international bank bailout fund, which would present a moral hazard for lax national regulators; he concludes that “when it comes to financial regulation, less international diplomacy might be better than more.”

4. **MINING THE TRUTH ON COAL SUPPLIES**

Inman, Mason

National Geographic Daily News, September 8, 2010

Coal burning may have a deleterious effect on the environment, but the conventional assumption is that there is enough coal to fuel global electricity consumption for decades. However, the conclusions of a new study fly in the face of the belief in abundant coal – its authors argue that global coal production could actually peak as early as 2011, and then begin a terminal decline. According to the study, much of the high-quality, easily mineable coal is gone, and what is left has lower energy density per ton, and is more difficult to extract from the ground. Additionally, currently accepted reserve figures may be considerably overstated, as they are based on methods unchanged since the 1970s. If what they predict is true, notes Inman, then a major restructuring and shrinking of the global economy will follow, since coal powers much of global electricity and steel production. They urge greater attention to conservation and improving efficiency of electricity production from coal. Available online at

<http://news.nationalgeographic.com/news/2010/09/100908-energy-peak-coal/>

5. **READY, SET, GROW**

Kotkin, Joel

Smithsonian, vol. 41, no. 4, July/August 2010, pp. 60-67

The population of the United States will likely grow by 100 million people over the next several decades, and urban development expert Joel Kotkin offers a few projections on how the country may be affected. Kotkin predicts this level of population growth will keep the U.S. vibrant while population drops in other developed world nations will lead them into decline. Excerpting his 2010 book *THE NEXT HUNDRED MILLION*, Kotkin agrees with other demographic predictions that the U.S. growth will be concentrated in immigrant populations. As a result, Hispanic Americans will comprise a larger proportion of the population, and the white population will slide below 50 percent. Contrary to the predictions of others, Kotkin doesn't see this increased population concentrating in major urban centers. Rather, he thinks Americans will continue to choose the suburbs in the future, and predicts that “super fuel efficient cars of the future are likely to spur smart sprawl.” Fulfilling the promise of upward mobility for that growing population will be the major national challenge, the author predicts, and reviving the nation's manufacturing sector will be a key factor in doing so. Currently available online under the title *THE CHANGING DEMOGRAPHICS OF AMERICA*:

<http://www.smithsonianmag.com/specialsections/40th-anniversary/The-Changing-Demographics-of-America.html>

6. **WHAT NEXT FOR THE START-UP NATION?**

Senor, Dan; Singer, Saul

Wilson Quarterly, vol. 34, no. 3, Summer 2010, pp. 62-66

Senor, with the Council on Foreign Relations, and Singer, columnist for the Jerusalem Post, write that the news headlines give little optimism for Israel's future, but both believe that Israel is poised to become a global innovation leader. Israel has become the "start-up king" of the world, having developed a knack at the most challenging aspect of technology: new ventures. The authors cite as an example the company Better Place, founded by Shai Agassi, which has made electric cars more practical by designing a system for swapping out batteries; Israel will be the first country to begin mass replacement of vehicles with internal combustion engines. They believe that having to cope with all sorts of adversity has forced Israel to be nimble and adaptive. The country itself is a start-up, note the authors, and is a melting pot of different immigrant groups, which itself spurs creativity. Universal military service in Israel, and the intensive training involved, has cultivated the determination and willingness to risk failure in its entrepreneurial culture. They argue that if peace ever comes to the Middle East, it would be a boon to Israel, which could then shift its considerable defense spending to more productive purposes.

International Security

7. **DIGITAL DIPLOMACY**

Lichtenstein, Jesse

New York Times Magazine, July 18, 2010, pp. 24-29

On Twitter, Jared Cohen and Alec Ross are among the most followed of anyone working for the U.S. government, coming in third and fourth after Barack Obama and John McCain. This didn't happen by chance. Their Twitter posts have become an integral part of a new State Department effort to bring diplomacy into the digital age, by using widely available technologies to reach out to citizens, companies and other non-state actors. Traditional forms of diplomacy still dominate, but 21st-century statecraft is not mere corporate rebranding (swapping tweets for broadcasts). Diplomacy may now include such open-ended efforts as the short-message-service (S.M.S.) social-networking program the State Department set up in Pakistan last fall. The State Department recently cut financing for some activist groups based outside Iran that promote democracy and began to focus on providing information technologies that would facilitate communication among dissidents in Iran. Restrictions imposed by U.S. sanctions were lifted to allow for the export of instant-messaging and anti-filtering software. Currently available online at http://www.nytimes.com/2010/07/18/magazine/18web2-0-t.html?_r=1&emc=eta1

8. **DOES EUROPE END AT THE BOSPORUS?**

Andelman, David

World Policy Journal online, posted August 17, 2010

Andelman, editor of the World Policy Journal, notes that Turkey, which has been pursuing the path of a secular, modern democracy, and which has been trying to join the European Union for years and has been consistently turned down, may be finally casting its lot with the Middle East. The most recent sign of Turkey's change of mind was the dramatic confrontation with Israel over the Gaza blockade. Andelman writes that it is ironic that Greece, Turkey's long-time archrival, was admitted to the EU, instead of Turkey — and Greece's perilous finances now threaten to bring the EU down, while Turkey's growth rate is substantially higher than any other European country. He thinks it is unlikely that any more countries will be admitted to the EU, given its

current precarious state. If Turkey does decide to turn to the Middle East for an alliance, it will most likely join the Gulf Cooperation Council; Turkey recently signed an agreement with Saudi Arabia. Andelman believes that, in the future, more countries will realize that they need to join regional economic and security blocs in order to survive an increasingly turbulent global environment. Currently available online at <http://www.worldpolicy.org/blog/does-europe-end-bosporus>

9. **FOR THEIR EARS ONLY**

Starks, Tim

CQ Weekly, July 17, 2010

In the late 1940s, early in the Cold War, Congress enacted the Smith-Mundt Act, designed to keep the State Department from the domestic use of propaganda aimed at foreign audiences. In July, two House members introduced legislation to dismantle Smith-Mundt, saying that it makes no sense in an era of the Internet and satellite communications, and may be interfering with efforts to combat terrorism. The Pentagon, which has embraced some of the law's precepts, have complained that Smith-Mundt prevents them from disseminating false information to deceive insurgents for fear that the bogus reports might end up getting republished as truth in the U.S.; the State Department recently prohibited a public radio station in Minneapolis from rebroadcasting Voice of America Somali-language broadcasts to the area's large Somali émigré community, even though there was nothing to prevent the station from airing broadcasts from terrorist groups in Somalia. The author notes that Smith-Mundt has not kept up with technology, and is complicating diplomacy in the age of global terrorism.

10. **NEXT STEPS ON U.S.-RUSSIAN NUCLEAR NEGOTIATIONS AND NUCLEAR NON-PROLIFERATION**

Brookings Institution, October 12, 2010, 9 pages

Former Secretary of State Madeleine Albright and former Russian Foreign Minister Igor Ivanov described steps that Washington and Moscow could take to build on the substantial progress the two countries made on arms control and nuclear non-proliferation in the first half of 2010. Their ideas stem from a June meeting, in which Institute of World Economy and International Relations (IMEMO) Director Alexander Dynkin and Brookings President Strobe Talbott also participated. In exchanges over the summer, they developed a joint paper with recommendations in four areas: steps to prepare for future negotiations on nuclear arms reductions after New START; principles for cooperation on missile defense; ideas for following up on the April nuclear security summit to secure all fissile material globally; and actions to strengthen the nuclear nonproliferation regime. Currently available online at http://www.brookings.edu/~media/Files/rc/papers/2010/10_nonproliferation_albright_talbott/10_nonproliferation_albright_talbott.pdf

11. **THE NUCLEAR DOMINO MYTH**

Bergenas, Johan

Foreign Affairs online, August 31, 2010

According to Bergenas, research associate at the Henry L. Stimson Center, the historical record does not support a widespread notion that if Iran develops nuclear weapons, other Middle East countries will do so also. Aside from India and Pakistan, no other countries have locked into a race with nuclear neighbors. Also, Iran would likely use a nuclear weapon for deterrence, not as a credible threat to its neighbors, just as other nuclear powers do. Asserting the nuclear domino myth could become a self-fulfilling prophecy, creating excuses for Middle East countries to

acquire nuclear weapons. Currently available online at <http://www.foreignaffairs.com/articles/66738/johan-bergenas/the-nuclear-domino-myth>

Global Issues / Environment

12. THE DIRTY TRUTH BEHIND CLEAN NATURAL GAS

Tolmé, Paul
National Wildlife, June/July 2010

Natural gas may burn cleanly compared to other fossil fuels, but drilling for gas is environmentally destructive, causing air and water pollution, scarring the landscape and endangering wildlife and people. Since 2000, a drilling boom ensued when the previous administration opened up large swaths of public lands in Western states to gas drilling, exempting energy companies from environmental regulations. The gas deposits being exploited are in underground strata that require hydraulic fracturing – injecting a toxic cocktail of chemicals at high pressure into the rock formations to break them up and release the gas. The author notes that there is growing pressure on Congress to eliminate the environmental exemptions granted by the previous administration, and to require energy companies to use directional drilling in order to reduce the number of wells. Currently available online at <http://nwf.org/News-and-Magazines/National-Wildlife/Animals/Archives/2010/The-Dirty-Truth-Behind-Clean-Natural-Gas.aspx>

13. LISTENING TO BACTERIA

Angier, Natalie
Smithsonian, vol. 41, no. 4, July/August 2010, pp. 76-82

Bacteria are smarter than you think, according to the findings of the Princeton University microbiologist profiled in this article. Bonnie Bassler is a leader of a new field of microbiology called “quorum sensing,” which studies the communication between bacteria. Contrary to traditional view, scientists now have found that bacteria “converse” in complex chemical languages. They discuss their shared environment, its conditions, and what actions they may take in concert, as their quorum is formed. “They can compost an elephant, fertilize an oak forest or light up the oceans in the eerie teal glow of bioluminescence,” Angier writes. They can also decide to transform a chronic condition into a virulent one in the human body, causing serious disease symptoms, and even death. Having detected that process, researchers are hoping that they can develop a drug that will interrupt the process, though Bassler acknowledges that achieving that goal is still likely a decade away. Currently available online at <http://www.smithsonianmag.com/specialsections/40th-anniversary/Listening-to-Bacteria.html>

14. LIVING IN LIMBO: THE ASYLUM PROBLEM

Mahr, Krista; Pinang, Tanjung
Time, July 5, 2010

According to the U.N., there were over 15 million recognized refugees around the world at the beginning of 2009, and another 826,000 asylum seekers. Most are fleeing bloodshed, repression or poverty; many end up in countries where governments are ill-equipped both legally and economically to handle the volumes of people requesting protection at their borders. Many of those governments are increasing their efforts to keep out economic migrants and ramp up security. Refugees that do escape their home country can expect a long wait for settlement in a third country; no state is obligated to offer permanent homes to refugees in transit countries. So what can be done? Today's refugee crisis is a global one, and it demands responses from all

nations — not just those who are bearing its brunt. Today, "there is freedom of goods and services, but there's not an acceptance of the movement of people," says Denis Nihill, the chief of mission for the International Organization for Migration in Indonesia. "It's not traditionally seen as being a multilateral issue." The author notes that finding ways to manage borders without excluding genuine asylum seekers won't be easy. Currently available online at <http://www.time.com/time/magazine/article/0,9171,1999274,00.html>

U.S. Society and Values

15. CLIMATE'S SALVATION? WHY AND HOW AMERICAN EVANGELICALS ARE ENGAGING WITH CLIMATE CHANGE

Wilkinson, Katherine K.

Environment, Vol. 52, No. 2, March/April 2010, pp. 47-55

Scientists have presented the public with complex climate models and projections on rising temperatures to gain awareness of global warming. Growing numbers of supporters of climate change action offer up a much simpler argument: The Earth is God's creation, and it is the duty of humankind to protect and preserve it. While American evangelical Christians are often perceived to be quite conservative, on this issue, the political lines are not so cleanly drawn. "Climate Change: An Evangelical Call to Action" is a four-year old campaign that now has more than 260 followers. One plank of this document is that "Christian moral convictions demand our response to the climate change problem." Wilkinson argues that the climate change issue may end the traditional alliance between evangelical leaders and the Republican Party, at the same time it conveys understanding of the issue and a commitment to action to a new demographic group in the population.

16. CLOSING THE DIGITAL FRONTIER

Hirschorn, Michael

Atlantic Monthly, July/August 2010

The Internet's founding ideology -- that information should be free, and that attempts to constrain it are not only hopeless but immoral -- is crumbling under the onslaught of applications ("apps"), smart phones, and pricing plans. The shift of the digital frontier from the Web, where the browser ruled supreme, to the smart phone, where the "app" and the pricing plan now hold sway, is far from a given, however, especially with the under-30 crowd accustomed to free content. The prospect of paying hundreds or thousands of dollars yearly for print, audio, and video on expensive new devices is not going to be an easy sell. Even so, media companies see profits to be made from pushing their best and most timely content through their apps instead of their Web sites. Currently available online <http://www.theatlantic.com/magazine/archive/2010/07/closing-the-digital-frontier/8131/>

17. EXPANDING THE PALETTE

Grossmann, John

National Parks, vol. 84, no. 3, Summer 2010

The U.S. National Parks are becoming more diverse in staff and in visitors, with the help of outreach programs aimed at urban-dwelling minority groups who often have limited exposure to national parks for economic and other reasons. African-Americans, particularly, have avoided rural parks because of memories of discrimination and lynchings of the pre-Civil Rights era. But this is changing as more diversity is reflected in America's park system, exemplified by several

individuals profiled in this article who are park rangers or enthusiastic visitors. Currently available online at <http://www.npca.org/magazine/2010/summer/expanding-the-palette.html>

18. **THE FEDERAL ROLE IN CONFRONTING THE CRISIS IN ADOLESCENT LITERACY**

Alliance for Excellent Education, September 20, 2010, 10 pages

Results from national reading assessments reveal that millions of young people leave high school without the advanced reading and writing skills required for career and college success. Young adults who lack reading and writing proficiency will likely be relegated to the ranks of unskilled workers in a world where literacy is an absolute precondition for success. While federal and state strategies have begun to focus on the adolescent literacy crisis, more than ever it is time to build upon these initial efforts. The brief describes the role that the federal government can play to advocate for a comprehensive, national, and school wide focus on K–12 literacy. Currently available online at <http://www.all4ed.org/files/FedRoleConfrontingAdoLit.pdf>

19. **IRANIAN CURE FOR THE DELTA’S BLUES**

Bourne, Joel K.

AARP Bulletin, July-August 2010, pp. 12-14

Iran is providing inspiration to a Mississippi community in the realm of health care. The people of the Mississippi Delta are among the poorest and most medically underserved in the U.S., but due to the initiative of Iranian-born Mohammad Shahbazi, M.D., chair of the Department of Behavioral and Environmental Health at Jackson State University, a Mississippi doctor and a health-care consultant were able to travel to Iran to learn about that country’s ingenious methods for providing health care to poor, rural communities. The trip -- with the tacit approval of the National Institutes of Health and Iran’s Ministry of Health — provided the Americans with a look at Iran’s system of using trained locals working out of “health houses.” This method, which has won praise from the World Health Organization, has eliminated health disparities between rural and urban populations over the last 30 years and reduced infant mortality in rural areas by tenfold. The American doctors are now trying to replicate an adapted version of the Iranian system by establishing Mississippi health houses and training single mothers currently on welfare to staff them. Currently available online at http://www.aarp.org/health/doctors-hospitals/info-06-2010/iranian_cure_for_thedeltas_blues.html

The Rule of Law

20. **AUTHORITY OF STATE AND LOCAL POLICE TO ENFORCE FEDERAL IMMIGRATION LAW**

Garcia, Michael John; Manuel, Kate M.

Congressional Research Service, Library of Congress, September 17, 2010, 23 pages

The power to prescribe rules as to which aliens may enter the United States and which aliens may be removed resides solely with the federal government, and in particular with Congress. Concomitant to its exclusive power to establish rules which determine which aliens may enter and which may stay in the country, the federal government also has the power to sanction activities that subvert this system. Congress has defined our nation’s immigration laws in the Immigration and Nationality Act (INA), a comprehensive set of rules for legal immigration, naturalization, work authorization, and the entry and removal of aliens. These requirements are bolstered by an enforcement regime containing both civil and criminal provisions. Deportation and associated administrative processes related to the removal of aliens are civil in nature, while certain

violations of federal immigration law, such as smuggling unauthorized aliens into the country, carry criminal penalties. Currently available online at <http://www.fas.org/sgp/crs/homesecc/R41423.pdf>

21. **THE HIRED GUNS**

Kurlantzick, Joshua

Newsweek, July 26, 2010

Kurlantzick, a fellow at the Council on Foreign Relations, writes that, according to the U.S. Department of Justice, the number of lobbyists for foreign countries in Washington, D.C. has grown from about 1,800 in 2005 to 1,900 in 2009. Human-rights activists say that the amount of money spent on lobbying has grown at a faster rate — and by some of the most brutal regimes on earth, including several sanctioned by the U.S. for their human-rights abuses. Angola, one of the most corrupt nations in the world, spent more than \$3 million on lobbying in the first half of 2009. According to the author, the rise in foreign lobbying may have compromised the policymaking of U.S. government officials and may have reduced Washington’s pressure on authoritarian regimes. Human-rights activists or government opponents in authoritarian countries are unable to make their case in Washington, or to match the funds spent by their rulers. The result, says Kurlantzick, is that “while thugs get heard in U.S. halls of power, the voices of their opponents remain silent.” Currently available online at <http://www.newsweek.com/2010/07/26/the-hired-guns.html>