

Report 96
PROJECT ON BUSINESS AND POLITICS IN THE
MUSLIM WORLD

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This week report dwells much on Yahoo/AP/Reuters News. The report remains a compilation of strategic political, economic, socio-cultural and Geo-strategic issues around North America/Canada, Western Europe, Latin America/Southern Europe, Southeast Europe and Oceania. It obviously begins with a summary of the whole report, a breakdown of easily comprehensible short notes.

Headlines

US/Canada

- Obama rejoining economic debate with jobs summit
- Obama Turns to Job Creation, but Warns of Limited Funds
- Unexpected drop in jobless rate sparks optimism
- Senate preserves long-term care program
- Abortion battle could derail health bill
- C.I.A. to Expand Use of Drones in Pakistan
- Congress appears poised to back Obama war plan
- Gibbs: Pullout date gives Karzai deadline
- US envoy: Allies strongly support Afghan plan
- Reaction to Obama's Afghanistan war plans
- US not seeking Afghanistan civil coordinator: Rice
- U.S. recognizes Honduras vote with caveats
- W.H. raises climate summit stakes
- U.S. action on climate policy is key to international treaty
- Canada Liberals soften stance on toppling gov't
- Canada November job gains beat expectations
- Harper warns G20 on protectionism, cites China

Western Europe

- With glitz, EU marks start of Lisbon Treaty rules
- LatAm leaders: Return ousted Honduran president
- Europe's growth out of recession confirmed
- British bankers slam Sarkozy amid EU market row
- UK court: secret evidence not enough to deny bail
- Italy may accept more Gitmo detainees
- UN slams 'discriminatory' Swiss minaret ban
- Israel think-tank warns EU off "Swedish proposal"
- Could London lose 'libel capital of the world' crown?
- Pakistan: We need more clarity on US plan
- Europe welcomes Obama speech but few pledge troops
- Troop contributions for Obama's Afghan surge

- At least 7,000 fresh NATO troops to bolster war
- Ex-UN weapons inspector condemns Blair, Bush on Iraq
- Ex-UK defense chief: US declared Iraq win too soon

Latin America

- Honduran lawmakers say 'no' to restoring Zelaya
- Honduran favorite aims for Brazil's support
- Zelaya supporters say it's time to move on
- Zelaya in limbo, says democracy "dead" in Honduras
- Ex-guerrilla easily wins Uruguay presidency
- Nicaragua lawmakers resist president's re-election
- Cuba blasts US black leaders for charges of racism
- Cuba-US migration talks pushed back until February
- More Venezuelan private banks targeted: Chavez
- Colombia says Venezuela destroys bridge, holds soldier

Southeast Europe

- EU ministers end visa requirements for Serbia, Montenegro, Macedonia

Albania

- Albania ready to receive more Guantanamo detainees
- Albania wants single university diploma system with Kosovo, Macedonia
- EC's Barrot expresses support for Albanian visa liberalisation

Macedonia

- Macedonia to send more troops to Afghanistan
- Gruevski urges EU to green-light start of Macedonia's accession talks
- Macedonia's Gruevski to meet EC's Barroso
- Macedonia says no change from Greece concerning EU bid

Kosovo

- Kosovo tells court its independence is permanent
- Kosovo, Serbia prepare for hearing before ICJ
- ICJ hearings on Kosovo independence begin
- Office of EUSR in Kosovo may merge with EC office
- Head of Serb parallel structure in Kosovo dismissed

Serbia

- Serbian students protest education reforms
- Brammertz sees improvement in Serbia's war crimes co-operation

Croatia

- Croatia closes three more negotiation chapters
- Brammertz says no major progress in Croatia's war crimes co-operation
- Croatia to earmark millions of euros for EU-related reforms
- Croatian students stage protest, demand free education

Montenegro's Djukanovic optimistic about NATO progress

Bulgaria's Kostov resigns over links to communist-era secret services

Romania's Geoana: new government before Christmas

Oceania

- Australia's Parliament defeats global warming bill

Report Summary

USA/Canada

Political Issue

The political tussle between the Canadian ruling conservative minority government and its arch liberal enemy appears to be on hold as the latter planned to withhold a vote of no confidence on the government. Hence the country will be averting any early election.

Economic Issue

President Obama is handful and undoubtedly has to be selective and skillful enough to know what to chew at a particular time. Health and Afghanistan war has been critical to him in recent times; as such economic related matters get hurt. This brings forth the growing rate of unemployment (10.2) in the country. Many Americans are nurturing the feeling that domestic itching issues like unemployment is made to suffer at the advantage of foreign policy matters and see little result from the multi billion dollars stimulus package. Has Obama forgotten the voters, the answer might be far from no; the truth is that the carryover effect of past administration will continue to haunt him.

President Obama is now taking a turn towards domestic issues like the growing strength of unemployment. Many Americans believes the stimulus package is yet to manifest fruitful result as employers are refusing to employ. Thus Obama held a meeting with business executives, labor leaders, economists and others seeking every demonstrably good idea for creating jobs, although he cautioned that his administration resources are limited giving the background of economic reality and the promises he made during campaign. Yet according to Federal figures released this week, joblessness drops in margin as compared to the beginning of the economic crisis.

Canadians are also experiencing a drop margin in unemployment rate as seen in the USA. According to Statistics Canada a net employment gain of 79,000 in November, beating analysts' expectations of a 15,000 gain. The unemployment rate edged lower to 8.5 percent from 8.6 percent in October.

Economic dispute between Canada and China on Canadian canola is still making headline. Canada is protesting against protectionism across the world though in particular reference to China policy as the latter has failed to buy Canadian canola affected by black disease. Canada is reluctant in reporting the case with WTO, yet G20 members are now intimidated of the development.

Social/Humanitarian Issue

It is yet another win for democrats in the Senate being able to have the CLASS Act (Community Living Assistance Services and Supports Act) passed. The act

represented a health programme championed by the late Sen. Edward M. Kennedy in his health overhaul bill. The health programme is supposed to facilitate the aged and disabled through government funding though the recipients of the programme would have to pay a modest monthly premium during their careers into the voluntary programme. Republicans against the programme say it will tell on federal spending.

On a separate note, the health care reform bill that has passed through Congress but now in Senate might not find an easy passage because some Americans would want the bill to consider abortion issue as no go area. Anti-abortion Senators and the Catholic Church are playing big role to seeing that abortion is not downplayed.

Food, Environment and Energy Issue

Environmentalists saw the move of President Obama to push back his appearance at the Copenhagen summit as a substantive development. It is hoped that before the commencement of the summit Obama intend to have a set goal and strategy which will showcase the intention of America to cut down gas emission.

Geostrategic Issues

The anticipation of many U.S allies was finally solved as President Obama announced his Afghanistan war strategy. There is little doubt the strategy ceased to fall short of support, NATO allies have shown their support through troops increase in Afghanistan. U.S Congress has equally thrown its support for troop surge but the big questions are: will the congress consent to billion of dollars to fund the surge, which means tax must be increased and the deadline of 2011 mentioned by Obama for troop withdrawal. Although Robert Gibbs, White House spokesman said the deadline was to make President Hamid Karzai buckle-up. However some are skeptical of the impact of the surge, which according to them might further exacerbate the tension in Afghanistan and a spillover effect on Pakistan.

The permission granted by Washington to its security agency CIA to operate freely in tribal and border area of Pakistan adds to the qualms between Pakistan and the United States. The operation of the CIA on Pakistan soil is not alone offensive but the frequent drone attacks which might be expanded to Baluchistan will evidently trigger more trouble of integrity and sovereignty violation.

U.S ambassador to the United Nations Susan Rice said her country is not seeking a coordinator for Afghanistan. Her comment contradicts the position earlier reported to have come from the State Department that the U.S hope to have a kind of High Representative for the Afghan government. The State Department is also dodging itself from such insinuation; rather the British Guardian newspaper is suggesting that such is the brainchild of Richard Holbrooke, the US representative for Afghanistan and Pakistan.

The U.S approval of the recent Honduras election is an indication for the support of stability in Honduras rather than rattling over what the president-elect Porfirio Lobo called the past. Ousted President Manuel Zelaya is now out of the scene as his

reinstatement cannot overturn the recent election result. It is even more difficult due to the country's Supreme Court and Congress decisions that his presidency is now part of past history. To Zelaya the U.S has failed him, even though he still holds faith on Latin American leaders, most of whom see the election as invalid.

Western Europe

Political Issue

EU members showcase their solidarity and happiness during the celebration of the Lisbon treaty. The treaty had gone a long way before being acknowledged by all members, now with the consent of all on the treaty, EU hope to maintain and have a better representation in global affair.

The end of a three-day Iberoamerican summit (meeting of Latino countries and their former colonial masters) in Estoril, Portugal displayed a unanimous consensus disapproving the recent Honduras election. The leaders wanted Zelaya reinstatement, although the leaders of Colombia, Peru and Costa Rica, however, had individually endorsed the election.

Economic Issue

Eurozone according to recent report is picking up from the aftermath of the economic recession, as such joining the U.S and Japan. Although the recovery does not suggest a full stamina recovery, in exemption of Germany, France Italy and the Netherlands, other Eurozone members like Spain (even Britain, a non-Euro country) are still wanting.

British bankers criticised French president's comment that the newly appointed French EU financial commissioner Michel Barnier would bring French economic ideas to the table in his new job as financial services commissioner. British bankers see such statement has suggesting that the new commissioner will not be neutral, accused of being against the free market economic model and might intervene in British financial system.

Social/Humanitarian Issue

A UK court rejected the British government position to withhold evidence and information from suspected apprehended persons. The court ruled that a person arrested should know of what he was arrested for. The ruling according to the government undermines security of the country, even though civil right groups welcomed the ruling.

Europeans were much critical of the Gitmo prison administered by the then Bush administration but now passed on to the Obama administration. The latter promised to close down the prison early this year but that ultimatum could not be met due to problem of relocating the inmates. Obama is asking Europeans to accept the acquitted inmates,

thus Italy is ready to accept more inmates as per the agreement between PM Silvio and President Obama.

The world's rich and powerful have long chosen London to defend their interests in court, but pressure is mounting for an overhaul in the English laws that saw it named "libel capital of the world". Lawyers, freedom of speech campaigners and even members of the government are questioning whether legislation designed to protect people's reputations is now being used to silence criticism, especially by scientists.

Switzerland's democracy and respect for fundamental rights does not bar more than 50% of Swiss from banning through referendum the erection of minarets in the country. The Swedish government holding the EU presidency has shown great concern over the referendum as it translates to plenty of meanings outside the EU, particularly when it is the Muslim symbol that was targeted. Such although will not affect the 200 mosques already in the country. In view of this development many Muslim countries questions Switzerland neutrality over mediating Muslim related issues like Israel-Syria issue.

The Israeli is at it again with the EU, particularly with Sweden holding the rotational EU presidency. In recent times, relations between both countries got strained; Israel accused a Swedish newspaper of anti-Semitism publication, while the Israeli in response refused to let a Swedish minister visit Palestinians in the blockaded Gaza Strip. Now, an Israeli think tank said a Swedish proposal of making East Jerusalem capital of Palestinian state to be presented to the EU will not be acceptable because it does not take into account the political and religious concerns of both sides, and does not protects the religious interests of Jews, Christians, and Muslims worldwide.

Food, Environment and Energy Issue

Geostrategic Issues

As a follow up to the troop surge strategy of the American government, the British government has also planned to aid Pakistan with 50 million pound hope to be used in pacifying the situation around country. Speaking before the British prime minister, Pakistan prime minister said his country is yet to be clear on the whole strategy, fearing a spillover effect of militants into Pakistan. The Pakistani leader rejected the view that wanted al-Qaeda leader reside in Pakistan.

Reiterating his opinion to the run-up of invasion Iraq, Hans Blix, who led the UN weapons inspection team in the run-up to the 2003 invasion confirmed to the empty evidence and blind judgment of then British and American leaders (Tony Blair and George Bush). He opined that having huge troops in the Gulf beclouded the British and American that invasion of Iraq will be easier and alleging Saddam for harbouring WMD will drive world opinion against him.

Latin America

Political Issue

With 111-14 vote margin in the Honduras congress, most congressmen said no return for ousted President Manuel Zelaya. The congress votes further buttress the ruling of the Supreme Court that the coup which ousted Zelaya is constitutional. Meanwhile, Porfirio "Pepe" Lobo elected as president in the recent election is asking for recognition from the leaders of the region, particularly from Brazil. This further express the clout of Brazil in the region as the latter as clearly distance itself from acknowledging the election.

Zelaya's supporters have started waking up to the political reality, thus hoping that Zelaya might play a comeback game come 2014 election. The recent election coupled with the Congress and Supreme Court decision dashed a great blow to their morale, leaving no option than to succumb to the political reality in the country. Zelaya resents the country's political bearing and believes democracy is on its dead bed in Honduras.

Nicaraguan President Daniel Ortega was fortunate to have the Supreme Court approve to his re-election bid, but the Congress is saying no to it. It might require less logic to see a domino effect in the region. The political drama in Honduras is been repeated in Nicaragua though in a different format.

The people of Uruguay elected Jose Mujica as President-elect, thus added to the number of socialist governments in the region. Jose Mujica was a former guerrilla fighter but said his incarceration made him change cause from militancy to democratic measure. His election victory is welcomed in the region particularly among socialist governments in the region.

African-American intellectuals and opinion makers accuse Cuba of subjugating its black citizens, an insinuation rejected by the Cuban authority as baseless. The latter cited her benevolent gesture towards Africa in terms of academic and health assistance and how Cuba was very much helpful to the victims of hurricane Katrina in the USA. Cuban authority claims it is part of the whole agenda to disintegrate the country. In this same direction, immigration talks between US and Cuba is halted for bureaucratic reasons.

Economic Issue

Private banks in Venezuela might soon be facing the wrath of President Hugo Chavez. The president said the banks are elite owned and therefore needed to be brought under control.

Social/Humanitarian Issue

Food, Environment and Energy Issue

Geostrategic Issues

Skirmishes at the frontiers between Colombia and Venezuela persist. The Colombian authority has accused Venezuela of blasting another bridge that links both countries and at the same time disrupted \$7 billion yearly bilateral trade. The bone of connection for the recent conflict emerges out of the military deal between the US and Colombia, seen by Venezuela as indication for war preparation.

Southeast Europe

Political Issue

Albanian government appears to be willing to show goodwill to everything that will bring credit to his country. The country has shown its readiness to accept inmates of Gitmo prison.

Serbia and Kosovo are in The Hague International Court of Justice where both countries table the legality and illegality of the unilateral independence declaration by Kosovo on February 17, 2008. Serbia said the existence of Kosovo as undermines its sovereignty and integrity, while Kosovo holds that reversing its independence is inconceivable and might fuel another crisis in the region.

Croatia marches on towards EU accession as it closed three chapters. Making headway in its EU accession is more crucial and ready to do everything to accomplish that intention.

Prime Minister Milo Djukanovic said on Friday that he is optimistic his country will progress towards NATO membership before the end of this year.

Serbia, Montenegro, Macedonia were cleared by the EU justice commission on their visa liberalisation process. Thus all of the countries would henceforth be an integral of the Schengen scheme. Meanwhile Albania hopes that the EC will start talk on its integration very soon.

Economic Issue

Social/Humanitarian Issue

Several hundred students marched in downtown Belgrade on Friday blocking traffic in the capital to protest changes to the education system that will tighten enrolment criteria and reduce funding for scholarships.

Albania, Kosovo, Macedonia tertiary institutions are heading towards a common diploma system. Doing this will bring all Albanian-speaking universities under a unified initiative, standardise university curriculum and required by the Bologna Process.

Meanwhile, students from Zagreb University's faculties of Philosophy and Political Sciences staged a protest outside the Ministry of Science, Education and Sports

UN war crimes tribunal said Serbia is improving and cooperating in apprehending war criminals though war crimes fugitives Ratko Mladic and Goran Hadzic are still at large. Such statement from the tribunal will further soften the hard position of EU members against Serbia. Such positive statement is not true for Croatia as war crimes tribunal Chief Prosecutor Serge Brammertz has concluded that Croatia is making no major progress in Croatia's war crimes co-operation.

Food, Environment and Energy Issue

Geostrategic Issues

Macedonia and Albania, both countries longing for the EU membership agreed with the Obama's Afghanistan strategy. Hence ready to send troops to the war in Afghanistan.

Name dispute between Macedonia and Greece lingers on, yet the Macedonian leadership wants the EU to open more chapters into its accession process.

Oceania

Political Issue

Economic Issue

Social/Humanitarian Issue

Food, Environment and Energy Issue

Australian PM Kelvin Rudd's proposal to make Australia become the first country to install a trading system (cap-and-trade) that will slash the amount of heat-trapping pollution that industries pump into the air was rejected by the parliament. The conservative opposition party was responsible for the rejection saying not until other developed nations like U.S adopt such policy or it becomes part of international system, Australia should cease to be the pioneer. Had the proposal been successive, Rudd intends to use it as argument at the forthcoming climate change summit in Copenhagen.

Geostrategic Issues

Report Details

USA/Canada

WASHINGTON – Under pressure from Republicans and an impatient public to fix the sputtering economic recovery, President Barack Obama is refocusing on this politically potent issue by talking job creation with business and labor leaders at the

White House. The White House has lacked a unified economic message in recent weeks, with its attention focused instead on health care and Obama's three-month review of the Afghanistan war. With unemployment in double digits for the first time in decades, Democratic lawmakers are suggesting a second economic stimulus aimed directly at job creation may be needed. Administration officials are hoping Thursday's jobs forum, an Obama trip to Pennsylvania on Friday and a major economic speech on Tuesday will help counter Republican critics who contend the administration's economic recovery efforts have failed and its oversight of the \$787 billion stimulus package has been inadequate.

At the jobs forum, Obama planned to defend his administration's handling of the economy and argue that it would be in far worse shape had Congress not passed the huge stimulus bill earlier this year. Under intense GOP attacks, public support for the stimulus effort has faded. "I certainly hope it's more than a photo op," said the No. 2 House Republican, Rep. Eric Cantor of Virginia. "All of us want to do anything we can to get Americans back to work. Past history has been, with this White House, that there's been a lot of pomp and ceremony with very little follow-through in terms of delivering results." Administration officials said they don't expect major policy announcements from the president, Vice President Joe Biden or members of the Cabinet who were scheduled to be on hand. "Increasing employment is everyone's responsibility, from government to businesses to households," Obama economic adviser Larry Summers said in advance of the forum. "The White House jobs forum will take stock of where we are on the implementation of the Recovery Act and explore new job creation measures, including infrastructure investment, incentives for small businesses, developing our green economy and promoting U.S. exports." The nation's unemployment rate is 10.2 percent, the highest since 1983. Some 15.7 million Americans are out of work. The average jobless worker has been unemployed for more than six months. These sobering statistics spell potentially serious trouble for Democrats in next year's midterm elections.

The recession technically may be over, but analysts say many of the jobs lost in the downturn probably will not return and high unemployment is likely to persist.

WASHINGTON — After months of focusing on Afghanistan and health care, President Obama turned his attention on Thursday to the high level of joblessness, but offered no promise that he could do much to bring unemployment down quickly even as he comes under pressure from his own party to do more. At a White House forum, scheduled for the day before the government releases unemployment and job loss figures for November, Mr. Obama sought new ideas from business executives, labor leaders, economists and others. Confronted with concern that his own ambitious agenda and the uncertain climate it has created among employers have slowed hiring, the president defended his policies. Mr. Obama said he would entertain "every demonstrably good idea" for creating jobs, but he cautioned that "our resources are limited."

The president said he would announce some new ideas of his own next week. One of those, he indicated when he participated in a discussion group on clean energy, would be a program of weatherization incentives for homeowners and small businesses modeled on the popular "cash for clunkers" program. On Capitol Hill, Ben S. Bernanke, the chairman of the Federal Reserve, told senators at a sometimes testy hearing on his confirmation for a second term, "Jobs are the issue right now." "It really is the biggest

challenge, the most difficult problem that we face right now," Mr. Bernanke added, citing in particular the inability of many credit-worthy small businesses to get bank loans.

In the House, where lawmakers are particularly sensitive to the employment issue since they all face re-election next year, Democratic leaders on Thursday were finishing work on a jobs bill for debate this month. It would extend expiring federal unemployment benefits for people who have been out of jobs for long periods, and provide up \$70 billion for roads and infrastructure projects and for aid to small business. House Democrats plan to pay for the plan by drawing from the \$700 billion fund set up last year to bail out financial institutions. The House also passed legislation on Thursday that would freeze the federal tax on large estates at its current level. Under current law, the tax would have disappeared entirely next year, only to reappear at much higher levels in 2011. The vote highlighted the raft of fiscal issues facing the administration and Congress and the tension between addressing budget deficits and taking potentially expensive actions to help the economy.

WASHINGTON – Two years of steep job cuts all but ended last month, unexpectedly pulling down the unemployment rate and raising hopes for a lasting economic recovery. Federal figures released Friday showed that the rate fell from 10.2 percent in October to 10 percent as employers shed the fewest number of jobs since the recession began two years ago. The government also said far fewer jobs were lost in September and October than first reported. And the so-called underemployment rate, counting part-time workers who want full-time jobs and laid-off workers who have given up their job hunt, also fell, from 17.5 percent in October to 17.2 percent. The better-than-expected figures provided a rare dose of good news for the economy, but the respite may be temporary. Job creation is still so weak that more than 15 million out-of-work Americans face fierce competition for few openings. "We will need very substantial job growth to get unemployment lower, especially when the labor force ... starts growing again," said Lawrence Mishel, president of the Economic Policy Institute, a liberal think tank. Even counting last month's decline, the unemployment rate has more than doubled from 4.9 percent when the recession began.

The report showed how hard it remains to find work. The number of people jobless for at least six months rose last month to 5.9 million. And the average length of unemployment has risen to more than 28 weeks, the longest on record dating to 1948. Carolyn Malone of Milwaukee had not looked for work in decades — until she was laid off from her customer-service job in May. Malone, 62, laughed when asked Friday how many jobs she had applied for. She can't remember. But she does recall how many landed her an interview: One. It didn't lead to a job. "I just want to get my toe in the door," she said, scrolling through her e-mail at a hiring center. Still, economists and investors drew hope from Friday's Labor Department report. Employers sliced just 11,000 jobs in November, compared with a loss of 111,000 jobs in October. It was the best reading since December 2007 — the last time the economy added jobs and the start of the worst recession since the 1930s.

WASHINGTON – The Senate on Friday turned back a Republican effort to eliminate a long-term care insurance program to help seniors and the disabled, saving the plan once championed by the late Sen. Edward M. Kennedy in its health overhaul bill.

But the vote exposed the difficulties Democratic leaders face in persuading their own moderates to remain united behind sweeping legislation they hope to deliver to President Barack Obama. Eleven Democrats voted with Republicans, who warned that the new program would turn into a drain on the federal budget. Republicans fell short in a bid to strike the long-term care plan on a 51-47 vote. They needed 60 votes to prevail.

Two leading Democrats who shaped the health care bill, Finance Committee Chairman Max Baucus of Montana and Budget Committee Chairman Kent Conrad of North Dakota, voted with the GOP — underscoring the gravity of the fiscal concerns.

Known as the CLASS Act, short for Community Living Assistance Services and Supports Act, the idea was originally pushed by Kennedy, the Massachusetts liberal who pursued the goal of health care for all through decades in public service until his death from brain cancer in August.

Workers would pay a modest monthly premium during their careers into the voluntary program. If they become disabled, they would get a cash benefit of at least \$50 a day. That can help pay for a home care attendant, for supplies and equipment, to make home improvements such as new bathroom railings, or defray nursing home costs. A version of the plan was passed by the House. The Obama administration supports it.

Sen. John Thune, R-S.D., who led the effort to cut the CLASS Act, said it would add another unaffordable commitment to a government already swamped with debt — and taxpayers would eventually get the bill.

"The CLASS Act is the same old Washington, same old smoke and mirrors, same old games," said Thune. "We are locking in future generations to deficits and debts as far as the eye can see." But Sen. Chris Dodd, D-Conn., said the Congressional Budget Office projects the program to be fiscally sound for 75 years, without taxpayer bailouts. As a further safeguard, the Senate voted to ensure that funds collected under the plan would only be used to pay out benefits — and not to cover other government obligations.

"It is a solid program that can make a huge difference for millions of Americans, allowing them to lead independent lives with dignity," Dodd said.

Supporters said the program would begin to fill a yawning hole in the social safety net. The cost of nursing homes averages \$70,000 a year, and a home care attendant runs about \$29 an hour. Medicare only covers temporary nursing home stays. Middle-class households have to exhaust their savings before a senior can qualify for nursing home coverage through Medicaid.

In the past week, abortion has flared up as a major impediment to passage of a health care reform bill in the Senate, taking a similar path as it did during the House debate — from obscurity to obstacle in a matter of days. After months of trying to craft a 60-vote coalition based on the finer points of health care policy, Senate Democrats are growing increasingly worried that abortion will upend what had become a clear path to approving the overhaul bill. Sen. Ben Nelson (D-Neb.) sparked a fresh round of concern this week when he repeatedly and definitively vowed to filibuster the health care legislation unless it included abortion restrictions as tough as the so-called Stupak amendment in the House bill. "I don't ordinarily draw a line in the sand, but I have drawn a line in the sand," Nelson said Friday. Nelson certainly has a long history of agitating his party by withholding his vote until he wrings out every last concession from Senate leaders. But on the uncompromising issue of abortion, Democrats fear he may really be

serious this time. "There is a worry that Sen. Nelson means business," said a senior Senate Democratic aide, who spoke on the condition of anonymity to discuss strategy. "Unlike with public option, there is very little ground liberal Democrats are willing to give on this issue. Abortion, not the public option, may be the cause of our first official defection." The United States Conference of Catholic Bishops, which proved highly influential in the House health care debate, is assisting Nelson and Sen. Orrin Hatch (R-Utah) in drafting an anti-abortion amendment, and its representatives are meeting with senators, including Byron Dorgan (D-N.D.). The bishops have also sent a nationwide bulletin insert to its parishes for Sunday Mass, according to a source familiar with the plans. The conference rallied parishioners in a similar way ahead of the House vote. The bishops conference didn't return calls seeking comment.

Advocacy groups on both sides of the issue are using the weekend to mobilize supporters ahead of a debate that could begin as early as Monday. Senate Majority Leader Harry Reid (D-Nev.) had expected to dispense with the abortion amendments by the weekend, but Nelson sought more time.

WASHINGTON – President Barack Obama appears to have secured what President George W. Bush couldn't: bipartisan support for an unpopular and faltering war. Despite expressing an uneasiness about the details, lawmakers are poised to back Obama's plan to send 30,000 more troops to Afghanistan after getting assurances that some soldiers and Marines will begin withdrawing in July 2011. The strategy marks the largest expansion of the war since it began eight years ago. Critics conceded that Obama will have little trouble early next year getting Congress to provide an added \$30 billion or \$40 billion to carry it out. The president's chief military and diplomatic advisers faced more questioning from lawmakers Thursday after encountering only tepid criticism Wednesday from members of the Senate Armed Services and House Foreign Affairs committees. Anti-war Democrats, who rose to power because of voter opposition to Bush's strategy in Iraq, said they are skeptical that the troop buildup is necessary or will work. But at the same time, party leaders — who were among Obama's biggest supporters in his campaign for president — said it was unlikely that they would try to block the deployments or the money he wants.

Critical to winning Democratic support was a July 2011 deadline that Obama set to begin troop withdrawals. Michigan Sen. Carl Levin, chairman of the Senate Armed Services Committee, said setting the date will "produce the sense of urgency in the Afghan government that has been lacking up to now." Republicans won assurances from Defense Secretary Robert Gates that the 2011 withdrawal date was flexible. They otherwise supported the troop buildup because it fulfills a request by U.S. commanders in Afghanistan for more soldiers and Marines. "Once we achieve our objectives — an Afghanistan that can defend itself, govern itself, control its borders and remain an ally in the war on terror — then we can reasonably discuss withdrawal, a withdrawal based on conditions, not timelines," said Senate Republican leader Mitch McConnell of Kentucky. Sen. Joe Lieberman, a Connecticut independent, told Gates, "You've struck exactly the right balance." Gates said the president was committed to begin pulling at least some troops out by the target date. But the president will have the authority to change gears after the Defense Department conducts a formal assessment in December 2010.

"We're not just going to throw these guys in the swimming pool and walk away," Gates said of the Afghan security force. Rep. John Murtha, D-Pa., chairman of a military spending panel, told reporters he anticipates the Pentagon asking for \$40 billion for the war early next year and Congress approving it. "It's not likely that there would be any circumstances where the president would lose this battle," he said

WASHINGTON — Two weeks ago in Pakistan, Central Intelligence Agency sharpshooters killed eight people suspected of being militants of the Taliban and Al Qaeda, and wounded two others in a compound that was said to be used for terrorist training. Then, the job in North Waziristan done, the C.I.A. officers could head home from the agency's Langley, Va., headquarters, facing only the hazards of the area's famously snarled suburban traffic. It was only the latest strike by the agency's covert program to kill operatives of Al Qaeda, the Taliban and their allies using Hellfire missiles fired from Predator aircraft controlled from half a world away. The White House has authorized an expansion of the C.I.A.'s drone program in Pakistan's lawless tribal areas, officials said this week, to parallel the president's decision, announced Tuesday, to send 30,000 more troops to Afghanistan. American officials are talking with Pakistan about the possibility of striking in Baluchistan for the first time — a controversial move since it is outside the tribal areas — because that is where Afghan Taliban leaders are believed to hide. By increasing covert pressure on Al Qaeda and its allies in Pakistan, while ground forces push back the Taliban's advances in Afghanistan, American officials hope to eliminate any haven for militants in the region.

One of Washington's worst-kept secrets, the drone program is quietly hailed by counterterrorism officials as a resounding success, eliminating key terrorists and throwing their operations into disarray. But despite close cooperation from Pakistani intelligence, the program has generated public anger in Pakistan, and some counterinsurgency experts wonder whether it does more harm than good.

Assessments of the drone campaign have relied largely on sketchy reports in the Pakistani press, and some have estimated several hundred civilian casualties. Saying that such numbers are wrong, one government official agreed to speak about the program on the condition of anonymity. About 80 missile attacks from drones in less than two years have killed "more than 400" enemy fighters, the official said, offering a number lower than most estimates but in the same range. His account of collateral damage, however, was strikingly lower than many unofficial counts: "We believe the number of civilian casualties is just over 20, and those were people who were either at the side of major terrorists or were at facilities used by terrorists."

WASHINGTON — The White House spokesman is saying President Barack Obama set a July 2011 date for the beginning of a U.S. troop withdrawal to make sure the Afghan government knows it has limited time to reform itself and take charge of security. Spokesman Robert Gibbs said Wednesday that the announcement was a signal to President Hamid Karzai that he and his government must "change their behavior and take charge" of their security. Obama set the date as part of his announcement that he was sending 30,000 additional troops to Afghanistan, ending three-months of deliberations on how to move forward in Afghanistan, where America has been at war for 8 years.

BRUSSELS — America's NATO allies have been strongly supportive of the administration's plans for the war in Afghanistan despite its unpopularity in Europe,

President Barack Obama's envoy said Thursday. Richard C. Holbrooke, the U.S. special representative for Afghanistan and Pakistan said he expects European governments soon to contribute more forces to join the 30,000 fresh U.S. troops that will be deployed to Afghanistan under Obama's new strategy. "We have been very gratified by the strong support of our European allies for President Obama's policy," Holbrooke told journalists. He spoke before a two-day meeting of NATO foreign ministers that opens later Thursday. U.S. Secretary of State Hillary Rodham Clinton will brief the ministers on Friday. Obama's plan calls for the dispatch of 30,000 more troops to Afghanistan, but includes assurances that some of them will begin withdrawing in July 2011.

NATO Secretary-General Anders Fogh Rasmussen said Wednesday that the allies will contribute at least 5,000 more troops to the war effort, "and probably a few thousand more." European countries have been reluctant to add large numbers of soldiers to a war that often looks unwinnable, and to support an Afghan government tainted by corruption and election fraud. Some leaders are waiting for an international conference on Afghanistan in London next month before promising any more troops. "I understand that the war is unpopular," Holbrooke said. "It's a long way off and there's the legacy of Iraq and Vietnam." But unlike al-Qaida, the enemy in neither Iraq nor Vietnam posed any direct danger to the security of allied nations, Holbrooke noted. "Our core objectives in Afghanistan have not changed, but resources to achieve them have been increased," he said. Success will depend on close cooperation between all 43 troop-contributing nations and countries such as Japan, which provide development aid to the government in Kabul, he said. Fogh Rasmussen did not specify where the additional 5,000 alliance soldiers would come from, or how many would come from Europe.

Italy's defense minister said Thursday his country will send about 1,000 new troops. But the Turkish Foreign Ministry said that, while it is considering increasing its training of Afghan security forces, it will not participate in combat operations.

The U.S. now has 71,000 troops in Afghanistan, while other NATO members and allies collectively have 38,000 troops there. With the reinforcements, the international forces will grow to more than 140,000. The Afghan army has about 94,000 troops, and plans to expand to 134,000. The Afghan police number about 93,000 members.

The U.S. and Afghan forces face an estimated 25,000 Taliban insurgents.

Some reaction to President Barack Obama's plans for the Afghanistan war:

"The Afghanistan-Pakistan review led by the president has provided me with a clear military mission and the resources to accomplish our task. The clarity, commitment and resolve outlined in the president's address are critical steps toward bringing security to Afghanistan and eliminating terrorist safe havens that threaten regional and global security." — Gen. Stanley McChrystal, the top U.S. commander in Afghanistan.

"This is not a U.S. mission alone. There are 43 countries on the ground under NATO command and I am confident that other allies and partners will also make a substantial increase in their contributions." — NATO Secretary-General Anders Fogh Rasmussen.

"Sending 34,000 more troops to Afghanistan will make it 34,000 times harder to extricate ourselves against this mess." — Rep. Jim McGovern, D-Mass.

"If the president remains committed to this crucial fight, Republicans and the American people will stand with him. But sending mixed signals by outlining the exit

before these troops even get on the ground undermines their ability to succeed." — Republican National Chairman Michael Steele.

"I am pleased that he made clear that our resources are not unlimited and our commitment is not open-ended. ... The president drew an essential distinction between his approach to the war and that of the previous administration." — Senate Majority Leader Harry Reid, D-Nev.

"I support the president's decision to follow the advice of Generals Petraeus and McChrystal in ordering a surge of forces into Afghanistan. ... We must ensure that the transition of responsibilities is based on conditions, not timelines." — Senate Minority Leader Mitch McConnell, R-Ky.

"I see no good reason for us to send another 30,000 or more troops to Afghanistan when we have so many pressing issues — like our economy — to deal with in this country." — Rep. Louise Slaughter, D-N.Y.

"What I do not support, and what concerns me greatly, is the president's decision to set an arbitrary date to begin withdrawing U.S. forces from Afghanistan. A date for withdrawal sends exactly the wrong message to both our friends and our enemies." — Sen. John McCain, R-Ariz.

"If you are going to commit to a strategy — and we're not there yet — you have to come up with a way to finance it." — Sen. Bob Casey, D-Pa.

"I think that Gen. McChrystal will be able to use the 30,000 effectively. More would have been better, but this is what the president has recommended and that's what we'll support." — Sen. Kit Bond, R-Mo.

"The American Legion is opposed to any exit strategy that takes place before the mission in Afghanistan is accomplished ... To do otherwise would more correctly be called a 'surrender strategy' to which the Legion would be opposed." — Clarence E. Hill, the American Legion's national commander.

"It's an expensive gamble to undertake armed nation-building on behalf of a corrupt government of questionable legitimacy. Sending more troops could further destabilize Afghanistan and, more importantly, Pakistan, a nuclear-armed state where al-Qaida is headquartered." — Sen. Russ Feingold, D-Wis.

"That will be very, very difficult but necessary strategy." — United Nations Secretary-General Ban Ki-moon.

"I think we must take a few weeks to reflect — first off a few weeks to consult with our other European partners, and then a few weeks to decide what our form of participation would be." — Thierry Mariani, France's special representative for Afghanistan and Pakistan.

"Canada welcomes the additional military and civilian resources the United States will deploy to Afghanistan, particularly to the south. Additional U.S. resources will help to provide a more secure environment for the Afghan people." — Foreign Affairs Minister Lawrence Cannon.

"My major concern is that the administration is more focused on an exit strategy than a success strategy. An exit strategy should come only after we've achieved success." — Sen. Lamar Alexander, R-Tenn.

"I remain skeptical ... about a significant troop buildup when the legitimacy of our Afghan partner is in serious question." — Sen. Paul Kirk, D-Mass.

"The need for additional troops only reinforces the need for timely VA and defense funding. Both the VA and defense budgets are now more than two months late, and our leaders in Congress must act quickly to ensure that we meet the needs of those brave enough to fight our nation's wars." — AMVETS, a veteran's advocacy group.

UNITED NATIONS (AFP) – The United States is not seeking a civilian coordinator for Afghanistan, the US ambassador to the United Nations said Wednesday, apparently contradicting the State Department. "This is not an American proposal," Ambassador Susan Rice told reporters at the United Nations about the alleged plans to appoint an official tasked with helping Afghan President Hamid Karzai's government improve the country's security and economy. "We are not advocating, at this stage, the appointment of a high representative." Her comments came a day after the US State Department said the United States both favored the idea and was seeking support from NATO allies. "It's a way for us to better support the efforts of Afghanistan to provide for its own security and... provide a better economic future for the Afghan people," State Department spokesman Ian Kelly told reporters.

Kelly added that Secretary of State Hillary Clinton would discuss the coordinator's role during a meeting in Brussels on Friday with fellow foreign ministers from the transatlantic military alliance and other countries involved in the mission to stabilize Afghanistan. On Wednesday, Rice appeared to step away from that position, though she acknowledged that "there needs to be improvement and urgently so in the coordination of the civilian component of this mission and the civilian assistance resources." But the UN ambassador said that task fell under the mandate of the United Nations Assistance Mission in Afghanistan (UNAMA). "We may take actions with our partners in NATO and ISAF (the alliance's International Security Assistance Force) to strengthen UNAMA's ability to do that," Rice said.

The British newspaper Guardian reported on Monday that the policy was an attempt to circumvent Karzai, who has been plagued by charges of corruption and tarnished by widespread fraud in elections that eventually returned him to power. Kelly insisted the role of any coordinator would not be "in any way an attempt to... undercut or bypass... the Afghan government." He also denied the Guardian's report that the post was the brainchild of Richard Holbrooke, the US representative for Afghanistan and Pakistan, saying he was unaware of who was behind the idea. A State Department official, speaking on condition of anonymity on Tuesday, said "it's fair to say there's momentum building behind" the idea of a coordinator. Officially, the international community already has such a coordinator in the form of Norwegian Kai Eide, UN Secretary General Ban Ki-moon's special representative to Afghanistan and the head of UNAMA.

WASHINGTON (Reuters) – The United States on Monday recognized the results of a controversial election in Honduras but said the vote was only a partial step toward restoring democracy after a June coup that ousted the elected president. The State Department recognized Porfirio Lobo's victory in Sunday's election but said the Honduran Congress still needed to vote on the restoration of deposed President Manuel Zelaya and form a government of national unity. "While the election is a significant step in Honduras' return to the democratic and constitutional order ... it's only a step and it's not the last step," said Assistant Secretary of State for Western Hemisphere Affairs

Arturo Valenzuela. Before the election, the United States tried and failed to have Zelaya reinstated. Its support of the election upset many Latin American nations, including powerful Brazil, which called Sunday's vote invalid. Elected five months after a coup forced Zelaya into exile on June 28, Lobo is urging Latin American governments to recognize him as president-elect in order to help pull the country out of a deep political crisis. Opposition leader Lobo won some 55 percent of the vote, easily defeating ruling party candidate Elvin Santos. A boycott by supporters of Zelaya was ineffective and electoral officials say the turnout was above 60 percent.

Human rights groups say crackdowns on pro-Zelaya media and marches during the campaign put the validity of the vote in doubt. LOBO WANTS RECOGNITION, SAYS ZELAYA IS THE PAST. Lobo, 61, urged leftist governments in the region to recognize the vote, which was scheduled before the coup.

"We ask them ... to see that they are punishing the people who went to vote, do so every four years and have nothing to do with what happened on June 28," he told journalists.

"I am happy looking toward the future. You keep asking, 'And Zelaya?' Zelaya is history, he is part of the past," Lobo told foreign reporters, although the conditions mentioned by the United States include a vote on Zelaya and presumably his participation in a unity government. "For us, the most important international relationship we have is obviously with the United States," Lobo said.

Brazil, which is increasingly flexing its muscles as its economy becomes more powerful, has dug its heels in on Honduras and refuses to acknowledge Lobo's win.

President Barack Obama is heating up his efforts on climate change, with decisions that have some Democrats in Congress starting to sweat. The announcement Friday that Obama is pushing back his appearance at the Copenhagen summit to its final weekend, the critical negotiating period, signals a willingness to pour significant political capital into his climate agenda – and raises expectations that the White House will reach agreements both internationally and at home. The impact of the scheduling change is magnified by expectations that the Environmental Protection Agency will finalize a key move toward regulating greenhouse gases, with the final release of its endangerment finding expected as soon as Monday. “There’s no question that this is a game changer,” said Carter Roberts, president of the World Wildlife Fund. “It’s huge, it’s important, and it’s logical given the momentum that’s developing around the world and in next the two weeks.” The moves have cheered environmentalists worldwide, who in closed door conversations had previously admitted some frustration with what they saw as a lack of public action by the White House on its climate agenda. “Having decided to join dozens of other world leaders in the right place, at the right time, President Obama is now reinvigorating the U.S. approach to the climate talks at this defining moment in history,” said Oxfam spokesperson Antonio Hill. And they’re putting new pressure on the Senate, which has stalled in its efforts to pass a cap and trade bill amid skepticism from coal, manufacturing, and rural state Democrats. Any international agreement to curb greenhouse gases would need Congress passing legislation capping emissions in the U.S., the world’s second-largest greenhouse gas polluter, after China. “The road to Copenhagen goes through the U.S. Senate,” said Peter Goldmark, the head of the climate and air program for the Environmental Defense Fund. The White House said Friday that Obama would travel to Copenhagen at the end of international climate talks, rather than

in the first week of the talks, as originally planned. The change in schedule is a strong sign of confidence by the administration that they will reach a political agreement in Copenhagen – and that they want to take credit for leading the process.

WASHINGTON — Negotiators in Copenhagen will try to nail down all the main elements of a treaty to curb global warming in the next two weeks, but a final agreement won't be possible until the United States figures out what it will do to reduce emissions of heat-trapping pollution. President Barack Obama plans to visit the talks on their final day to promise that the U.S. will cut its share of emissions and to press for a strong agreement. The world, however, will be watching to see whether he also signals a willingness to pressure Congress to enact the law that's needed to make that happen. Despite charges by some critics that data on global temperatures have been altered, the evidence of climate change is conclusive and worsening.

In the past few years, Arctic summer sea ice shrank so much that even glaciologists were startled. For the first time, scientists reported that Greenland and Antarctica are shrinking as ice breaks off into the oceans faster. At the same time, the long-term trend of warming continues, according to temperature data kept by U.S. government agencies. "It's extremely hard to get a full-blown treaty without the United States," said Dan Esty, a professor of environmental law and policy at Yale University. "We would have had, if the United States had come ready to negotiate on the question of targets and timetables, a chance to bring China and India into the fold."

China and India have agreed to improve energy efficiency, meaning the growth of their emissions will be reduced. However, they're resisting any deadline for when their emissions should peak and decline. "I think it's going to take presidential leadership to get the U.S. in a position to really move forward on climate change," Esty said.

The Copenhagen meeting, which begins Monday, was designed to reach agreement on:

- How much industrialized countries will reduce heat-trapping pollution.
- How much major developing countries can limit the growth of emissions.
- How much developed countries will help developing ones adapt to unavoidable climate changes and shift to cleaner energy, in the next three years and over the decades ahead.

OTTAWA (Reuters) – Canada's opposition Liberal Party, softening its position on toppling the minority Conservative government, will side with the Conservatives next week on a key financial vote and thus avert an election. The Liberals had said they had lost confidence in the government and would vote against it on every confidence matter, but a senior Liberal source said on Friday his party would vote for what is called the Estimates, automatically a confidence vote.

"We will vote for the Estimates because it allows the government to pay its bills -- not of the same nature as a budget. As for the future, we will see what they come up with and act responsibly -- as we always do!" said the source, speaking on condition of anonymity

OTTAWA (Reuters) – Canada's economy added far more jobs than expected in November, more than erasing the losses in October and suggesting stronger fourth-quarter growth as predicted by the Bank of Canada. Statistics Canada reported on Friday

a net employment gain of 79,000 in November, beating analysts' expectations of a 15,000 gain. The unemployment rate edged lower to 8.5 percent from 8.6 percent in October.

"It's all good. Obviously the headline was a shocker. Some of it came in the part-time and it was a bit of a bounce from the previous month. But most of the details were supportive," said Mark Chandler, head of fixed-income and currency strategy at RBC Capital Markets. The Canadian dollar rose to C\$1.0458 to the U.S. dollar after the report from around C\$1.0530 just before the data was released.

Analysts said the strong details in the report point to a pickup in economic growth in the fourth quarter after a tepid 0.4 percent annualized growth rate in the third quarter, the first rise after a recession lasting three quarters. Still, the Bank of Canada is likely to hold its benchmark interest rate at an all-time low of 0.25 percent at its next meeting on December 8. It is also expected to stick to its pledge to keep rates there until at least the end of June, conditional on inflation staying on track. Governor Mark Carney acknowledged in a speech last month that the bank had overshot with its projection of 2 percent third-quarter growth, but he said its expectation of stronger growth in the fourth quarter and into 2010 remained valid. "I think it's in line because the Bank of Canada has been slightly more bullish on the economy than some of the indicators we have been getting have led us to believe so I think it's essentially in line with the overall view of the Bank of Canada because it does improve the economic outlook somewhat," said Camilla Sutton, currency strategist at Scotia Capital. Compared to the gains in U.S. employment, the recovery in Canada's job market appears to be happening much more quickly. "In both countries we have seen an upward trend. We expect that to continue, but it is really the pace of improvement that differs between Canada and the U.S.," said Anna Piretti, senior economist at BNP Paribas in New York.

SHANGHAI (Reuters) – Prime Minister Stephen Harper urged G20 member states on Friday to avoid protectionism, taking aim specifically at China's restrictions on imports of Canadian canola. "Now more than ever, as tentative signs of recovery are emerging, Canada and China will need to keep our voices strong and united at the G20 table," Harper said in a speech to a business forum in Shanghai. "The messages we must impart during this critical period will be threefold: first, we must urge fellow members to follow through on committed stimulus. Second, we must develop exit strategies to avoid inflation and asset bubbles. And third, perhaps most importantly, we must insist that all leaders stand firm against protectionist pressures. "We have seen movements toward protectionism, albeit modest, since this global recession began. But modest or otherwise, protectionism is the single greatest threat to long-term recovery for Canada, for China and for the entire world economy."

The prime minister met with China's top leaders in his first visit to the Asian giant after nearly four years in office, which he said marked a significant new era in bilateral relations. China had bristled at Harper's previous criticism of its human rights record, but friction has eased over the past year as a parade of Canadian ministers has visited Beijing and China has made several big investments in the Canadian resource sector.

This week, China lifted an import ban on pork from Canada, the United States and Mexico, which had been in place since the outbreak of the new H1N1 strain of influenza this spring. "We welcome China's decision to lift restrictions on Canadian pork, but ill-considered protectionist measures -- like restrictions on canola imports -- can only lead to

increased pressures for retaliation and protectionism," Harper said. China has restricted imports of Canadian canola, which it imports to use as cooking oil, citing concerns about the spread of blackleg disease, a fungus that can kill the plant but causes no risk to humans. China is Canada's top export market for canola and the Canola Council of Canada estimates the dispute will cost the industry C\$1.3 billion (US\$1.2 billion).

Western Europe

LISBON, Portugal – Top European Union officials attended a ceremony Tuesday to mark the coming into force of the Lisbon Treaty, which is designed to ensure the bloc has a more influential say in world affairs. The treaty took effect after years of wrangling within the 27-nation union over its provisions. The glitzy ceremony took place at a specially built temporary venue next to the River Tagus, near where the treaty was signed two years ago. A logo of the treaty was projected onto a nearby 16th-century monument, and a fireworks display ended the hour-long ceremony for several hundred invited guests, including the prime ministers of Sweden and Spain.

European Commission President Jose Manuel Barroso said in a speech that the legal implementation of the treaty marked the completion of a 20-year cycle of European history since the 1989 fall of the Berlin Wall and the bloc's consequent expansion into Eastern Europe. "The Lisbon Treaty is, in that sense, the symbol of a reunited, free and democratic Europe," he said. However, he warned that the treaty was not an end in itself. "Nothing can replace leadership, determination and political will," he said.

The treaty features new rules to accelerate decision-making so that the EU can respond more swiftly to global issues such as defense, energy security, climate change and migration. Many Europeans expressed unease about the possibility the treaty might create a superstate that could neglect the concerns of individual countries. The treaty is a revised version of a draft constitution that was approved by EU leaders in 2004 and was intended to mark a new era in European integration. But French and Dutch voters rejected it at the ballot box the following year.

ESTORIL, Portugal – Honduras should return ousted President Manuel Zelaya to power, leaders from Latin America, Spain and Portugal said at a summit Tuesday. Calling the June coup that forced Zelaya out "unacceptable," they said reinstating him was "a fundamental step" the Central American country needed to take to return to constitutional normality. The coup in Honduras was Central America's first in 20 years. The statement — released at the end of a three-day Iberoamerican summit in Estoril, Portugal — also said leaders at the annual meeting had analyzed Honduras' weekend election won by Porfirio Lobo, but they did not elaborate.

The final statement on Honduras seemed to reflect a clear victory for regional heavyweights Argentina, Brazil and Venezuela, who had opposed any recognition of Sunday's elections in Honduras. Summit participants also discussed the global financial crisis and climate change, though the talks were overshadowed by efforts to reach a united stance on the Honduras crisis. "Respect for a democratic way of life has, especially in the Latin American region, a tragic history and because of that we have to defend democracy unconditionally," Argentine President Cristina Kirchner told a press conference.

The leaders of Colombia, Peru and Costa Rica, however, had individually endorsed the election. "Some will say (the statement) goes too far, others will say it doesn't go far enough," Portuguese Prime Minister Jose Socrates said. His Spanish counterpart Jose Luis Rodriguez Zapatero said all leaders opposed the coup but that "differences centered on how we evaluated the elections and their consequences." Brazilian President Luiz Inacio Lula da Silva said those behind the Honduran coup had no legitimacy to call elections. "Honduras hasn't respected the most elementary principle of a return to democratic normality," he said before leaving Portugal for a state visit to Ukraine. "They could have done things normally: the president returns, calls elections and Honduras returns to normal." Silva said accepting Honduras' current situation would encourage anyone planning a coup. "We can't pretend nothing happened," Silva said. "If this state of affairs is allowed to remain, democracy will be at serious risk in Latin and Central America." The summit statement also made an "energetic appeal" for Honduran authorities to ensure the safety of Zelaya, who has been staying at the Brazilian Embassy in Tegucigalpa for two months

BRUSSELS (AFP) – Europe crawled out of recession in the third quarter with the 16-nation eurozone posting 0.4 percent growth, official data confirmed on Thursday. While keeping with its initial GDP estimate for the eurozone, the EU's Eurostat data agency tweaked upwards the official growth rate for the 27-nation EU as a whole to 0.3 percent from an earlier estimate of 0.2 percent. While the world's biggest trading bloc thus joined Japan and the United States in returning to growth, the situation remained fragile. "We suspect that the eurozone's recovery could well lose momentum for a time in 2010 before growth starts to gradually pick up again," cautioned Howard Archer, chief economist for the IHS Global Insight forecasting group. "This loss of momentum is expected to be the consequence of the withdrawal of some stimulus measures, including car scrappage schemes and employment support measures," he explained, estimating that eurozone GDP growth will be limited to around 1.0 percent next year. Underlining the fragility, eurozone retail sales were stable in October, narrowly ending a downward trend, but still significantly down on a year ago. Unsurprisingly, seasonally there was a sizeable GDP contraction on a 12-month basis, down 4.1 percent in the eurozone and 4.3 percent in the EU, though these figures too were better than the equivalent results in the second quarter. The return to growth followed five quarters of contraction as Europe and the rest of the world was buffeted by the financial and economic crises.

Leading the field in Europe's return to growth was Germany, where GDP expanded for a second successive quarter and at an increased rate of 0.7 percent quarter-on-quarter. France also expanded for a second successive quarter, while not accelerating, and Italy and the Netherlands returned to growth. The Spanish economy spoiled the party by continuing to contract, as did that of non-eurozone Britain. Where there was growth, or at least moderated falls, this was at least in part to fiscal stimulus measures and improved global trade, analysts said. Private sector business activity across the eurozone also showed further signs of recovery, growing at the fastest rate for two years in December, according to a well-watched survey.

LONDON (AFP) – British bankers slammed French President Nicolas Sarkozy Wednesday for trumpeting France's new EU commissioner, fuelling a row over regulation even as Chancellor of the Exchequer Alistair Darling sought calm. The British Bankers' Association said Sarkozy had damaged confidence in the European Union with his suggestion that Michel Barnier would bring French economic ideas to the table in his new job as financial services commissioner. "President Sarkozy must surely recognise that he has undermined the EU with his statements and put a question mark over the impartiality of his nominated commissioner that will not be easily dispelled," said BBA chief Angela Knight.

Barnier was named to the prized European Union post of overseeing banks and other financial services last week, sparking outrage in London where many accuse him of being against the free market economic model. Sarkozy said at the weekend that "it is very reassuring that it is French ideas about regulation that are winning out in Europe," adding that the British "were the big losers" of a carve-up of EU jobs. The comments stoked concerns about a new pan European framework for overseeing regulations, which Britain had been fighting amid fears it would pose undue restrictions on the financial industry here. "If anyone in the European project thinks for a minute that they are capable of subverting the years of effort it took us to make the UK the world's financial centre, they are sadly mistaken," said Knight.

Earlier, Darling had also warned Barnier against meddling with London's banking hub, writing in the Times newspaper that miscalculated reforms of Europe's financial services could drive the industry away. "London, whether others like it or not, is New York's only rival as a truly global financial centre," he wrote, adding: "It is in all of Europe's interests that they prosper." However, he sought to move past the tensions Wednesday with an invitation to Barnier to come to London and a promise to work closely with the Frenchman.

LONDON – Britain's High Court dealt a blow to the government Tuesday by ruling that terror suspects cannot be denied bail on the basis of secret evidence. The court was ruling in the case of two men suspected of terrorist activities. They have been refused bail but their lawyers have not been told why. Home Secretary Alan Johnson said he was "surprised and disappointed" by the judgment. "We will do everything possible to keep this country safe and are taking steps accordingly in the light of this unhelpful judgment," he said. Two High Court judges said suspects must be given an "irreducible minimum" of information about the case against them.

One of the suspects is a 23-year-old Pakistani student who was among a dozen people arrested in anti-terror raids in northwest England last year. All were released without charge, but the student is facing deportation on security grounds. The other suspect is an Algerian national. Neither has been identified by name. The men will not be released immediately. The government is seeking permission to appeal. Civil liberties groups praised the ruling. "Yet again it takes a senior judge to point out what most people already know — if the government is going to lock you up, it needs to tell you why," said Shami Chakrabarti of the rights group Liberty.

ROME – Italy is considering taking in other prisoners from Guantanamo to help President Barack Obama close down the prison, the country's foreign minister said Tuesday, a day after Italy accepted two former detainees.

Premier Silvio Berlusconi promised Obama at a White House meeting in June that Italy would accept three people as part of the U.S. administration's bid to close down Guantanamo. Obama said last month that he would miss his January deadline to close the prison, partly because he cannot persuade other nations to take the detainees.

Italy took in two Tunisian inmates Monday as a "concrete political sign" of the country's commitment to help Washington close Guantanamo, Justice Minister Angelino Alfano said in a statement late Monday.

Two other inmates from Guantanamo were sent to France and Hungary also on Monday, U.S. officials said, leaving 211 detainees at the U.S.-run prison in Cuba. Since 2002, more than 550 detainees have been transferred from the military base.

But France said Tuesday it did not plan to take in any more inmates following the arrival of Saber Lahmar, the second detainee taken in by France at Obama's request. The Algerian spent seven years at Guantanamo following his detention in Bosnia on suspicion of plotting to bomb the U.S. Embassy in Sarajevo, but was later cleared for lack of evidence. Adel Ben Mabrouk, 39, and Mohamed Ben Riadh Nasri, 43, of Tunisia, were immediately taken into custody upon arrival in Milan late Monday. Both men are accused of being members of a terror group with ties to al-Qaida and of recruiting fighters for Afghanistan, officials said. Italy plans to put the Tunisians on trial. Nasri spoke with prosecutors past midnight, and Mabrouk will be questioned in the next few days.

"He was heard, more than interrogated," attorney Roberto Novellino said of Nasri. "Physically he's fine, just tired because the trip was long." He said Nasri discussed why he was sent to Guantanamo and the circumstances of his transfer there.

Washington has asked Italy to take in more Guantanamo detainees and gave a list of names, which Rome is studying, Foreign Minister Franco Frattini said.

Frattini declined to give any details about the third detainee's identity or arrival date. But he said Italy has agreed "to take in others."

GENEVA – The United Nations called Switzerland's ban on new minarets "clearly discriminatory" and deeply divisive, and the Swiss foreign minister acknowledged Tuesday the government was very concerned about how the vote would affect the country's image. U.N. human rights chief Navi Pillay said Sunday's referendum to outlaw the construction of minarets in Switzerland was the product of "anti-foreigner scare-mongering." The criticism from Pillay, whose office is based in the Swiss city of Geneva, comes after an outcry from Muslim countries, Switzerland's European neighbors and human rights watchdogs since 57.5 percent of the Swiss population ratified the ban.

The Swiss government opposed the initiative but has sought to defend it as an action not against Islam or Muslims, but one aimed at improving integration and fighting extremism. "These are extraordinary claims when the symbol of one religion is targeted," Pillay said in a statement. She said she was saddened to see xenophobic arguments gain such traction with Swiss voters despite their "long-standing support of fundamental human rights." The referendum doesn't affect Switzerland's four existing minarets, or the ability of Muslims to practice their religion. It only bans the towers used to put out the Islamic call to prayer. But wealthy Arab tourists might think twice now about spending

their money in Geneva and other Swiss cities, and the neutral country's efforts to mediate in the Israeli-Palestinian conflict could also suffer. Sweden, which holds the European Union's rotating presidency, said the United Nations should reconsider its presence in Geneva, where it employs thousands of people and holds hundreds of conferences each year. "Questions could very well be raised within the U.N. about holding meetings and activities in Switzerland, even if the Geneva canton belonged to those which voted against the ban," Swedish Foreign Minister Carl Bildt said on his blog. Bildt said the vote was a poor act of diplomacy on Switzerland's part. "Even if this is Switzerland, it sends a very unfortunate signal to large parts of the rest of the world about attitudes and prejudices in Europe," Bildt said. "We all have an interest in showing that this impression is false and in the long-term even dangerous." In Athens on Tuesday, Swiss Foreign Minister Micheline Calmy-Rey said the government was worried about the ban.

"We are very concerned with this referendum. The reality of our societies in Europe and throughout the world is that each limitation on the coexistence of different cultures and religions also endangers our security," Calmy-Rey said during a meeting of foreign ministers of the 56-nation Organization for Security and Cooperation in Europe.

"Provocation risks triggering other provocation and risks inflaming extremism," she added. Sunday's referendum, which was backed by nationalist parties, forced the government to declare illegal the building of any new minarets. Calmy-Rey stressed that Muslims were accepted in Swiss society, and the decision would not change the foreign policy of the country, which would continue to maintain close relations with Muslim nations. "Swiss Muslims are well integrated and will continue to attend the 200 mosques in the country," she said. The minister said if an appeal against the referendum is lodged at the European Court of Human Rights, it would be up to the court to decide on its legality.

JERUSALEM (Reuters) – A proposal before the European Union to endorse the division of Jerusalem would risk closing off half the city to non-Muslims, according to a think tank close to the Israeli government. The Israel Project said the plan could be backed at a regular meeting of the bloc's 27 foreign ministers on Monday, as part of what it called a bid to "forge a high-profile role" in resolving the Palestinian-Israeli conflict. Diplomats in Brussels said the EU meeting was likely to discuss the stalled Middle East peace process, but no radical new policy change was in the works. East Jerusalem has been seen for years as prospective capital of a future Palestinian state. The think tank singled out current EU president Sweden and its foreign minister Carl Bildt, saying he aimed to sideline the EU's more balanced existing policy. Relations between Sweden and Israel have been irritated recently by what was seen in Israel as an anti-Semitic story in the Swedish press and Israel's refusal to let a Swedish minister visit Palestinians in the blockaded Gaza Strip. The Israeli strategists say the EU's current policy calls for a two-state solution which "should take into account the political and religious concerns of both sides, and protects the religious interests of Jews, Christians, and Muslims worldwide." They said that when East Jerusalem fell under Arab control in the 1948 Middle East war, "access typically was denied to all but non-Muslims, forbidding Christians and Jews from visiting their holiest sites." The think tank said that Israel, by contrast, after its victory in the 1967 Middle East war, "liberated Jerusalem and opened it up to people of all faiths."

The Israel Project said that "the EU proposal also implies recognition of a unilaterally declared Palestinian state" that it says the Palestinian Fatah movement intends to announce without waiting for any peace treaty with Israel. It said Israel's foreign ministry had responded to "the Swedish proposal" urging the EU to instead "focus on getting the Palestinians to take steps to demonstrate they are interested in pursuing peace."

LONDON (AFP) – The world's rich and powerful have long chosen London to defend their interests in court, but pressure is mounting for an overhaul in the English laws that saw it named "libel capital of the world". Lawyers, freedom of speech campaigners and even members of the government are questioning whether legislation designed to protect people's reputations is now being used to silence criticism, especially by scientists. "What concerns me is that the current arrangements are being used by big corporations to restrict fair comment, not always by journalists but also by academics," says Justice Secretary Jack Straw.

English libel laws are widely viewed as some of the toughest in the world, a fact blamed for a stream of foreign claimants who come here to sue for defamation, prompting the press to dub London the world's "libel capital". Concern about this so-called "libel tourism" and the law more generally have grown as it emerged that scientists are also being targeted. Cardiologist Peter Wilmshurst is facing legal action here from US firm NMT Medical about comments he made on some of their research two years ago. Meanwhile science writer Simon Singh is being sued by the British Chiropractic Association for a 2008 newspaper article in which he questioned the use of spinal manipulation in various childhood conditions. NMT Medical and the BCA both argue they are not stifling debate but are fighting libellous remarks. Their cases, which have yet to be resolved, have been taken up by campaigners as an issue of freedom of speech. The British Medical Journal has warned that suing scientists for raising concerns could harm patient care. "People whose scientific claims are questioned are turning to the law to attempt to silence their critics rather than engaging in open scientific debate," it said in an editorial. It added: "Weak science sheltered from criticism by officious laws means bad medicine." Leading barrister Lord Gordon Barrie has also argued: "Scientists, other scholars, medical experts are becoming increasingly wary of challenging dubious claims... because of the chilling effect of the various aspects of libel law."

LONDON – Pakistan needs more information on U.S. plans for Afghanistan before it will decide on its position toward them, the Pakistani prime minister said Thursday. Prime Minister Yousuf Raza Gilani said Pakistan was looking into the implications of the troop surge announced by President Barack Obama in a major speech Tuesday — including the suggestion that more CIA resources would be deployed to Pakistan. "Regarding the new policy of president Obama, we are studying that policy," Gilani said during a joint news conference with his British counterpart Gordon Brown in London. "We need more clarity on it, and when we get more clarity on it we can see what we can implement on that plan." Gilani said that Gen. Stanley McChrystal, the top U.S. commander in Afghanistan, and Adm. Mike Mullen, chairman of the Joint Chiefs of Staff, would be visiting Pakistan at some point in the future to discuss the plans. Gilani has been lukewarm to the idea of a troop surge, saying he fears it would merely push Afghan militants into Pakistan. The U.S. and Britain have been putting tremendous

pressure on Pakistan to root out the militants already on its side of the border, in a lawless area from which they frequently attack NATO and Afghan troops.

Speaking before Gilani, Brown said he was pledging 50 million pounds (\$83 million) in new funding to help Pakistan pacify the region.

Brown said the money would go into Pakistan's program to help re-establish its control over the chaotic border region, which he has identified as the source of three-quarters of the terrorist plots that have targeted Britain since 2001.

"I'm pleased today to confirm my offer of a further 50 million pounds to back your plans for long-term stabilization of the border areas," Brown said. Brown said that aid being provided by Britain would go into reconstruction, education and the relocation of people displaced in the fighting. Gilani is in London for talks with the British leader, who has lobbied the country to do more to find the al-Qaida leaders believed to be hiding out in the border region. Brown told the BBC on Sunday that with more troops being sent to Afghanistan, Pakistan needs "to be able to show that it can take on al-Qaida."

PARIS – European leaders and top diplomats hailed President Barack Obama's speech defining the new U.S. strategy in Afghanistan, but few countries were forthcoming Wednesday with pledges of fresh troops. French President Nicolas Sarkozy commended the speech as "courageous, determined and lucid" but stopped short of offering more soldiers from France, the fourth largest contributor to NATO's Afghan effort. In neighboring Germany, Foreign Minister Guido Westerwelle praised Obama's speech as supporting Germany's position that a political solution for Afghanistan backed by military support was the only way forward. Like France, Germany indicated that troop increases will not be discussed until after a London conference on Afghanistan in late January. Speaking just hours after Obama announced the deployment of 30,000 fresh U.S. troops to Afghanistan, NATO chief Anders Fogh Rasmussen said in Brussels that European and other U.S. allies will contribute more than 5,000 more troops to the international force in Afghanistan.

Rasmussen did not specify where the troops would come from and how many would be from Europe — and reluctance for major new troop contributions was palpable Wednesday across the continent. Westerwelle praised Obama for making clear there must be an end to the mission. "We agree with the U.S. president, that there cannot be only a military solution, but what we need is a political solution that is supported by the military," Westerwelle said. He and his French counterpart, Bernard Kouchner, said their countries remained committed to helping build up and training the Afghan police force. Of the major European continental powers deployed in Afghanistan, only Poland indicated a solid willingness to send more troops. A Polish official said the government will likely send 600 reinforcements to beef up its existing 2,000-strong contingent in Afghanistan. Government spokesman Pawel Gras said the decision still needs approval from Prime Minister Donald Tusk's cabinet and from President Lech Kaczynski, the supreme commander of the army. Most European nations appear willing to keep current troop levels for now, but they all want to see an exit strategy. The U.S. now has 71,000 troops in Afghanistan, while other NATO members and allies collectively have 38,000 service members there. With the added reinforcements, the international forces will grow to more than 140,000 soldiers.

Key allied pledges to the NATO-led international force in Afghanistan, in addition to the deployment of 30,000 U.S. reinforcements announced by President Barack Obama. Firm pledges are expected at a conference next Monday, and following the international conference on Afghanistan in January. NATO officials say they expect 20 nations to commit new troops.

In past week:

Albania: 85.

Georgia: up to 1,000.

Macedonia: 80.

Poland 600.

In past month:

Britain: 500.

Montenegro: 40.

Slovakia: 250.

South Korea: up to 500.

Spain: 250.

BRUSSELS – NATO allies will bolster the American troop surge in Afghanistan by sending at least 7,000 soldiers of their own, officials said Friday in pledges that U.S. Secretary of State Hillary Rodham Clinton described as crucial to turning the tide in the stalemated war. The promised increase came as U.S. Marines and Afghan troops launched the first offensive since President Barack Obama announced a 30,000-troop American increase. The Marines and Afghan forces struck Taliban communications and supply lines Friday in an insurgent stronghold in southern Afghanistan. In yet another war development, U.S. officials said the Obama administration may expand missile strikes on al-Qaida and the Taliban inside Pakistan and will focus on training Pakistan's forces in a border area where militants have been aiding the Afghan insurgency.

The Marine Corps offensive was part of preparations for the arrival of the 30,000 U.S. reinforcements, Gen. David Petraeus told The Associated Press. The top general in charge of both the Afghanistan and Iraq wars said the military has been working for months to extend what he called "the envelope of security" around key towns in Helmand and Kandahar provinces. Hundreds of Marines were dropped by helicopter and MV-22 Osprey aircraft behind Taliban lines in the northern end of the Now Zad Valley of Helmand province, scene of heavy fighting last summer, according to Marine spokesman Maj. William Pelletier. In Brussels, Clinton told allied foreign ministers that it was essential that contributions to the war effort be provided as quickly as possible. She thanked Italy for its announcement that it will send an additional 1,000 troops and Britain for its pledge of another 500, but she said nonmilitary assistance is equally important.

"The need for additional forces is urgent, but their presence will not be indefinite," she told the North Atlantic Council, NATO's highest political group. NATO Secretary-General Anders Fogh Rasmussen of Denmark told reporters at the organization's headquarters that still further NATO forces might be in the offing, suggesting there would be "more to come." Also, Adm. James Stavridis, the top NATO and U.S. commander in Europe, said in an Associated Press interview that he expects several thousand more non-U.S. troops might be added to the 7,000.

LONDON (AFP) – George W. Bush and Tony Blair's conviction that Iraqi leader Saddam Hussein was a threat blinded them to the lack of evidence justifying a war to depose him, an ex-UN weapons inspector said Saturday. Hans Blix, who led the UN weapons inspection team in the run-up to the 2003 invasion, told the Daily Mail that the

then US and British leaders had "misled themselves and then they misled the public" about the reason for the conflict. The presence of weapons of mass destruction was the main justification for the US-led war in the absence of explicit UN approval, but Blix's team found nothing in the run-up to the invasion, nor were such weapons found afterwards. "They were convinced they had their witch in front of them, and they searched for the evidence and believed it without critical examination," the 81-year-old told the newspaper. "I'm not saying they acted in bad faith, they exercised very bad judgment. A modicum of critical thinking would have made them sceptical," Blix added. "When you start a war which cost thousands of lives you should be more certain than they were." Blix said he warned Blair not to invade, saying: "It would prove paradoxical and absurd if 250,000 troops were to invade Iraq and find very little."

He added that if Britain had been committed to seeking UN approval for the invasion in the form of a Security Council resolution, "they could have slowed the military build-up ... but that wasn't the case". "They eventually had so much military in the Gulf that they felt they had to invade," Blix said. The last of Britain's combat troops withdrew from Iraq earlier this year, but an official inquiry into the conflict launched last month has renewed questions about why Blair took the country to war and why. The Daily Mail said that, contrary to reports, Blix had not been called to give evidence to the inquiry, which is expected to hear from Blair himself early next year.

LONDON – A former British military chief says the United States decided that it had won the war in Iraq too soon. Former deputy chief of defense staff Lt. Gen. Anthony Pigott said Friday that the U.S. was too triumphant when Saddam Hussein's statue in Baghdad was pulled down in April 2003. U.S. Marines tore down the statue of the former Iraqi president in 2003 in what became one of the iconic images of the U.S.-led invasion. Pigott said that "nobody had won anything when the statue came down." Pigott was giving evidence at an inquiry into the period leading up to and after the Iraq war. The war was deeply unpopular in Britain, left 179 British soldiers dead and triggered huge protests.

Latin America

TEGUCIGALPA, Honduras – Honduras' Congress ended hopes of reversing a coup that has isolated one of the poorest countries in the Americas, voting against reinstating ousted President Manuel Zelaya despite intense international pressure to do so. The vote Wednesday was part of a U.S.-brokered deal to end Honduras' crisis that left it up to Congress to decide if Zelaya should be restored to office for the final two months of his term — and lawmakers voted against the idea by a resounding 111-14 margin. Zelaya, who listened to the proceedings from his refuge in the Brazilian Embassy, said even before the vote that he wouldn't return for a token two months if asked. He said he should have been reinstated before Sunday's presidential election and urged governments not to restore ties with the incoming administration of Porfirio Lobo. "Today, the lawmakers at the service of the dominant classes ratified the coup d'etat in Honduras," Zelaya said in a statement released after the vote. "They have condemned Honduras to exist outside the rule of law."

The Obama administration and some Latin American governments had urged Honduran lawmakers to reinstate Zelaya, who was seized and flown out of the country on June 28, generating worldwide calls for his reinstatement, foreign aid cuts and diplomatic isolation. But Honduras' interim leaders have proven remarkably resistant to diplomatic arm-twisting since the June 28 coup, rejecting near-universal demands that Zelaya be restored to his office before the previously scheduled election. Now lawmakers have even snubbed international demands that he be allowed to serve the final two months of his presidency. Lawmaker after lawmaker insisted Wednesday that they were right the first time when they voted to oust Zelaya for ignoring a Supreme Court order to cancel a referendum on changing the constitution. That vote happened hours after soldiers stormed into Zelaya's residence and flew him into exile in his pajamas. Zelaya opponents accuse him of trying to hang on to power by lifting a ban on presidential re-election, as his leftist ally Hugo Chavez has done in Venezuela. Zelaya denies such intentions.

TEGUCIGALPA (Reuters) – The favorite in Honduras' weekend presidential election said on Friday he will try to persuade the world and especially Brazil to recognize him if he wins to end Central America's worst political crisis in decades. Conservative Porfirio "Pepe" Lobo, who has a clear lead over his closest rival in recent polls, urged Brazilian President Luiz Inacio Lula da Silva to see a new Honduran president-elect as legitimate even though Sunday's vote follows a June coup. "We will be knocking at president Lula's door and everyone else's to reestablish channels of friendship with all nations," Lobo, a wealthy farmer, told foreign correspondents. Brazilian Foreign Minister Celso Amorim said on Thursday recognizing the election would mean legitimizing the coup that toppled leftist President Manuel Zelaya. Zelaya, thrown out of Honduras by soldiers on June 28, snuck back into the country to take refuge in the Brazilian embassy in Tegucigalpa in September. Security forces have clashed with pro-Zelaya protesters in the months since the coup and some analysts are worried violence could compromise the vote.

In the early hours of Friday, homemade explosives damaged four schools set up as voting centers in the northern industrial city of San Pedro Sula, police said. No one was wounded. Honduras has been shut out by foreign donors since the coup, and Brazil, the United States and Europe initially pushed hard for Zelaya's reinstatement. U.S. State Department spokesman Ian Kelly said the election was "another critical step" toward restoring democracy in Honduras and involved "legitimate candidates representing parties with longstanding democratic traditions from a broad ideological spectrum." "The holding of a free, fair and transparent election is necessary but not sufficient for Honduras to re-establish the democratic and constitutional order," he said in a statement.

Kelly said Washington, which condemned the coup, would continue to push for implementation of a U.S.-brokered power sharing deal struck in October but which subsequently collapsed, calling it "a democratic way forward for the Honduran people." "The president-elect who emerges from an election deemed free and fair will have a unique opportunity to promote that vital mission," Kelly said. DIVIDED REGION
The question of whether to back the vote and allow Honduras back into the international fold has divided the region. Lula's foreign policy adviser said this week that the United States risked souring relations with most of Latin America if it recognized the Honduras election. Neither Zelaya nor de facto leader Roberto Micheletti -- both from the Liberal

Party -- can run in the race. Lobo, 61, said he was determined to overcome resistance to the vote from Zelaya's close ally Venezuela, as well as the European Union, which has suspended aid to impoverished Honduras until the crisis is resolved. "If I have to go and knock on the King (of Spain's) door I will, immediately," said Lobo, who is running for the opposition National Party but belongs to the country's ruling elite and hails from the same province as Zelaya. Lobo, who narrowly lost the 2005 election to Zelaya, has a 16-point lead over Zelaya's former vice president Elvin Santos, according to an October CID-Gallup poll.

TEGUCIGALPA, Honduras – Honduran activists have ended five months of daily protests demanding the reinstatement of their president since he was ousted in a coup, say they're moving on now that Congress has voted to keep Manuel Zelaya out of office. Juan Barahona, who has been leading protests since late June when Zelaya was forced out of the country, said Friday that his supporters are "closing that chapter" of their struggle. Barahona said it's time for Hondurans who support policies in favor of the poor and other themes that Zelaya espoused to shift their focus to the 2014 elections. Hondurans elected conservative, wealthy rancher Porfirio Lobo to be their new president in the Nov. 29 elections. Lobo says that when he takes office in January he will finally end the political crisis that has isolated one of Latin America's poorest countries. Some countries, including the U.S., have recognized Lobo's election. But others, including Brazil, Bolivia and Argentina, say they won't unless Zelaya is restored to office. In Costa Rica on Friday, President Oscar Arias called Lobo and asked him to consider granting Zelaya amnesty. Arias did not disclose Lobo's response. Larry Birns, director of the Council on Hemispheric Affairs in Washington, said the administration of President Barack Obama has been "behind the curve" when it comes to Honduran policy. "Instead of crafting a stance that would prove harmonious with domestic and international goals, Washington's failed Honduras policy became an embarrassment for its lack of grace and class," he said Friday.

Washington initially indicated it would not recognize the presidential election unless the coup perpetrators restored Zelaya. But the Obama administration later backed down and recognized Sunday's vote. In another sign Friday of the world's mixed response to Honduras' current political status, the Latin American Parliament voted to suspend the Central American country's congress from its ranks as punishment for the coup. "It saddens us a great deal that it had to come to this," said parliament representative Maria Augusta Calle, of Ecuador.

TEGUCIGALPA (Reuters) – Honduras' deposed leftist president, Manuel Zelaya, said on Thursday that democracy in the country was "dead" after lawmakers who backed his ouster in a June coup voted to block his return to power. In a decision that disappointed Washington, Honduras' Congress resisted international pressure and voted 111-14 on Wednesday against Zelaya's reinstatement, throwing his future into question as he remains camped out inside the heavily guarded Brazilian Embassy. A U.S.-brokered deal between Zelaya and de facto leaders who took power after the coup left it up to Congress to decide if he could finish out the last few weeks of his presidency before his term ends in January. "We're disappointed by this decision since the United States had

hoped that Congress would have approved his return," U.S. Assistant Secretary of State for Western Hemisphere Affairs Arturo Valenzuela told reporters on Thursday.

The congressional vote reaffirmed lawmakers' June 28 decision to strip Zelaya of his powers after he was sent into exile at gunpoint. Honduras' de facto leader, Roberto Micheletti, applauded Congress' decision.

Zelaya had already said he would not return to office under the deal, saying the agreement was not negotiated in good faith and its implementation would amount to a win for the coup leaders. "Honduran democracy is dead," Zelaya told the local Radio Globo station on Thursday from the embassy where he has stayed since he sneaked back into the country in September. "This is a mockery of the country's laws. Honduras has no laws any more. Honduras is living in a de facto state," Zelaya said.

MONTEVIDEO, Uruguay – President-elect Jose Mujica retreated to his flower farm and shunned the spotlight on Monday, saying that dumping more talk on Uruguayans after a speech-filled campaign "would be like raining on what is already wet." Congratulations poured in from across Latin America for the former guerrilla whose homespun manner and vows to govern as a conciliator persuaded his nation to trust him with its democracy. Mujica won 53 percent of Sunday's vote to 43 percent for former President Luis A. Lacalle. His victory owes much to the popularity of outgoing socialist President Tabare Vazquez, a physician whose 2005 victory ended 150 years of rule by right-wing parties or the military. Vazquez's coalition chose Mujica to run for the single-term presidency. Luiz Inacio Lula da Silva, who rose from leftist union chief to govern as a centrist in neighboring Brazil, praised his "dear friend" and predicted that Mujica will advance the cause of creating a more just society.

Ecuador's leftist President Rafael Correa said Mujica's "historic victory also represents a triumph for Uruguayan democracy and for the region." And Mexico's conservative Felipe Calderon called Mujica to invite him to visit. Venezuela's Hugo Chavez, however, may have touched some sore nerves with his message, praising the guerrilla past that Mujica assured Uruguayans he had put behind him. Chavez called Mujica a symbol of leftist resistance who always fought with morality on his side and whose presence is now necessary to counter "gorilismo" — referring to right-wing coup plotters in Latin America. Chavez went on to laud the militance of the National Liberation Movement-Tupamaros, the movement that Mujica helped found in the 1960s and that carried out bombings, kidnappings and robberies to overthrow elected governments of the time. During the campaign, Mujica repeatedly denied that he would hijack Uruguay's stable parliamentary democracy and install a radical socialist state modeled on Chavez's in Venezuela. He insisted that he's inspired instead by Silva's performance as president.

The Tupamaro guerrillas caused so much chaos in the 1960s that many Uruguayans initially welcomed a dictatorship that ruled from 1973 to 1985. Mujica spent all that time in prison, enduring torture and solitary confinement for killing a policeman — a crime he denies committing. He says prison cured him of any illusion that armed revolution can achieve lasting social change, and he now rejects the "stupid ideologies" of the past.

MANAGUA, Nicaragua – President Daniel Ortega's attempt to run for re-election has run into a setback in congress. Lawmakers are refusing to recognize a Supreme Court decision that would allow Ortega to run again in 2011 by overturning bans on consecutive re-election and serving more than two terms. The National Assembly approved a resolution Thursday to oppose the top court's decision. Legislators say it is up to Nicaragua's electoral commission to choose which branch of government to heed. The electoral commission's president says the Supreme Court's ruling is final. But he leaves the post in 2010 and lawmakers are betting his replacement will side with them. Ortega was first named president after Sandinista rebels toppled dictator Anastasio Somoza in 1979.

HAVANA – Cuba hit back Thursday at 60 prominent U.S. black leaders who challenged its race record, with island writers, artists and official journalists calling the criticism an attack on their country's national identity. The five-page signed statement, distributed by Cuban government press officials in an e-mail, defended Cuba's progress in providing social and personal opportunities for blacks and people of mixed race. But it focused more on Cuba's past than the situation in contemporary Cuban society that came under criticism from Americans such as Princeton University professor Cornel West; Jeremiah Wright, former pastor of President Barack Obama's Chicago church; and Susan Taylor, former editor of Essence magazine.

Cuba's response said the country has proven its racial credentials by sending troops to Angola and Ethiopia during the 1970s and offering free education through exchange programs and medical schooling to youngsters from Africa. It also recycled past Fidel Castro comments on race and noted that the 1959 revolution led by his bearded rebels "dismantled the institutional and judicial bases of a racist society."

It also accused the signers of the U.S. statement, which was released Tuesday, of being unaware that Cuba offered to send medical assistance after Hurricane Katrina devastated New Orleans — a gesture the U.S. State Department turned down. "To say that among us exists a 'callous disregard' for black Cubans, that their civil liberties are restricted 'for reasons of race,' and to demand an end to 'the unwarranted and brutal harassment of black citizens in Cuba who are defending their civil rights' would seem a delusional farce," Cuba's response read. It accused the U.S. black leaders of being part of a campaign "that is attempting to suffocate our sovereignty and national identity." The response was signed by, among others, Miguel Barnet, a renowned author on race who heads the Union of Cuban Writers and Artists.

Many artists and leaders in the U.S. black community have traditionally supported Castro's government, but this week's statement said that "racism in Cuba ... must be confronted." It also called for the release of Darsi Ferrer, a black physician and political opposition leader who is celebrated in the U.S. but virtually unknown on the island.

Ferrer was arrested in July for obtaining black-market building materials to repair his home in a country where the state controls nearly all construction. Human rights activists say officials prosecuted Ferrer for a crime they often overlook in order to silence him.

Government statistics put the island's black or mixed-race population at about 35 percent, though some U.S. academics believe it is far higher.

HAVANA – Highly anticipated immigration talks between Cuba and the United States have been pushed back because of scheduling concerns that each side blames on the other, another hint that reconciliation may be more difficult than it once appeared. A U.S. State Department official told The Associated Press on Friday that both sides intend to continue holding periodic negotiations on immigration issues twice a year, but that bureaucratic concerns derailed talks that had been scheduled for early December in Havana. "At the Cuban government's request, the talks have been rescheduled for February," he said. A senior Cuban official confirmed that the negotiations had been delayed, but said it was at Washington's bidding — not Cuba's. "We were ready to hold the talks in December," he said.

Both officials spoke on condition of anonymity because they were not authorized to discuss the delay publicly. They agreed that the postponement had nothing to do with politics, but it was another sign of fraying in what months ago seemed like a golden opportunity to end a half-century of discord. "One does have the impression that things are rather stalled, and the postponement of these talks will add to that impression," said Wayne Smith, a senior fellow at the Center for International Policy in Washington and the former head of the U.S. Interests Section in Havana, which the U.S. maintains here instead of an embassy. "It's very disappointing." He blamed officials in Washington for dragging their feet, saying President Barack Obama had taken baby steps and failed to show Havana he was serious about changing U.S. policy. Last month, the State Department denounced an assault — allegedly by plainclothes state security agents — against Cuba's top dissident blogger, Yoani Sanchez. Obama later sent a lengthy personal message to her, praising her for her work and answering a series of questions she had posed.

This week, prominent American black leaders denounced racism on the island — a particularly touchy subject in Cuba — prompting a blistering response from Cuban artists, writers and intellectuals who said their society is not racist. Former Cuban President Fidel Castro has used recent essays on world events to lay into Obama for America's policy in Honduras, which he says amounts to support of this summer's military coup there, and in Colombia, where the U.S. recently signed an accord that will allow American soldiers increased access to seven of that country's military bases

CARACAS (Reuters) – Venezuelan President Hugo Chavez on Wednesday said his government may target more banks for state intervention, sparking investor jitters two days after his government shut four private banks. Venezuelan benchmark bonds fell by the most in three months and the cost to insure Venezuelan debt shot to its highest since July amid what one analyst called "significant distress" in the financial system. Authorities closed four small banks on Monday owned by a wealthy businessman with close ties to the government, citing internal irregularities. That brought hundreds of worried depositors onto the streets, and sparked talk among Venezuelans that more of the nation's nearly 50 banks may also be closed or taken over by the state. Reviving memories of a 1994 financial crisis that wiped out half of Venezuela's banks, opposition TV stations have been running stories of stranded depositors, though the government says it is protecting those affected by this week's closures. "We have our radar switched on to another group of banks," Chavez said in a speech, without giving more details. "Rest

assured that if I was forced to intervene in all the private Venezuelan banking (system), I will do that, no one should doubt that."

Venezuela's benchmark global bond due in 2027, one of the most widely traded emerging market bonds, slumped 4.250 points to bid 68.000 on Wednesday, offering a yield of 14.231 percent. It was the biggest one-day percentage fall in the price of the bonds since August 26. The bond's yield was its highest since July 27. The cost to insure Venezuela's debt annually against default climbed to about 27 percent of face value on Wednesday compared with about 25 percent, according to data from Markit on benchmark five-year credit default swaps, the highest level since the end of July.

The bank interventions raised pressure on financial firms already hit by Venezuela's economic recession, said Goldman Sachs analyst Alberto Ramos. "Depositors remain agitated...there are also reports that a number of brokerage houses are experiencing some distress," wrote Ramos. BLAME-GAME

Chavez said he was aware of telephone calls and Internet messages meant to spark a bank run and undermine his government. He said Venezuela's wealthy elite would suffer, if it was they who were behind them, as the plan would backfire and "the private banking system would fall". Opposition leaders blame Chavez allies -- whom they mock as the "Bolibourgeoisie" after Chavez's idol and independence hero Simon Bolivar -- for enriching themselves through mismanagement of some banks.

BOGOTA (Reuters) – Colombia said on Friday Venezuelan troops had blown up another makeshift bridge across their frontier and were holding a Colombian soldier who crossed the border in the latest incidents to test fraying ties. Andean neighbors Venezuela and Colombia began sparring several months ago in a dispute that has disrupted their \$7 billion a year in bilateral trade and fueled fears of a violent clash along their poorly controlled frontier. Venezuela President Hugo Chavez, a fierce U.S. foe, has ramped up his rhetoric with talk of war and ordered Colombian imports cut to protest a Colombian plan to allow U.S. troops more access to bases to fight cocaine lords and guerrillas.

"They have blown up another community bridge," Colombian Defense Minister Gabriel Silva told reporters. "This is another act of aggression and a violation of international rights." Silva said a Colombian soldier who accidentally crossed the frontier was being held by Venezuelan authorities. Colombia recently released five Venezuelan troops who wandered onto its side of the border.

Venezuela's military said the bridge in Tachira State had been used for by smugglers. Local authorities did not comment on the Colombian charges about a detained soldier. "Troops took out a walkway which was used to transport a lot of contraband food and fuel," said Gen. Franklin Marquez, a regional commander for the Venezuelan National Guard. "They are always patrolling to make sure these bridges are not rebuilt."

Last month, Venezuelan troops dynamited two makeshift footbridges across the border because they were used by traffickers. Colombia denounced the destruction before the United Nations and Organization of American States. Colombian President Alvaro Uribe, a staunch Washington ally, this week accused Chavez's government of imposing an illegal trade blockade similar to the U.S. embargo on Cuba after Venezuela said Colombia was engaged in "psychological war." OPEC-member Venezuela relies heavily on Colombian food products but Chavez is seeking alternative imports from Brazil and Argentina. Colombian shipments to its neighbor plunged 70 percent in October alone.

Southeast Europe

BRUSSELS, Belgium -- The EU Justice and Home Affairs Council decided on Monday (November 30th) to abolish the visa regime for Serbia, Montenegro and Macedonia as of December 19th. Citizens of these countries who possess valid biometric passports will be able to travel to the EU without visas -- except to Britain and Ireland -- and to stay for up to three months.

In other news Monday, Serbian President Boris Tadic is in Brussels for talks with EU officials. In an interview Sunday with the Belgrade-based daily Vecernje Novosti, Tadic reaffirmed that Serbia will apply for EU membership after the interim trade agreement, which is part of its Stabilisation and Association Agreement with the EU, is unblocked. He declined to mention the exact timing, saying Serbia will submit its application only when authorities are sure it will be positively received.

TIRANA, Albania -- Albania says it has agreed to accept more former Guantanamo detainees, but not members of China's ethnic Uighur Muslim minority. Prime Minister Sali Berisha announced the decision following talks in Tirana on Wednesday with U.S. special envoy for Guantanamo Daniel Fried.

But Berisha said his small Balkan country could take no more Uighurs from Guantanamo for fear of prejudicing Albania's relations with China. Five Uighurs were among the eight former detainees from the U.S. prison in Cuba that Albania took in 2006.

The Uighurs are from Xinjiang, an isolated region that borders Afghanistan, Pakistan and six Central Asian nations. They say they have been repressed by the Chinese government, but it claims they are leading an Islamic separatist movement.

TIRANA, Albania -- Educational institutions have initiated a plan to equate local university diplomas with those in Kosovo and Macedonia. The Ministry of Education announced Thursday (November 26th) that Albanian-speaking universities have been notified about the initiative. "We will start the procedures to unify and standardise university curriculum as it is required with the Bologna Process," Tirana University head Dhori Kule said. The Bologna Process aims to create a European Higher Education Area by making academic degree standards and quality assurance standards more comparable and compatible throughout Europe

TIRANA, Albania -- In a phone conversation Tuesday (December 1st), European Commission (EC) Vice-President Jacques Barrot told Prime Minister Sali Berisha that he supports Albania's visa liberalisation process. Berisha was briefing Barrot on efforts being made to meet the EC's criteria for lifting the visa regime, official sources close to the government said.

On Monday, at a ceremony in Brussels to celebrate visa liberalisation for Macedonian, Serbian and Montenegrin citizens, Albanian Interior Minister Lulzim Basha said his country will soon become part of the visa-free regime because it has met many of the requirements. He noted that in just six months, Albania has issued 300,000 biometric passports, and installed control systems at border crossings in compliance with European security standards

SKOPJE, Macedonia – Macedonia says it will send more soldiers to Afghanistan. President Gjorgje Ivanov has promised to deploy an extra 80 soldiers in February, raising the strength of its contingent 250. Ivanov made the commitment Wednesday in a letter to U.S. President Barack Obama, his office said. Macedonia, a small country in southeastern Europe, has participated in the NATO-led International Security Assistance Force in Afghanistan since 2002. Its force provides security at the ISAF camp in Kabul.

SKOPJE, Macedonia -- Prime Minister Nikola Gruevski has asked EU leaders to back the European Commission's (EC) recommendation to start accession talks with Macedonia, local media reported on Sunday (November 29th). In a letter to the leaders ahead of their December summit, he stressed that enabling each candidate country to progress based on its own achievements is a step that encourages internal reforms and motivates other Western Balkan countries. As for the long-standing name dispute with neighbouring Greece, Gruevski reaffirmed that Macedonia will continue participating in UN-mediated negotiations. Meanwhile, the country's president, Gjorge Ivanov, sent a letter to NATO head Anders Fogh Rasmussen reiterating Macedonia's strong determination to fulfill its strategic goals -- namely, NATO and EU membership.

SKOPJE, Macedonia -- Prime Minister Nikola Gruevski will meet with European Commission (EC) President Jose Manuel Barroso on Wednesday (December 2nd), sources from the government told Makfax news agency Monday. The meeting follows Friday's talks between Gruevski and Greek counterpart George Papandreou in the Prespa Lake region in northwest Greece, on the sidelines of a regional environmental meeting. The two officials discussed the long-standing name dispute between their countries. Macedonian officials are actively lobbying ahead of this month's EU summit to get a date for starting accession talks. Macedonian Foreign Minister Antonio Milososki and Greek Alternate Foreign Minister Dimitris Droutsas will be meeting on the sidelines of the OSCE Ministerial Council, under way in Athens.

ATHENS, Greece -- Prime Minister George Papandreou and Alternate Foreign Minister Dimitris Droutsas have told Macedonian Foreign Minister Antonio Milososki that their country's position regarding Skopje's efforts to get a date for starting EU accession talks has not changed, Macedonian media reported on Tuesday (December 1st). The three officials held talks on the sidelines of an OSCE ministerial conference in Athens. Milososki urged the Greek officials to change their minds and demonstrate a pragmatic approach regarding Macedonia's EU bid. He said doing so would have a positive impact on efforts to resolve the long-standing name dispute between the two countries. During the talks, Milososki offered two initiatives aimed at improving bilateral relations. The first involves transforming the Greek Liaison Office to Skopje into an embassy, while the second involves signing an agreement on double taxation avoidance. Greece says it will consider the proposals

THE HAGUE, Netherlands – A decade after NATO airstrikes ended Serbia's bloody crackdown on its rebellious province, Kosovo told the U.N.'s highest court Tuesday its independence is irreversible and warned that any attempt to cancel it could set off a renewed conflict. Serbia, noting that the case is the first attempt in the blood-

soaked history of the Balkans to peacefully resolve a dispute, said Kosovo's unilateral independence tore at the very fabric of Serb national identity and breached international law. The 15-judge International Court of Justice is being asked to render its legal opinion on the validity of Kosovo's February 2008 independence declaration, which has been recognized by 63 countries but not by the Security Council. The opinion has no binding effect, but other countries with potential breakaway regions, like Spain with its Basque district, are closely watching the outcome. Serbia's ambassador to France, Dusan Batakovic, said Kosovo's self-claimed independence challenged his country's sovereignty and undermined international law by breaching U.N. Security Council resolutions that set up a U.N.-backed provisional administration in Kosovo. "Kosovo is the historical cradle of Serbia and constitutes one of the essential pillars of its identity,"

Batakovic told the court. Kosovo's declaration "is a challenge to the international legal order, based as it is on the principles of state sovereignty and territorial integrity." Kosovo Foreign Minister Skender Hyseni told the court it would be "inconceivable" to reopen negotiations with Serbia on Kosovo's future. "That would be highly disruptive, and could even spark new conflict in the region," Hyseni said. Hyseni said former U.N. special envoy Martti Ahtisaari had recommended that Kosovo be granted independence and his plan was supported by the European Union, NATO and U.N. secretary-general. Another of Serbia's lawyers, Malcolm Shaw, said Kosovo's recognition by other nations was irrelevant. The United States and most European Union states are among those that have recognized Kosovo's independence. Serbia, backed by Russia in the U.N. Security Council, and a majority of world's states are against the recognition. "What is illegal cannot subsequently be rendered legal by the action of third parties," Shaw told the judges. He warned if the court's opinion is seen as weakening the principle of a state's right to its territorial integrity, that "would be a source of considerable apprehension" for other countries facing secessionist movements. The world court, the U.N.'s highest judicial body, likely will take months to reach its decision.

Kosovo THE HAGUE, The Netherlands -- Kosovo is prepared to defend its February 2008 declaration of its independence from Serbia before The Hague-based International Court of Justice (ICJ), Foreign Minister Skender Hyseni said on Sunday (November 29th). He is at The Hague, meeting with legal experts to go over arguments that begin Tuesday. Separately, Serbian President Boris Tadic voiced optimism Sunday, saying legal arguments are on Belgrade's side.

THE HAGUE, The Netherlands -- Hearings on the legality of Kosovo's declaration of independence began on Tuesday (December 1st) at The Hague-based International Court of Justice (ICJ). Debate will continue until December 11th. Nearly 30 UN member-states have asked to make oral statements in the case, including the US, Russia and China. Serbia and Kosovo both present their arguments Tuesday. There is no deadline for the court to announce its ruling. In all, 63 countries -- including 22 EU member states -- have recognised Kosovo since it declared independence from Serbia in February 2008.

PRISTINA, Kosovo -- The office of the EU Special Representative (EUSR) in Kosovo and the European Commission (EC) Liaison office may merge in the coming

months, local media reported on Tuesday (December 1st). The Lisbon Treaty, which enters into force Tuesday, foresees a new foreign service of the bloc, and Kosovo will be part of the new policy, according to EU spokesperson Juri Laas. Another EU diplomat told Info Press on Tuesday that the new Union plan will become clearer next year. But EUSR spokeswoman Julia Rueter denied any plan to restructure the office, saying only that it will undergo a review next year.

PRISTINA, Kosovo -- The head of the Serbian National Council (SNC) for central Kosovo, Rada Trajkovic, was dismissed from the political organisation Tuesday (December 1st), apparently because he had urged Kosovo Serbs to participate in the November 15th local elections. Two more members of the Council were dismissed as well. The SNC is a parallel structure to the official institutions in Kosovo and is managed by Belgrade.

BELGRADE, Serbia -- Several hundred students marched in downtown Belgrade on Friday (November 27th), blocking traffic in the capital to protest changes to the education system that will tighten enrolment criteria and reduce funding for scholarships. Friday's protest lasted two hours and disrupted the afternoon commute. The students warned of more protests in the future unless the government agrees to negotiate. On Saturday, Education Minister Zarko Obradovic said the cabinet has agreed to fulfil most of the students' demands and urged them to focus on their studies instead of protests.

THE HAGUE, The Netherlands -- Serbia's co-operation with the UN war crimes tribunal has improved, but the country must work to achieve more positive results, Chief Prosecutor Serge Brammertz concludes in his latest report to the UN Security Council. Parts of the report leaked to Serbian and international media on Monday (November 30th). Brammertz is to present his report to the Security Council on Thursday. According to the leaks, Brammertz will say that UN prosecutors are largely satisfied with current efforts Serbia is making to prove its co-operation, though the most critical issue remains finding and arresting war crimes fugitives Ratko Mladic and Goran Hadzic. This evaluation of Serbia's co-operation is crucial to the country's EU integration bid.

BRUSSELS, Belgium -- As expected, Croatia closed three more negotiation chapters of its acquis on Friday (November 27th) at an intergovernmental conference in Brussels. That makes 15 of the total 33 chapters. Croatia may close one or two more during the next conference scheduled for the second half of December. It also expects to open three negotiation chapters -- foreign, security and defence policy, environment and fisheries -- by the end of the year, and to open the last two early next year. Croatian authorities hope to complete accession negotiations by mid-2010.

THE HAGUE, The Netherlands -- Croatia has made no major progress in its search for the so-called artillery diaries related to 1995's Operation Storm, war crimes tribunal Chief Prosecutor Serge Brammertz has concluded in his latest report to the UN Security Council. Parts of the document were leaked to Croatian media on Tuesday (December 1st), ahead of its presentation to the UN Security Council on Thursday. Hague prosecutors seek the diaries for use in trials against several Croatian indictees,

including former General Ante Gotovina. In his report, Brammertz is expected to praise Croatian Prime Minister Jadranka Kosor's decision to establish a working group to address the issue.

ZAGREB, Croatia -- Prime Minister Jadranka Kosor announced on Saturday (November 28th) that 273m euros from the 2010 budget will be earmarked for activities and projects related to EU membership. Most will go to adjustments in the agriculture sector. Croatia will also spend money to bring border security in line with Schengen criteria and on judicial reform. Croatia hopes to wrap up its EU accession talks by mid-2010.

ZAGREB, Croatia -- About 400 students from Zagreb University's faculties of Philosophy and Political Sciences staged a protest outside the Ministry of Science, Education and Sports on Tuesday (December 1st), demanding free education. They blocked the entrances, preventing employees from leaving. Police had to remove students who refused to budge. Students at the Faculty of Philosophy have now decided to boycott all lectures, as they did in the spring.

PODGORICA, Montenegro -- Prime Minister Milo Djukanovic said on Friday (November 27th) that he is optimistic his country will progress towards NATO membership before the end of this year. After meeting Thursday with NATO Secretary-General Anders Fogh Rasmussen, Djukanovic told reporters he thinks Montenegro will get a NATO membership action plan next month. Late Thursday, the government's press office issued a statement quoting Rasmussen as saying NATO should stick to its open door policy for new candidates.

SOFIA, Bulgaria -- Krasimir Kostov, the deputy foreign minister in charge of EU relations, submitted his resignation Friday (November 27th), after he was revealed to have collaborated with the communist-era secret services. The commission in charge of opening secret service files announced on Wednesday that three members of the current government were either agents or collaborators with the communist-era service. The other two are Minister without Portfolio in charge of Bulgarians abroad Bozhidar Dimitrov and Deputy Interior Minister Pavlin Dimitrov.

BUCHAREST, Romania -- The frontrunner in the weekend presidential run-off, Mircea Geoana of the Social Democratic Party (PSD) says Romania can expect a new government before Christmas. On Tuesday (December 1st), he said the new cabinet would be "competent and fair", rather than serve party interests. A coalition between the PSD and the National Liberal Party (PNL) means Geoana will likely defeat incumbent President Traian Basescu on Sunday, clearing the way to announce cabinet picks that are already being negotiated. The PSD and the PNL control 65% of all parliamentary seats, and have managed to gain the support of smaller parties as well, including the Democratic Alliance of Hungarians and the Christian-Democratic National Peasants' Party.

Meanwhile, police reportedly used tear gas Tuesday after fighting erupted at a PSD rally in Timisoara. As many as 3,000 people turned out for Geoana's campaign appearance, outside the city's opera theatre. Trouble started when opponents of the party

arrived, prompting police to separate the two groups. The rally coincided with celebrations of Romania's National Day. In Bucharest, about 10,000 people attended a military parade

Oceania

SYDNEY – Australia's plans for an emissions trading system to combat global warming were scuttled Wednesday in Parliament, handing a defeat to a government that had hoped to set an example at international climate change talks next week.

The Senate, where Prime Minister Kevin Rudd's government does not hold a majority, rejected his administration's proposal for Australia to become one of the first countries to install a so-called cap-and-trade system to slash the amount of heat-trapping pollution that industries pump into the air.

The 41-33 vote followed a tumultuous debate in which the conservative main opposition party at first agreed to support a version of the government's bill, then dramatically dumped its leader and switched sides after bitter divisions erupted within the party.

The new leader, Tony Abbott, said Australia should not adopt an emissions trading system before the rest of the world. "The right time, if ever, to have an ETS is if and when it becomes part of the international trading system and that is not going to happen prior to its adoption in America," he told reporters after the vote.

Rudd had wanted the legislation passed before he attends next week's U.N. summit on climate change in Copenhagen so he could portray Australia as a world leader on the issue. He discussed the issue with President Barack Obama this week during a visit to the White House from which he was still returning Wednesday. The defeat of the Australian plan could influence the views of some delegates to the Copenhagen meetings, adding weight to the argument that developed nations should curb their emissions before poorer nations are required to tackle theirs, said Frank Jotzo, an Australian National University expert on international climate change negotiations. "It's not like the talks will stall because of the lack of an Australian emissions trading scheme in place," he said. "But if the legislation had been passed that would have sent a very positive signal internationally and in particular to developing countries." Acting Prime Minister Julia Gillard said the government would reintroduce the bill in February to give the opposition a last chance to overcome its divisions and support the plan.

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Argentina

Headlines

Geo-strategic/Political/Social News

- Gay Argentine couple's wedding plans divide an entire continent

- U.S. recognizes Honduras vote with caveats
- Lobo Heads for Victory at Disputed Honduras Election
- Latin America: Summit Does Not Recognize Elections in Honduras
- Argentine leaders throw chairs, punches in public

Economics/ Energy

- Latin America wants Indian investors, workers
- Argentina November Tax Revenue Up 20.
- Inter-Amer Development Bank DB OKs Added Argentina Payout

Brazil

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- Lula Tells Brazil Is Ready to Host Olympics While Rio Endures Daily Blackouts
- Honduran favorite aims for Brazil's support
- Obama Backing of Honduras Election Crimps Latin Ties
- Chavez skips Manaus; hosts Ahmadinejad and Abbas instead (slide show)
- Brazil Gets Into a Dead-End in Honduras and Wants Europe to Join In
- Conservative rancher wins post-coup Honduran vote
- Brazil not to recognize outcome of Honduras election: Lula
- Brazil not to recognize outcome of Honduras election
- United States, Brazil At Odds Over Honduras Crisis
- Iran, Latin American states cooperation strategic: minister
- Ibero-American summit struggles to find Honduras consensus
- Brazil Is Right in Demanding New Fact Before Recognizing Honduras's New President
- Congressman Warns about Brazil's Isolation If Honduras Election Not Recognized
- Brazilian president says alleged Federal District corruption "deplorable"
- Post-da Silva course for Brazil not to change much after election
- Brazil needs more money for 2014
- Merkel, Lula Differ on How to Deal With Iranian Nuclear Program
- Brazil legislators approve firm for subsalt contracts

- China, Brazil should tap coop potential

Economic/Environmental/Energy News

- Ukrainian, Brazilian leaders vow to intensify economic, technical cooperation
- State plays important role amid financial crisis: Lula
- Brazilian president praises China's emissions cut target
- Halt! Who Grows There?
- Brazil asks for help to stop rainforest razing
- President Lula warning over no deal at Copenhagen
- China's top political advisor: China, Brazil should share experience in green energy

Mexico

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- Mexican President hails fight against organized crime
- Officials: Progress made on virtual fence project
- Mexican Riot Police Block Buses of Unionists on Way to Peaceful Protest
- Calderón's rating slumps to lowest level
- Turkish Premier due to Mexico
- Vicente Fox: Chávez threatens to become a dictator
- Shootouts in northern Mexico kill 13 after raid
- US ambassador: US-Mexico drug war aid programs on track despite report saying spending delayed
- Mexico Still Waiting for U.S. Aid, Report Says
- Mexico gunmen kill ex-police chief near US border

Economic/Environmental News

- Update 2-Carstens says willing to head Mexico central bank
- Spain Supports Mexican Initiative for Climate Fund

Report Summary/Argentina

Two Argentinean boys are going to do marriage this week and it has become the first gay couple in the whole Latin America to get married. It followed a three-year campaign that pitted politician against politician, overturned laws and also caused anger of the millions of Catholics. This marriage has been a common talk among the citizens of Argentina and Latin America because this is the first chance that any of the Latin American country is making such kind of law. Many people are ready to protest against it who they won't agree to sacrifice their traditions and culture.

The Assistant Secretary of State for Western Hemisphere Affairs said that the new election in Honduras is a great step towards democratic system from an autocratic system but further steps are required to restore the ousted president of Honduras who was pushed from his seat on June coup. In the very recent election Porfirio Lobo has been elected as the leader of the Congress and the president of the country and US has recognized the elections and the new president as legal president of Honduras. Brazil, Argentina, Venezuela and some other countries of the Latin America refused to recognized the new elected president of Honduras who claims of own 55% votes.

The president of Brazil condemns the election because he said the failure of the restoration of Zelaya will encourage the "adventurers". He was speaking in the 19th edition of the Iberoamerican summit, in which the heads of all 19 Latin American countries participate including Spain, Portugal and Andorra.

It is also said that the hard-line stance taken by Brazil, Argentina and most other Latin American countries has clashed with U.S. efforts to push for international recognition of the elections organized Sunday by the de facto regime in power in Honduras since the Jun. 28 coup. But some countries of Latin America like Costa Rica, Colombia, Panama and Peru have accepted the elections in Honduras and are against Brazil as they say Brazil is just fix on its stance 'no, no and no'.

The lawmakers of Argentina threw chairs on each other and fought in a session when they were going to choose a president of the Northern Province's lower house. Some of them became slight injured and other remains safe but it was covered by some TV channels and people saw it.

The government of Argentina wants Indian investors in its country to invest in various sectors as agriculture and IT etc. The economy of many Argentina is declining like some other Latin American countries and now according to the new policy of the government, the Argentinean government will issue more visas to the Indian investors to invest in their country as 300-500 visas per month. But now the economy of Argentina has been stable after a short drop in it and economic growth can be seen high move in the month of September and October.

According to the Planning Ministry of Argentina, the Inter-American Development Bank will pay \$300 million for construction of a major electric power transmission line in the north of the country. The loan is to be paid back in 25 years. The 1,200-kilometer transmission line will connect the country's northeastern power grid with the northwestern grid.

Report Summary/Brazil

The Brazilian president Silva told the media reporters that Brazil is fully prepared to host Olympic Games of 2016 and Brazil has a best electric system of the world so

there is no fear of blackout in the games. He said the blackout happened two weeks ago in the streets of Brazil was not an electric fault but an incident, so no need to be worry in games. He said you do not stop travelling on planes if a plane falls down so it was just an incident. The blackout in Brazil happened on November 10 due to a power station short circuit and Itaipu stop working temporarily.

President Silva also said that some of the Federal District officers are found involve in corruption and taking bribes, they will have to face punishment according to law. Some of the bribe cases of Rio's District officers came on screen when a video by secret cameras showed their faces. Almost 150 people protested before Federal District officers' building and smashed the glasses and demanded the resign of the governor. Silva is struggling hard to bring Brazil out of such kind of immoral crises but his tenure is going to finish after a year. According to some of the local political pundits of Brazil, there would not be much difference with the absence of Silva but whoever will come as a new president he will follow the policies of Silva.

The newly elected president of Honduras said that he will try to convince the world and especially Brazil to recognize him as a legal president of Honduras if he wants to finish the Central America's worst political crises. On the other hand the foreign minister of Brazil said that to recognize the newly president means to leave the support of ousted president Zelaya who is a legal president. The president of Costa Rica who is a Nobel Prize Winner, said that all countries should recognize the new government to stop the Honduras crises and the government of Peru has also been recognized the new government.

Brazilian government said that it has been disappointed and frustrated by U.S response in Honduras. Initially U.S government took stance in the restoration of ousted Honduras president Zelaya but later it appreciated elections. All 23 Latin American states are not happy and not favoring the elections in Honduras except Panama and Costa Rica. Brazilian officials say that if the behavior of U.S government won't change, it will lose its prestige in the region. Also one of the Congressman of Brazil said that Brazil should review its stance otherwise it will remain alone in the community by not recognizing the new Honduras' government.

A conference of UNASUR (Union of South American Nations) held at Ecuador to solve the border problem between Colombia and Venezuela. In which the president of Colombia, Uribe did not participate and drew a heavy criticism from Nicolas Maduro, the foreign minister of Venezuela. Colombia is strictly criticized by Venezuela by providing its soil to US soldiers and even Venezuela was very aggressive and ready for war with Colombia. Ecuadorian president said with his Brazilian counterpart in a UNASUR conference that they won't recognize Honduras' new government and they also asked European states not to recognize it. Spain is also favoring Brazil, Argentina and some other Latin American countries by not recognizing Honduras elections.

Ousted Honduras president Zelaya told media that U.S proved it has different choice for itself and different for others. He said if U.S is the supporter of strengthening democracy in the world, it should not favor the elections but it proved that for U.S government is a democrat for its own country, not for Latin America.

Iran's Minister of Industries and Mines said that the recent visit of Iranian president at Latin America will increase geo-strategic relations with the Latin American region and especially Brazil. He said the agreements are made in the field of trade,

energy, technology, industries and agriculture which will bring close the two countries. Since the current president of Iran Ahmadinijad took office in 2005, he has been closer to the Latin American countries and Brazil is also supporting Iran in various fields at international level especially its nuclear program.

Recently Silva met with his German counterpart Merkel and both of them differed in dealing with Iran as Merkel proposed to put more economic sanctions on Iran while Silva was arguing not to put pressure but with negotiation the issue can be solved. Iran is arguing in the defense of its nuclear program that it is just for peace purposes as creating energy but international community is suspicious on it.

The president of Ukraine Viktor Yushchenko met his Brazilian counterpart at Kiev and both countries pledged to increase their cooperation in economic and technical fields. He said Ukraine and Brazil will also boost their relations up in space technology as it is the demand of 21st century. He also met with the Ukrainian prime minister and she stressed Brazilian president to cooperate in military industry. Lula visited Ukraine first time since he took office in 2003.

Brazilian sports minister said to the president Silva that he needs a huge amount of money to build the infrastructure of Brazil to host the FIFA world cup in 2014. Before it president Silva has pointed to improve the conditions of country's airports and he has granted R15 billion and it is said that almost R15- billion are still further needed. He said 64 more projects are ahead to be done especially in the cities which are going to host the games.

Brazil's chamber of deputies has approved a bill of oil sector and the potentially oil-rich subsalt reserves by 250 votes in favor and 67 opposed and now the bill is sent to the Senate to approve. According to the bill Petrosal which is the only state's oil run company will manage the contracts of sub-salt areas. Now Brazil has to take a greater control of the oil industry and take the industry back where it progressed much in past recent years.

A Chinese political adviser Jia Qinglin visited Brazil's Amazonian state and met with the governor and said that both Brazil and China will cooperate with each other to bring an economic prosperity in the country. He said Chinese investors will invest in the Amazonian state and China will also want that Brazil invest in its country. He also said that China wants to join hand with Brazil in every field to progress mutually. The governor also pledged to welcome and cooperate with the Chinese companies in the state and to invest in China as well. The president of Brazil praised China to set their target on greenhouse gas emission as it would reduce the intensity of its carbon dioxide emissions per GDP unit in 2020 by 40 to 45 percent from the 2005 level. He also thanked China for helping in holding Olympic Games in 2016.

Silva said that the industrialized rich countries caused much industrial destruction than the farmers and wood cutters of the Amazon so he asked European countries to reduce polluting the environment. He expressed it in an Amazon summit of seven Amazon states held last week in which western European countries are warned to stop polluting the environment. He said it because Brazil is criticized by international community much due to its deforestation in the Amazon, the largest rainforest area of the world. The next week's Copenhagen conference on climate change will set new agreements on reducing deforestations and some of the countries as Japan, Sweden, Germany, South Korea and Switzerland are donating Brazil to reduce deforestation. Even

Norway has already given \$1 billion by 2015 and till the time Brazil continues burning forests.

Silva said that Copenhagen conference will not be beneficial if it is limited till agreements or it is made a political agreement. Every country should struggle for reducing gas emission otherwise everybody will be affected by it.

The president of Brazil said that the struggle of state in combating financial crises proved that state played an important role in international financial crises. He said in a radio interview that 2010 will be a hard year to face financially and told Brazilian companies to invest to successfully compete the economic recession. He also said that rich countries should control on their emission and also the poorer economically countries do as they can.

China's top political advisor visited Itaipu Waterpower Station on the Brazil-Paraguay border and said both China and Brazil is rich in hydroelectric resources so they should cooperate in energy resources to uplift their country.

Report Summary/Mexico

Mexican president Calderon listed his three years achievements in his address to the State secretaries, businessmen, representatives of the Judiciary and the Congress in the central court of the National Palace. He said the win against the criminal and drug cartels will strengthen the country and bring the society out of sufferings. He also thanked to the national security cabinet, the Armed Forces and the Federal Preventive Police as they have cooperated with the government to do their efforts in eliminating the crimes and drug activities. The president was also regret on the network of the drug organizations which has not only disturbed Mexicans but also U.S government and people and he said the government has made a new strategy against the criminal organizations which helped a lot in capturing the criminals and seizure of their weapons.

But on the other hand, according to the public opinion only 52 per cent people of Mexico thinks that president Calderon is doing right job which is a great diversity in peoples' thinking as previous survey which held just 3 months ago, in which 16 percentage people were thinking the same. The major cause of it is the fall of Mexico's economy, due to that the government increased the taxes. Oil is the largest source of Mexico's economy whose production is declined. People are losing confidence of Mr. Calderon that he could ensure security and can win the war against the drug cartels which was the first priority of his cabinet.

13 people were killed including a bystander and a drug trafficker when the shootout happened between troops and drug traffickers. The killed drug trafficker was also involved in the killing of an army officer. Five other also killed in another shootout in the north of Mexico where the drug cartels are prevailing and the region is a big challenge for the government. And another ex police officer and the member of a political party in Tijuana is killed when he was in his office by the drug cartel.

The government officials are observing on the virtual fence on U.S-Mexico border which is a area of 2000 miles and the estimated cost is \$6.7 billion to cover most of the Mexican border by 2014. It is said that the project will start in January 2010. The security cameras, radars and ground sensors are also the part of the project by which computer monitors would be able to observe the movement of human beings which will help the smuggling of drugs and arms in both of the countries.

Mine workers of Mexico protested in Zacatecas against the murder of their fellow and one of his exiled leaders. The 400 members of Labor Union came in 25 busses from all over the Mexico in the city of Zacatecas but riot police did not allow them to come out of their busses. They were angry of the state's left wing government as it is following the right wing government in federal. Australian government also told to the Mexican government to overview on labor unions' rights.

Turkish Prime Minister Recep Tayyip Erdogan is going to pay a visit in Mexico soon and he will meet his Mexican counterpart. Both of the leaders will discuss on the issues of their mutual interests and global developments. Both Turkey and Mexico are enjoying the seats in the UN Security Council as non-permanent members.

Former President of Mexico Vicente Fox said in the 19th Ibero-American Summit held in the Portugal that some of the leaders of the Latin American countries are becoming like dictators and these are spoiling the image of the region. He was criticizing the Venezuelan leader Chavez that he is becoming an authoritarian leader and depressing the people of Venezuela. He said due to their aggressive behavior, tensions are being increased in Latin America.

The U.S ambassador to Mexico told the Mexican government that the funds of \$1.1 billion for the equipments to be used against drug traffickers are in process which will be granted soon. But according to a government report \$24 million has been spent in the month of September or only 2 per cent are given yet and it is also said that the five new helicopters would also be given soon. The ambassador also said that the resources are not only provided to Mexico but also Central America as well as the Dominican Republic and Haiti to fight the drug war.

Mexico's finance minister said that he will be agreeing to lead the state bank of Mexico if the government appoints him as governor of the bank. The tenure of the acting governor is going to be finish soon so the finance minister is willing to serve as the governor of the bank.

Detailed Report/Argentina

The Beruti register office in the Palermo district of Buenos Aires will never have witnessed a marriage like it. On Tuesday, Alex Freyre and José María Di Bello, who met three years ago at a conference on HIV, will make history and divide a continent as they become Latin America's first gay married couple.

The ceremony will be a tribute to their determination as well as their love for each other, after a bitter three-year campaign which has divided a city, outraged Argentina's powerful Roman Catholic church and overturned the constitution.

Freyre and Di Bello's forthcoming nuptials have been debated on television, in churches and on the street. Hostile posters can be found on billboards across the city. But, in Di Bello's words, nothing can now prevent him and his partner becoming "husband and husband".

Not surprisingly, the marriage is already being hailed by equality activists as a significant triumph against the odds in a traditionally macho society. Argentina – and Latin America in general – is not known for a tolerance of sexual diversity, and violence against gays is an everyday occurrence.

"This marriage is bigger than José María and I," Freyre told the Observer. "It is a victory for all who face prejudice and discrimination across Latin America and the Caribbean. It

is proof that at last the grip of the Catholic Church is slipping across Latin America, the system that has kept gay communities silent and fearful is crumbling. What is happening on Tuesday is a strike against those attitudes that have repressed sexual rights across this continent for too long."

The most controversial marriage in Argentina's history became possible when a city court judge ruled that it was unconstitutional for civil law to stipulate that a marriage can exist only between a man and a woman. The marriage license was granted on 16 November. Since then, the couple and their lawyers have come under virulent attack from church leaders, who have warned that the marriage could act as the catalyst for the swift decline of the continent's traditional family values.

The archbishop of Buenos Aires, Jorge Bergoglio, has publicly lashed out at the city's mayor, Mauricio Macri, who decided not to lodge an appeal against the judge's decision to grant the marriage license. An appeal by the city government against the judge's ruling would, in effect, have overturned the judge's decision and stopped the license being granted. Bergoglio said that, in failing to act, Macri had "gravely failed" at his task of governing.

For his part, Macri issued a statement saying that he had gone through "an important internal debate", adding: "We have to live with and accept this reality: the world is moving in this direction." He said government officials should "safeguard the right of each person to freely choose with whom they want to form a couple and be happy".

Anti-Macri posters showing two men kissing and asking "Did you vote Macri for this?" have been plastered across Buenos Aires in protest at the marriage.

Last week, as media interest in the marriage reached fever pitch, Freyre and Di Bello spent their last days as single men crisscrossing Buenos Aires from TV studio to radio station. "It's become so much bigger than us that I forget that I'm actually getting married and we haven't even arranged anything for the wedding," said Freyre.

Freyre and Di Bello, both long-term activists and HIV and equality rights campaigners, are now offering their legal team to other couples who want to win the right to marry through city courts. "What can't happen is that this becomes a one-off," said Freyre. "We may have won our battle, but we don't want to be the exception."

Campaigners are now hoping that gay and lesbian couples in other cities will extend the fight to outside the capital. Claudio Rosso, a 32-year-old psychoanalyst from the city of Rosario, believes that the marriage will send a strong message that the law is finally supporting the rights of gay people across the country. "This can change the way the gay community perceives itself," said Rosso. "It will take time for this to have an impact outside of Buenos Aires, but for the gay community in Argentina the feeling that you have the law on your side creates a feeling of positivity and optimism that things can change."

Although the new judicial ruling sets no precedent beyond this case, lawyers for the couple hope the ruling will increase pressure on lawmakers to debate a gay marriage bill currently deadlocked in Congress.

"This is just one marriage in one city in Latin America, we are very far away from this right being extended across the country, let alone the continent," said Analia Mariel Mas, the lead lawyer working with the couple.

"Recently, we travelled with a delegation of equality rights campaigners to the north of the country, and had people waving crucifixes at us as if they were seeing Satan in human

form. So there needs to be a change to the national legislation to force through changes and uphold our constitutional rights. Change won't happen if we try to do this case by case."

No country in Latin America allows gay marriage, although several cities in Mexico and Uruguay have followed Buenos Aires by allowing same-sex civil unions, which grant some of the rights accorded to married heterosexual couples. Earlier this year, Freyre and Di Bello rejected offers of a civil union, arguing that only marriage would give them the same legal rights and status in the eyes of the law. "We are citizens, so we are asserting our rights as citizens," said Freyre. "We have the right to the same legal status in the eyes of the law and deserve to be given the same legal protection as heterosexual couples."

Changing articles in Argentina's civil code to allow same-sex marriage has support among deputies in President Cristina Fernández de Kirchner's ruling Peronist party, although the president herself has yet to take a stand.

The city is expecting large crowds to gather outside the register office on Tuesday, where plasma screens will broadcast the marriage ceremony. Security will be tight to deal with protesters.

In the cafes and bars of Buenos Aires, the marriage of Di Bello and Freyre has become a constant topic of conversation. The city is considered one of Latin America's "gay-friendly" cities and was the first place there to allow same-sex civil unions in 2002. But, for some, gay marriage is still a step too far.

On a corner in Palermo, close to where the wedding will take place, Bruno Cabral, a 42-year old civil engineer, sent an approving nod in the direction of a bank of anti-Macri posters. The marriage, he said, was an "abomination".

"Buenos Aires used to be a city which respected family, which respected traditional ways of life, but now look at what is happening, they are making mockery of marriage," he said. "This isn't a city I recognize any more."

Others see the marriage as a symbol of change for Argentina and for the continent. The wedding has received general support from the mainstream press, with many people expressing their approval of Freyre and Di Bello's right to marry.

"To me this marriage is perfect," said Cecilia Quiles, a 26-year-old office manager. "It is only changes like this which will move us to a place where we are all respecting each other. Those who call this marriage unnatural or wrong are living in the past. We are moving on."

Freyre and Di Bello say they will be relieved when the spotlight moves elsewhere after Tuesday's ceremony. "We have people calling us every day saying we are their heroes, people we don't know crying on the phone saying that Tuesday will be the best day of their life," said Freyre. "But we won't want to be heroes, all we wanted to do was get married. And now we've brought a little rainbow to Latin America, it's time for others to take up the banner as well and make us not the exception but the rule."

The United States on Monday recognized the results of a controversial election in Honduras but said the vote was only a partial step towards restoring democracy after a June coup that ousted the elected president.

The State Department recognized Porfirio Lobo's victory in Sunday's election but said the Honduran Congress still needed to vote on the restoration of deposed President Manuel Zelaya and form a government of national unity.

"While the election is a significant step in Honduras' return to the democratic and constitutional order ... it's only a step and it's not the last step," said Assistant Secretary of State for Western Hemisphere Affairs Arturo Valenzuela.

Before the election, the United States tried and failed to have Zelaya reinstated. Its support of the election upset many Latin American nations, including powerful Brazil, which called Sunday's vote invalid.

Elected five months after a coup forced Zelaya into exile on June 28, Lobo is urging Latin American governments to recognize him as president-elect in order to help pull the country out of a deep political crisis.

Opposition leader Lobo won some 55 percent of the vote, easily defeating ruling party candidate Elvin Santos. A boycott by supporters of Zelaya was ineffective and electoral officials say the turnout was above 60 percent.

Human rights groups say crackdowns on pro-Zelaya media and marches during the campaign put the validity of the vote in doubt.

Lobo Wants Recognition, Says Zelaya Is The Past

Lobo, 61, urged leftist governments in the region to recognize the vote, which was scheduled before the coup.

"We ask them ... to see that they are punishing the people who went to vote, do so every four years and have nothing to do with what happened on June 28," he told journalists.

"I am happy looking towards the future. You keep asking, 'And Zelaya?' Zelaya is history, he is part of the past," Lobo told foreign reporters, although the conditions mentioned by the United States include a vote on Zelaya and presumably his participation in a unity government.

"For us, the most important international relationship we have is obviously with the United States," Lobo said.

Brazil, which is increasingly flexing its muscles as its economy becomes more powerful, has dug its heels in on Honduras and refuses to acknowledge Lobo's win.

"Brazil will maintain its position because it's not possible to accept a coup," President Luiz Inacio Lula da Silva said on Sunday.

Zelaya, who slipped back into Honduras in September, has taken refuge in the Brazilian Embassy in the Honduran capital. That put Brazil at the heart of a crisis in a region where the United States has long been dominant.

Washington supported coups and right-wing governments fighting civil wars against Soviet-backed leftist guerrillas in Central America during the Cold War.

Today, millions of Central American immigrants to the United States send home money vital to the economies of countries like Honduras and El Salvador.

The coup against Zelaya sparked Central America's biggest political crisis since the end of the Cold War.

Neither Zelaya nor his archrival, Roberto Micheletti, who was installed as interim president by Congress after the coup, took part in the presidential election.

The dispute threatens U.S. President Barack Obama's attempts to turn a new page with Latin America, where leftist governments are in the majority.

"This is a very, very poor start in terms of U.S.-Latin American relations," said Larry Birns, director of the Council on Hemispheric Affairs.

"What was needed here was that the United States had to embrace a principle that was very important to Latin America after the experience it had throughout the late 1970s and '80s -- that the military cannot interfere with civilian government."

Argentina and Venezuela also oppose the Honduran election, but Panama, Peru and Costa Rica have said they back the vote.

Lobo has also called on the international community to resume aid that was blocked in retaliation for the coup.

Due to take office in January, he must now decide what to do with Zelaya. He could try to negotiate a form of political amnesty for the deposed leader and the main players in the coup in a bid to unite the deeply divided nation.

Tegucigalpa (Reuters) - Honduran opposition candidate Porfirio Lobo was headed for victory on Sunday in a presidential election that has put the United States at odds with leftist governments in Latin America.

Lobo, a rich landowner, had over 55 percent support with more than half the votes counted, official results showed, giving him a virtually unassailable lead over Elvin Santos of the ruling Liberal Party.

The election could calm a five-month crisis which the Central America country has suffered since the army overthrew leftist President Manuel Zelaya in June and flew him into exile.

But while Washington looks likely to recognize Sunday's vote, leftist rulers of Brazil, Argentina and Venezuela and other Latin American countries say the election is invalid because it was backed by the coup leaders and could end any hope of Zelaya returning to power.

The division puts in danger U.S. President Barack Obama's attempts to turn a new page with Latin America where memories of military coups supported by the United States during the Cold War are still fresh.

As the partial election results were announced after long delays that officials put down to technical problems, some 300 supporters of the conservative Lobo waved National Party flags and danced in a victory celebration at a hotel in the capital.

Lobo is seen as more able than Santos to lead Honduras out of political gridlock and diplomatic isolation, but Zelaya said the election was illegitimate and accused police of repressing his supporters.

Soldiers grabbed Zelaya from his home on June 28 and threw him out of the country, sparking Central America's biggest political crisis since the end of the Cold War.

Neither Zelaya nor his arch-rival Roberto Micheletti, installed as interim president by Congress after Zelaya's overthrow, took part in the race.

Lobo vowed on Sunday to end Honduras' isolation from countries like Brazil and international organizations such as the Organization of American States, or OAS, which have frozen Honduras out in retaliation for the coup.

"We are prepared to approach them and ask them to understand that there is a government which was elected, that it is the precise will of Hondurans at the ballot box, that it is a democracy and we should all respect the leadership of countries," he said.

Lula Condemns Election

But Brazilian President Luiz Inacio Lula da Silva again condemned the election, saying that failure to oppose it could encourage other "adventurers" to stage coups in Latin America.

"If the countries that can ... make gestures do not do so, we do not know where else there could be a coup," Lula said in Portugal on Sunday. His government is increasingly flexing its muscles as Latin America's emerging power and has been disappointed by Washington's response to the Honduras crisis.

Venezuelan President Hugo Chavez, the leader of a socialist bloc in Latin America and a close ally of Zelaya, said the vote was "an electoral farce."

The U.S. State Department described the election last week as "a democratic way forward for the Honduran people" after talks to bring Zelaya back collapsed. But Washington has not clearly spelled out whether it will recognize the winner. The election, which was scheduled before the coup, took place peacefully despite a spate of home-made bomb explosions in recent days. Turnout appeared to be high in the capital.

The OAS and United Nations refused to send observers to the election.

Zelaya had upset Congress and the Supreme Court by forging an alliance with Chavez and hinting that he wanted to change the constitution to allow presidential re-election.

Zelaya, camped out in the Brazilian embassy since September when he slipped back into Honduras from exile, told his supporters to boycott the election and said the winner would not be a true president.

"He is going to be a very weak leader without recognition from the people and most countries," he told Reuters.

Costa Rica, Colombia, Panama and Peru, the only countries in the region that called for the results of the elections to be accepted, ran up against Brazilian President Luiz Inácio Lula da Silva's emphatic "no, no and no; categorically no."

Lula was speaking at the 19th edition of the Iberoamerican summit, annual meetings that bring together heads of state and government from 19 Latin American countries along with Spain, Portugal and Andorra.

Leaving Estoril, the beach resort 20 km from Lisbon where the summit was held, a few hours before it ended Tuesday, the Brazilian president said "we must not recognize, or even converse with," Porfirio Lobo.

Lobo, a conservative rancher, won Sunday's controversial elections in Honduras with 55 percent of the vote, five months after President Manuel Zelaya was removed from the country at gunpoint.

In the case of Honduras, "we have to be coherent: we cannot reach agreements with a supporter of the coup, pretending that nothing happened, because soon they'll start to say that everything was Zelaya's fault," said Lula.

He added that his country, Latin America's giant, with a population of 192 million people, "does not compromise with political vandalism."

In equally harsh terms, Argentine President Cristina Fernández questioned the validity of the elections and complained about "double standards" when it comes to judging leaders in the region, depending on where they stand on the ideological spectrum.

"Respect for freedom is neither of the right nor the left," said Fernández. Without naming names, she lashed out at leaders who argue that Lobo should be recognized as president-elect as a compromise solution, saying "there is no such thing as a bit more or less of democracy. It's like being pregnant: either you are, or you aren't."

With regard to democracy, "it's the same thing: either you have democracy, and all rights and guarantees are respected, or you don't have democracy," said Fernández, adding that

"respect for democracy in our region has a tragic history, which means defense of democracy must be an all-out defense that makes no concessions."

The nine countries of the Bolivarian Alternative for the Americas - an alternative bloc led by Venezuela - also reiterated in Estoril that they did not accept the "illegal and illegitimate" elections in Honduras.

ALBA, which is made up of Antigua and Barbuda, Bolivia, Cuba, Dominica, Ecuador, Honduras, Nicaragua, Saint Vincent and the Grenadines and Venezuela, also called for those "morally responsible for the military coup in Honduras to be brought to international justice for their crimes" by an ad hoc tribunal.

Former Nicaraguan foreign minister Miguel d'Escoto, who presided over the United Nations General Assembly from September 2008 to September 2009, said the coup set an "appalling precedent" and described Sunday's elections as "illegitimate."

"What we are seeing now is that a small group of countries, unconditional allies that are heavily dependent on Washington, decided to initiate a process of recognizing the elections, but the immense majority of Iberoamerica is opposed to them," said d'Escoto, a Catholic priest.

In response to a question from IPS during d'Escoto's conversation with journalists on the role played by Costa Rican President Óscar Arias, the Nicaraguan diplomat accused the president of being "the main instrument of the United States in blocking the return of full democracy in Honduras."

Arias unsuccessfully attempted to broker an agreement between Zelaya and the de facto Honduran government of Roberto Micheletti, and his administration has now become one of the few to recognize the election of Lobo.

"Arias is a fraud," said d'Escoto, "because this Nobel Peace Prize-winner is the biggest obstacle to progress in the region and its emancipation from Washington."

Spain, meanwhile, the biggest donor to Latin America, said at the summit that it would neither "recognize nor ignore" the elections - a stance shared by Portugal.

Given the lack of agreement, the summit put out a special statement on the situation in Honduras, which condemned the coup and called for the restoration of the constitutional order and the immediate reinstatement of Zelaya until the Jan. 27 end of his term, as "a fundamental step for a return to normality."

The situation in Honduras ended up virtually monopolizing discussion at the summit in Estoril, whose main theme was to be "Innovation and Knowledge" - areas that were hardly touched on.

The 20th Iberoamerican summit, which is to focus on "Education", will take place next year in the Argentine resort city of Mar del Plata.

As on previous occasions, the Iberoamerican leaders called in their statement for the United States to "immediately" lift the nearly half-century embargo against Cuba, in compliance with 18 successive U.N. General Assembly resolutions.

The leaders also agreed to cooperate with a view to achieving a "wide-ranging, ambitious and balanced" agreement at the Dec. 7-15 15th Conference of Parties to the U.N. Framework Convention on Climate Change (UNFCCC) in Copenhagen.

The statement says the Iberoamerican countries consider it indispensable for developed countries to step up financial and technological support for developing nations, in the area of climate change.

It also states that the fight against climate change must be completely compatible with sustained economic growth and efforts against poverty, while responding adequately to the need for adaptation, especially in the most vulnerable developing nations.

Buenos Aires, Argentina (AP) -- Argentine lawmakers pushed, punched and threw chairs at each other during a raucous session to choose the president of a northern province's lower house.

At least 10 legislators were slightly injured during the chaotic scuffle in Chaco, 620 miles (1,000 kilometers) north of the capital, Buenos Aires.

Chaco Gov. Jorge Capitanich said he regrets the violence, which broke out when officials from the governing party tried to stop opposition lawmakers from entering a session of the legislature.

Legislators were seen on local television hurling plastic chairs and pushing and shouting at each other.

Hyderabad: In view of the economic meltdown, Latin American countries like the Argentine Republic, Ecuador, Paraguay, Peru, Chile, Colombia, Trinidad and Tobago are trying to woo Indian investors and professionals to help these countries cope with the recession blues.

Ernesto Carlos Alvarez, Ambassador, of the Argentine Republic told Expresso that the Argentine government is ready to issue more visas to Indians to start new business ventures in his country.

“To attract Indian investors and qualified candidates for various sectors such as Information Technology (IT), hospitality and agriculture, we took a decision to issue visas free of cost when we receive bulk applications,” he said.

He said that the Argentine Embassy issues at least 400-500 visas to Indians every month and the figure may increase in the near future when the government is ready to provide visas free of cost.

Even as hundreds of employees working in several sectors in the United States received pink slips following the recession, Latin American countries are not ready to lose Indian investors and employees as they believe Indians are very committed in their business and professions.

“As per our estimates, India and China can achieve a GDP growth rate of 45 per cent by 2050 and Colombia is looking for brilliant and bold Indians to invest in various sectors,” Alejandro Pelaez, First Secretary, Embassy of Colombia said and added that as of now, as many as 1,000 entrepreneurs have invested and are doing business in several sectors in Colombia.

He said that the Colombian Embassy issues at least 300 visas per month to Indians.

“We do not reject applications if candidates submit proper identity and required certificates to get a visa. We want to encourage Indians to visit our country.

We are also planning to hold various seminars to create awareness among the Indians on the opportunities in Colombia,” Alejandro Pelaez said.

“We invite Indians to start cultivation in our country. We are also looking forward to develop the hospitality sector as Trinidad and Tobago has become a popular tourist destination,” said Kiva Clarke, Second Secretary, High Commission of the Republic of Trinidad and Tobago.

She said that the Trinidad embassy issues visas to eligible candidates in just three days if all certificates are genuine. “We issue as many as 300 to 400 visas per month. To attract

more Indians to Trinidad, we approach various educational institutions to choose eligible candidates to provide job opportunities," she adds.

Buenos Aires - (Dow Jones) - Argentina's tax revenue in November posted a steep 20.5% gain on the year, rising to 29.3 billion pesos (\$7.7 billion), President Cristina Fernandez announced Wednesday.

The sharp increase beat expectations; analysts had expected a year-on-year gain closer to 10%.

In October, the government collected ARS26.4 billion, an 8.8% gain on the year.

The increased tax input in November reflects income from the nationalization of the private pension fund systems late last year and the continued withholding of value-added tax refunds.

In addition, inflation--which economists estimate is running at a yearly rate of over 15%--also diminishes the impact of the gain to a certain degree.

But the increase comes as a relief to Fernandez, who has been struggling to fill budget gaps as tax revenue has fallen short by 34 billion pesos (\$9 billion) this year of expectations in the budget for 2009.

But a slew of economic data published last week suggests Argentina's economy has stabilized after a sharp drop and is starting to grow.

Economic growth moved higher in September, while in October, industrial production, trade and the government's accounts all looked brighter.

Buenos Aires - (Dow Jones) - The Inter-American Development Bank has agreed to pay out another \$300 million to Argentina for construction of a major electric power transmission line in the north of the country, the Planning Ministry said late Monday in a statement.

The project was identified by the Argentine government in 1998 and first was approved by the IDB in August 2006. At this point, the organization paid out a first installment of about \$352 million, according to the IDB's Web site.

The 1,200-kilometer transmission line will connect the country's northeastern power grid with the northwestern grid, uniting nine provinces with a population of about 8 million under one power network.

The original loan was for 25 years, with a five-year grace period at a variable interest rate, the IDB said.

A spokeswoman for the IDB and a spokesman for the Planning Ministry weren't available for comment.

Detailed Report/Brazil

Brazilian president Luiz Inácio Lula da Silva told reporters on Thursday, November 26, that Rio de Janeiro is ready to put on the 2016 Olympic Games. "We will stage the best Olympic Games ever done. Brazil has material, economic, and sporting conditions and we are ready to host enviable Olympics," he remarked.

Lula also said that Brazil owns "the best electric system of the world," which eliminates any risk of blackout during the 2016 Games in Rio.

The Brazilian leader called the big blackout of two weeks ago, which left about 70 million Brazilians in 18 states without electricity, an unforeseen event that didn't depend on the human will.

"What happened to the Brazilian energetic sector wasn't a failure of transmission or generation, it was an incident. We have to find the causes and fix the possible damages caused to the system," said the president.

For him, a case of blackout is not going to jeopardize Brazil's preparation for the Olympics. And he compared the power failure to flying: "You don't stop traveling just because a plane falls," he concluded.

Despite the presidential assurances once again Rio has been enduring serious blackouts and officials remain unclear what is causing the problem. Higher-scale Rio de Janeiro beach neighborhood earlier in the week suffered outages forcing employees to be sent home as restaurants and other businesses disposed of spoiled food.

Since the massive blackout of November 10 that hit the whole country, Cariocas (Rio residents) have had power failure six times starting on November 12 when parts of Copacabana, Ipanema and Arpoador were left in the dark.

And then the power failures became a daily event starting on November 23 (light was cut for "security reasons" in Leblon, Ipanema and Lagoa) and continuing on November 24 (blackout in Leblon and Ipanema - south side and also on the North side: Duque de Caxias and Baixada Fluminense), November 25 (residents from Gávea, Duque de Caxias and Baixada Fluminense left without electricity), November 26 (four Rio neighborhood continued without electricity due to rains of the previous day) and November 27 when Leblon residents once again couldn't use their appliances.

It was a sweltering 39 degrees Celsius (102.2 degrees Fahrenheit) when one of the blackouts hit, forcing residents and tourists to endure the summer heat while out on the beaches.

Brazilian energy regulators plan on opening an official investigation sometime next week, as the country aims to prevent additional blackouts from taking place in the future. Before the most recent major power outage, government officials denied a cyber attack was responsible for several incidents in 2005 and 2007.

The blackout on November 10 reportedly occurred due to a power station short circuit, leading to the largest hydroelectric dam, Itaipu, temporarily cutting off service.

But no official investigation has been made public yet, as has been promised by the Lula administration.

Rio de Janeiro was recently given the rights to host the 2016 Summer Olympic Games though some onlookers are concerned the country may not have the necessary infrastructure to support such a large influx of international visitors.

Officials are working with the city and country to develop some type of fail-safe plan, including a power island able to serve as a reliable power source during the 2014 World Cup and the 2016 Olympics.

Tegucigalpa (Reuters) - The favorite in Honduras' weekend presidential election said on Friday he will try to persuade the world and especially Brazil to recognize him if he wins to end Central America's worst political crisis in decades.

Conservative Porfirio "Pepe" Lobo, who has a clear lead over his closest rival in recent polls, urged Brazilian President Luiz Inacio Lula da Silva to see a new Honduran president-elect as legitimate even though Sunday's vote follows a June coup.

"We will be knocking at President Lula's door and everyone else's to reestablish channels of friendship with all nations," Lobo, a wealthy farmer, told foreign correspondents.

Brazilian Foreign Minister Celso Amorim said on Thursday recognizing the election would mean legitimizing the coup that toppled leftist President Manuel Zelaya.

Zelaya, thrown out of Honduras by soldiers on June 28, snuck back into the country to take refuge in the Brazilian embassy in Tegucigalpa in September.

Security forces have clashed with pro-Zelaya protesters in the months since the coup and some analysts are worried violence could compromise the vote.

In the early hours of Friday, homemade explosives damaged four schools set up as voting centers in the northern industrial city of San Pedro Sula, police said. No one was wounded.

Honduras has been shut out by foreign donors since the coup, and Brazil, the United States and Europe initially pushed hard for Zelaya's reinstatement.

U.S. State Department spokesman Ian Kelly said the election was "another critical step" toward restoring democracy in Honduras and involved "legitimate candidates representing parties with longstanding democratic traditions from a broad ideological spectrum."

"The holding of a free, fair and transparent election is necessary but not sufficient for Honduras to re-establish the democratic and constitutional order," he said in a statement.

Kelly said Washington, which condemned the coup, would continue to push for implementation of a U.S.-brokered power sharing deal struck in October but which subsequently collapsed, calling it "a democratic way forward for the Honduran people."

"The president-elect who emerges from an election deemed free and fair will have a unique opportunity to promote that vital mission," Kelly said.

The question of whether to back the vote and allow Honduras back into the international fold has divided the region.

Lula's foreign policy adviser said this week that the United States risked souring relations with most of Latin America if it recognized the Honduras election.

Neither Zelaya nor de facto leader Roberto Micheletti -- both from the Liberal Party -- can run in the race.

Lobo, 61, said he was determined to overcome resistance to the vote from Zelaya's close ally Venezuela, as well as the European Union, which has suspended aid to impoverished Honduras until the crisis is resolved.

"If I have to go and knock on the King (of Spain's) door I will, immediately," said Lobo, who is running for the opposition National Party but belongs to the country's ruling elite and hails from the same province as Zelaya.

Lobo, who narrowly lost the 2005 election to Zelaya, has a 16-point lead over Zelaya's former vice president Elvin Santos, according to an October CID-Gallup poll.

Both Peru and Costa Rica suggested on Friday they were ready to recognize the election process.

"If the elections in Honduras are carried out transparently ... we will recognize them," Peruvian Foreign Minister Jose Garcia Belaunde said in Quito.

Costa Rican President Oscar Arias, a Nobel Peace Prize winner who mediated talks to try to end the Honduran crisis, urged regional leaders to welcome the elections as a way out.

President Barack Obama's backing of an election in Honduras widely seen by Latin American allies as illegitimate leaves the U.S. isolated regionally and has increased tensions with Brazil.

Most countries in Latin America, except Panama and Costa Rica, have said deposed President Manuel Zelaya must be returned to office before a vote and have cited Zelaya's restoration as a prerequisite for their recognition of the election results.

In the past three weeks, the U.S. backed off that demand, prompting warnings from Zelaya and analysts that the tolerance of his removal may invite coups elsewhere.

"The clumsy handling of this issue when they had the backing of the entire hemisphere is simply an embarrassment," said Robert White, a former U.S. ambassador to El Salvador under President Jimmy Carter who heads the Center for International Policy in Washington.

Hondurans are to go to the polls Nov. 29 for a presidential election in which the Liberal Party, to which Zelaya belongs, is represented by his former vice president.

Zelaya, 57, was ousted by the military June 28 after being accused of illegally seeking to change the constitution through a referendum to hold onto power. Zelaya was taken from his home in his pajamas by soldiers who put him on the presidential plane and flew him to Costa Rica. Power was transferred to Roberto Micheletti, who has served as acting president since then.

Initial Position

The Obama administration initially insisted Zelaya be reinstated before any election took place, a stance consistent with a June vote in the United Nations General Assembly that put the U.S. on the same side as Venezuela in demanding the coup be reversed.

The U.S. has political, military and economic interests in Honduras, which borders Nicaragua, El Salvador and Guatemala. The U.S. is Honduras's top trading partner. American military personnel operate from an air base there for regional drug- interdiction and humanitarian missions.

State Department spokesman Ian Kelly said Nov. 24 the U.S. would wait to see how the election plays out before judging the result. Kelly welcomed the news that an opposition television station, Channel 36, is able to broadcast free of interference and called the elections "an essential part of the solution."

U.S. Advisers

The U.S. is sending technical advisers and observers to monitor the vote while the Organization of American States is staying away.

A grouping of 23 Latin American and Caribbean countries known as the Rio Group said it won't recognize the election result unless Zelaya is first reinstated. Spain, an important European Union voice on Latin America, said it won't accept the election result, the Spanish news service EFE reported.

Costa Rican President Oscar Arias, who earlier this year tried to mediate an end to the political crisis in Honduras, said Latin countries should recognize the vote if validated by observers.

"By wanting to punish the person that the Honduran people pick in the next elections, they're really punishing poor Hondurans," Arias, a Nobel Prize winner, said in an e-mailed statement.

'Frustrated' Brazil

The foreign policy adviser to Brazilian President Luiz Inacio Lula da Silva said Brazil is "frustrated and disappointed" with the U.S.

"All that positive feeling created after Obama's election, and strengthened at the Summit of the Americas in Trinidad and Tobago, is starting to disintegrate a bit, because the U.S.

is condoning a coup d'etat, recognizing a government that has used extremely illegal and violent tools," Marco Aurelio Garcia told reporters Nov. 24 in Brasilia.

Zelaya has been holed up for weeks at the Brazilian Embassy in Tegucigalpa, the Honduran capital, after sneaking back into the country.

The fissure with regional allies comes after Obama tried to usher in a new partnership with Latin America grounded in dialogue rather than diktats.

Obama pushed back against criticism of his Honduras policy in August, during a trip to Mexico.

American Involvement

"The same critics who say that the United States has not intervened enough in Honduras are the same people who say that we're always intervening and Yankees need to get out of Latin America," Obama said. "You can't have it both ways."

Some Honduras observers say they worry that U.S. backtracking on restoring Zelaya to office may open the way for other overthrows of elected governments in Latin America.

"It makes it look like coups are a viable way out, and that is a terrible message for the region," said Lisa Haugaard of the Latin America Working Group, a Washington-based human- rights advocacy coalition.

One group that has welcomed the U.S. stance is American businessmen who operate in Honduras, the largest market for U.S. yarn exports. Imports of textiles and apparel from Honduras fell by 38 percent in the three months after the June coup, according to the Arlington, Virginia-based American Apparel and Footwear Association.

The political upheaval prompted companies to place fewer orders and perceive Honduras "less favorably" as a destination for business as border closings, curfews and port closures curtailed production and shipments, said Steve Lamar, the association's vice president, in an interview.

Apparel companies that produce goods in Honduras include Winston Salem, North Carolina-based Hanesbrands Inc., Jockey and Fruit of the Loom, owned by Omaha-based Berkshire Hathaway Inc. Yarn and thread companies that export to Honduras from the U.S. include Parkdale, American & Efird Inc., and Tuscarora Yarns, according to the association.

"Our hope is that once the election moves forward and then with a new government being sworn-in in January, you're going to start to see that confidence restored," Lamar said.

It was a busy week indeed in Latin America. Brazilian President Lula had invited French President Sarkozy to an Amazonian summit which dealt with climate change, and specifically how to put more pressure on the U.S. and China at the upcoming Copenhagen Conference to reduce their carbon emissions, as well as find means to lend financial assistance to developing countries. The meeting, which took place in Manaus, Brazil, was snubbed by six heads of state including Hugo Chavez of Venezuela, Bolivia's Evo Morales, Colombia's Alvaro Uribe and Alan Garcia of Peru.

On Friday, the UNASUR (Union of South American Nations) Conference opened in Quito, Ecuador with the hopes of defusing the tensions between Colombia and Venezuela. Colombia's Uribe did not attend and drew heavy criticism from Venezuela's foreign minister, Nicolas Maduro, who called the 'absence is inexplicable, a huge mistake and an act of contempt towards Unasur.'

The presence of U.S. armed forces on Colombian soil has caused worry among UNASUR's member, especially Venezuela, where Hugo Chavez called on his countrymen, earlier this month, to prepare for war.

Notwithstanding, all of this lip service does not detract from Chavez doing what he loves best: being in the limelight. However, both Abbas and Ahamadinejad went to visit President Lula of Brazil before landing in Caracas.

UNASUR, the Union of South American Nations, in which Brazil is the leading member, will not recognize Sunday's presidential election in Honduras organized by the de-facto regime, announced in Brussels Ecuadorian president Rafael Correa who called on the European Union to adopt a similar attitude.

"The UNASUR decision has already been taken: we are not going to recognize elections held under the de facto regime of Roberto Micheletti," which nevertheless will be accepted by the administration of President Barack Obama, Panama, Costa Rica and allegedly Peru if they are held with all basic democratic guarantees.

"I hope the European Union" adopts a similar attitude to UNASUR said the Ecuadorian leader who is also the pro-tempore president of the twelve South American nations alliance. President Correa is on an official visit to Belgium.

"Now we will be able to see who is who, who supports democracy and who doesn't."

The European Union has yet to decide about Sunday's elections in spite of having no contacts with the de-facto regime headed by Micheletti.

"How are we going to talk about something that has still to happen? I can't speculate about the EU reaction to the ballot," said Christine Hohmann spokesperson for the EU Foreign Affairs commissar Benito Ferrero Waldner.

Correa criticized the US passivity towards the coup that ousted elected president Manuel Zelaya at the end of June and insisted that "if Washington is truly committed, it can easily solve the crisis tomorrow, in 24 hours," by simply withdrawing its support to Honduras Armed Forces.

The Ecuadorian president said that certain sectors from Ecuador, Bolivia and Venezuela "if given the chance they would emulate the Honduras coup but thank goodness these governments have an overwhelming support from their peoples."

For a little over two months now, ousted Honduran president Manuel Zelaya has been a guest at the Tegucigalpa's Brazilian embassy. Nobody knows what will happen to the deposed leader if as expected Porfirio Pepe Lobo, from the Partido Nacional - the same of de-facto president Micheletti - wins the Sunday election.

Last Sunday American president Barack Obama sent a letter to Brazilian president Luiz Inácio Lula da Silva, talking about Iran but also about the US position on the Honduras vote. The US leader through his aides let it be known that the United States will accept whoever emerges as winner from the Sunday ballot boxes.

Brazil has adopted the contrarian position - by the way, the same in which the US was until recently - vowing to not recognize whoever wins the election arguing that the whole process is a farce set up by an illegitimate government, which took power in an illegal coup d'état.

Ruy Casaes, the representative of Brazil in the OAS (Organization of American States) was a little more forceful calling acting president Micheletti a clown and expressing his disgust over Obama's decision to back the new president elect.

Even in Brazil many analysts are condemning the Brazilian action seeing it as intervention in domestic affairs of another country, out-of-line with the Brazilian diplomatic tradition.

Tegucigalpa, Honduras—Conservative rancher Porfirio Lobo won Honduras' presidential elections Sunday in voting that many Hondurans hope will end a crippling crisis and others fear will whitewash the overthrow of a leftist leader in a June coup. Preliminary official results showed the opposition National Party candidate with 56 percent support with more than 60 percent of the vote tally sheets counted. His main rival, Elvin Santos of the ruling Liberal Party, conceded defeat, saying it is time for "unity, the only path to confront the future and ensure the victory of all Hondurans." Perhaps more importantly, election officials said more than 60 percent of registered voters cast ballots—a victory for interim leaders who hoped a large turnout would bolster the vote's legitimacy in the eyes of the world.

But Manuel Zelaya, the president ousted in the June 28 coup, is certain to challenge that number. He said earlier that his own information from polling stations indicated abstention was as high as 65 percent, insisting the vote had no legitimacy and should not be recognized. No pro-Zelaya presidential candidate ran Sunday.

The candidates' campaigns have been overshadowed by the debate over whether Hondurans should vote at all in an election largely shunned by international monitors.

The dispute has split Western Hemisphere countries.

The United States, hoping to resolve its first major policy test in Latin America, is defending the election, while leftist governments argue it means Central America's first coup in 20 years has succeeded.

Washington's support matters most in Honduras, which sends more than 60 percent of its exports to the United States, from bananas to Fruit-of-the-Loom underwear, and relies heavily on money sent home from the 1 million Hondurans who live in the U.S.

President Barack Obama's government suspended development aid and anti-narcotic cooperation with Honduras over the coup. But U.S. diplomats say Hondurans have the right to choose their next leader in regular elections that were scheduled well before President Manuel Zelaya's ouster. Neither Zelaya nor the man who replaced him—interim President Roberto Micheletti—are running in Sunday's election.

Zelaya had said overwhelming abstention would discredit the election and the U.S. would regret its stance.

"The United States made a mistake," Zelaya said in a telephone interview with The Associated Press from the Brazilian Embassy where he took refuge since sneaking back into the country from his forced exile. "If they are democrats in their country, they should be democrats in Latin America."

After polls closed, he claimed in a statement that he had information from 1,400 polling stations indicating that abstention was as high as 65 percent.

"As president of Honduras I declare this process illegitimate," he said.

Election workers in the slums of Tegucigalpa said turnout was slow, with some saying only about a third of registered voters had arrived by mid-afternoon. But turnout was higher in affluent neighborhoods where resentment against Zelaya runs highest.

Police fired tear gas at several hundred pro-Zelaya protesters in the northern city of San Pedro Sula, and at least one person was injured and required stitches on his head. Some

protesters sat down as police approached, and others hurled rocks back at police. Police spokesman Orlin Cerrato said protests are banned on election day.

Zelaya has support among many poor Hondurans who believed in his promises to shake-up a political system dominated by two political parties with few ideological differences and influenced by a few wealthy families.

Mauro Romero, 59, had no intention of setting foot in a polling station.

"Zelaya is the president that we elected. We don't want the same dinosaurs in power, people who have been there for 30 years, only getting fat," said Romero, sitting on the steps of the Tegucigalpa's peach-colored 18th century cathedral, now covered in graffiti saying "No to the coup!"

But many Hondurans simply want to end a crisis that has eroded an already stagnant economy. Tourists have disappeared from Mayan ruins and rain forests, multilateral lending agencies have blocked the country's access to credit.

Opponents say Zelaya's efforts to change the constitution were a ploy to extend time in power by eliminating presidential term limits, as his ally Hugo Chavez has done in Venezuela.

"We don't want a monarch here who is going to stay here forever in this country," said Rolando Barahona, a business manager. "The crisis is behind us and now we all need to unite and work."

Human rights activists accuse the interim government harassing groups promoting abstention. On Saturday, about 50 masked soldiers and police raided the offices of Red Comal, a farm aid group in the northern town of Siguatepeque that has opposed the coup, said Miguel Alonso, the program director. He said police seized computers and documents.

"It's no secret that we are members of the national resistance movement against the coup," Alonso said. "So the raid order doesn't surprise us."

Lobo, 61, and Santos, 46, promise to encourage private investment to create jobs while increasing social benefits in a country where 70 percent of the 7 million people are poor.

Lobo has benefited from divisions within Santos' Liberal Party, which largely turned against Zelaya and supported his ouster.

As president, Lobo says he will talk with Zelaya and has suggested the deposed leader may be allowed to leave the Brazilian Embassy without fear of arrest. Zelaya faces abuse of power charges for ignoring a Supreme Court order to cancel a referendum on changing the constitution.

Under a U.S.-brokered pact, Congress is set to decide Wednesday whether Zelaya should return as head of a unity government until his constitutional term ends Jan. 27. Despite its support of the elections, the United States insists it still supports Zelaya's reinstatement.

Estoril, Portugal, Nov. 29 (Xinhua) -- Brazilian President Luiz Inacio Lula da Silva said here Sunday that Brazil would not "reconsider" its stance on Honduras' general elections and would not recognize the results.

Lula made the comments after arriving in Estoril, a Portuguese seaside resort, for the annual Ibero-American summit.

"It was a very dangerous signal" that ousted President Manuel Zelaya was not allowed to return to his country, Lula said.

Zelaya was forced out of his country in a June coup that has been internationally condemned. He has been staying in the Brazilian embassy in the Honduran capital Tegucigalpa since late September.

The Brazilian president said Zelaya could stay in the Brazilian embassy as long as his life is secured.

Brazil's renewed refusal to recognize the election came as Hondurans went to the polls amid a tense political crisis in the country.

Official preliminary results showed opposition candidate Porfirio Lobo had gained 51 percent of the vote on Sunday and was poised to become the new president of Honduras. The election is also rejected by Venezuela, Bolivia and Ecuador. The United States, Costa Rica, Panama and Peru have said they would recognize the vote.

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Honduras' disputed presidential election is likely to set Washington against emerging Latin American power Brazil over whether to recognize the winner of a vote promoted by the leaders of a June coup.

Conservative opposition leader Porfirio Lobo easily won the election on Sunday, but he will struggle to get recognition in Latin America where many leftist governments see the election as a nail in the coffin of ousted President Manuel Zelaya.

The United States has tried and failed to have Zelaya, a leftist, reinstated and now looks resigned to backing the election as the best way for Honduras' to get out of political gridlock and diplomatic isolation.

The State Department called the vote "a necessary and important step forward" after results came in on Sunday but did not say whether Washington would explicitly recognize Lobo's victory over ruling party candidate Elvin Santos.

Brazil, which is increasingly flexing its muscles as its economy becomes more powerful, refuses to recognize the vote.

"Brazil will maintain its position because it's not possible to accept a coup," President Luiz Inacio Lula da Silva said on Sunday.

Zelaya has taken refuge in the Brazilian Embassy in the Honduran capital, putting Brazil at the heart of a crisis in a region where the United States has long been dominant.

Washington supported coups and right-wing governments fighting civil wars against Cuban and Soviet-backed leftist guerrillas in Central America during the Cold War.

Today, millions of Central American immigrants to the United States send home money that is vital to the economies of countries like Honduras and El Salvador. Honduras is the second largest coffee producer in Central America.

Although the crisis has not affected Honduran coffee production, it is threatening U.S. President Barack Obama's attempts to turn a new page with Latin America, where leftist governments are in the majority.

Argentina and Venezuela also oppose the Honduran election, but Panama, Peru and Costa Rica have said they back the vote.

Election Win

Lobo declared victory after electoral authorities gave him an almost unassailable lead with 55 percent of the vote, compared to 38 percent for Santos who conceded defeat.

A conservative landowner, Lobo said he would ask other countries to give him recognition.

"We are prepared to approach them and ask them to understand that there is a government which was elected, that it is the precise will of Hondurans at the ballot box, that it is a democracy and we should all respect the leadership of countries," he said.

Lobo, 61, has also called on the international community to resume aid that was blocked in retaliation for the coup.

Due to take office in January, he must now decide what to do with Zelaya. He could try to negotiate a form of political amnesty for the deposed leader and the main players in the coup in a bid to unite the deeply divided nation.

Soldiers grabbed Zelaya from his home on June 28 and forced him into exile, sparking Central America's biggest political crisis since the end of the Cold War.

Neither Zelaya nor his arch-rival, Roberto Micheletti, who was installed as interim president by Congress after he coup, took part in the presidential election.

Tehran, Nov. 30 (Xinhua) -- Iran's Minister of Industries and Mines said Monday the expansion of cooperation between Iran and the Latin American states, Brazil in particular, is strategic, the official IRNA news agency reported.

Ali-Akbar Mehrabian, also the head of Iran-Brazil Joint Economic Commission, said the expansion of cooperation between Tehran and Brasilia in various fields will form a "significant power" in the world that can join Iran with the important Latin American countries.

Referring to the recent trip of Iranian President Mahmoud Ahmadinejad to Brazil as a new beginning in bilateral relations, Mehrabian told IRNA that the visit would increase the level of cooperation between the two nations.

The talks between the Iranian and Brazilian presidents were positive and focused on the economic, trade, technological, energy, agricultural and industrial issues, Mehrabian said. The Iranian and Brazilian officials signed a number of economic, trade, cultural, sport, scientific and political cooperation agreements during the last-week visit to Brasilia by Ahmadinejad.

Brazilian President Lula da Silva has defended Iran's right to develop peaceful nuclear technology.

Iran has developed strong ties with some major Latin American states, including Brazil and Venezuela, in recent years in energy production, economy and industry, especially after Iranian President Mahmoud Ahmadinejad took office in 2005.

Estoril: A Latin American and Iberian summit yesterday struggled to overcome leaders' differences and reach a consensus on Honduras' post-coup election result which Spain and Brazil have rejected.

The Honduran crisis is not officially on the agenda of the summit in Estoril, Portugal, attended by 22 nations but it dominated preparatory meetings, underlining splits in Latin America over the legitimacy of Sunday's vote.

Porfirio Lobo claimed a solid win in the controversial first presidential election in Honduras since a June 28 coup against President Manuel Zelaya sparked a five-month crisis which has isolated the Central American nation.

Zelaya, who has been holed up in the Brazilian embassy since returning home in September, had urged Hondurans to boycott the vote.

Spanish Foreign Minister Miguel Angel Moratinos said Madrid did not recognize the elections but could not ignore them either. Moratinos said that consultations were underway with the different parties in order to reach "a national reconciliation solution and a definitive exit from the crisis.

If his victory is confirmed, "Lobo will have something to say and will be a new actor in dialogue with President Zelaya," Moratinos said, while criticizing the vote's "lack of transparency or sufficient guarantees.

Earlier Spanish Prime Minister Jose Luis Rodriguez Zapatero called for a broad consensus within Honduras and abroad, an aide said. Critics, including Brazil and Argentina, say acceptance of the polls would endorse the coup in a region with a painful history of dictatorships.

Brazil's President Luiz Inacio Lula da Silva repeated that his government would not recognize the election which he called "an attempt to legitimize a coup d'etat." Cuba, represented by Foreign Minister Bruno Rodriguez denounced the "illegitimate election" and accused the United States of supporting the creation of a "dictatorship" in Central America.

Zelaya's representative at the summit, Foreign Minister Patricia Rodas, accused countries planning to recognize the vote, such as Peru, Costa Rica and Panama, of "supporting Washington.

The United States is backing the polls, after condemning the coup and freezing millions of dollars in aid, to the disappointment of many in Latin America.

The United States, Honduras' main trading partner, called the elections "a necessary and important step forward.

As summit host, Portugal has been given the task of drawing up a proposal for a statement from leaders to be passed by consensus, delegates said. Portuguese Foreign Minister Luis Amado said that "very different positions" at the summit could scupper the chances of reaching a consensus on Honduras.

If it's possible to have a statement through which the Ibero-American summit can contribute to moving the process forward on a political level, very well. If it's not possible, there won't be a statement," he said. – AFP

Whether one sides with the ousted President Manuel Zelaya or with the interim leader Roberto Micheletti, there is no denying the devastating impact of the June 28 anti-

Zelaya coup d'état on the Honduran economy. With the November 29 election of Porfirio 'Pepe' Lobo of the conservative Partido Nacional, backers of the status quo hope that Honduras can resolve its conflicts and begin a new path to economic recovery.

However, even with Micheletti briefly stepping down during the election period to add much needed validity to the process, the legitimacy of the ballot and the integrity of Lobo are both ruinously compromised as the elections were held without Zelaya's participation and thus carried out under an unlawful framework.

While Washington has troubled much of the world community by giving the de facto government the go ahead and recognizing the outcome of Sunday's election, a majority of Latin American countries will not acknowledge Lobo as the legitimate winner of the presidential ballot. Hope for an economic recovery in the near future has been all but squandered unless Congress votes today to return Zelaya to office, which will allow him to hand over the Presidency to his successor in January.

Honduras, a country with a long history of extreme poverty and exploitation at the hands of a corrupt American-run banana industry, has developed a stable but patently unjust political environment, resulting in an attractive investment environment and a fairly prosperous tourism industry, but a shortage of social justices. The country still faces ominous development challenges, evidenced by a poverty rate of over 60%, an infant mortality level of 31 per 1,000 and chronic malnutrition cases of about one third of all children under five years of age.

Traditional struggles over a fight for economic survival have been aggravated by the global economic downturn, as well as by Honduras' ongoing political crisis. While, the country experienced a respectable economic growth rate of roughly 7% under Zelaya in the past two years, estimates project that it will shrink by 4.5% in 2009, most likely because of the worldwide suspension of aid and investment due to the coup.

The ouster of President Zelaya plunged Honduras into a state of internal turmoil that has cost the country \$50 million a day over the past five months, with a disproportionate burden falling on the country's poor. If Lobo is successfully seated, he would need the backing of the international community to mend Honduras economy, support that he is currently lacking. It is easy to say that Honduras' current economic strife is far from over.

Brazilian congressman Raul Jungmann, the only representative from Brazil to be part of an observers' international committee on Sunday's ballot in Honduras says that Brasilia runs the risk of "isolation" if it does not recognize Honduras presidential elections.

The Brazilian press also pointed out to a similar situation quoting Brazilian President Luiz Inácio Lula da Silva's international affairs advisor Marco Aurélio Garcia who said the government would be analyzing the latest events in Honduras.

Jungmann from the opposition Socialist Popular party said that if the administration of Lula does not review its position regarding the Honduras situation it will "isolate" itself from the international community where there is a growing consensus in favor of recognizing Sunday's elections results.

"It's inevitable that the government changes position, maybe not now, but at the end Brazil will have to recognize that the electoral process in Honduras did effectively abide by democratic principles," added Jungmann.

"Popular will is sovereign" and the Honduran ballot was "normal, transparent," added the Congress member.

Meantime the Rio de Janeiro O Globo published in its cover that "Brazil could reconsider its position on Honduras," following the Sunday announcement not to recognize the Honduran election.

Brazil cut all relations with the Honduras de-facto government immediately following the June 28 coup, when president Zelaya was ousted and is now under protection in the Brazilian embassy.

Garcia admitted that the "if the government considers it has to change its position, it will do so,,we need to consider the latest events."

However Garcia said that Brazil has not yet reviewed its position and reiterated that "we do not recognize Sunday's election results."

During the Ibero-American summit in Portugal, Garcia who accompanied Lula argued that "there was a coup and the elections were used to a great extent to legitimize the coup."

Zelaya Wants Rejection

Manuel Zelaya, the ousted Honduran president, sent a letter to Latin American leaders asking them to reject elections held under the de-facto regime that ordered his arrest and forced exile to Costa Rica June 28.

"I ask you not to recognize the electoral fraud and for your cooperation so that this military coup does not go unpunished," Zelaya said in a letter released from the Brazilian Embassy, where he is holed up since he sneaked back to Tegucigalpa in September.

Honduras Sunday presidential election has divided Latin American countries. While a few of them support the United States initiative to recognize the ballot if held under democratic guarantees, which seems to be the case, the rest, led by Brazil, argue that under no circumstances will they accept elections results held under a de facto government born out of a coup.

The US further argues that the controversial election must be seen as "a first step out of the five month crisis" in Honduras.

Conservative Porfirio Lobo has been accepted as the winner of the Sunday election by all candidates including Elvin Santos from Zelaya's Liberal party. Lobo is a member of Honduras' traditional ruling elite and narrowly lost the last presidential election to Zelaya in 2005.

The Brazilian president warned Tuesday that cooperating with Lobo would pose a "serious threat" to democracy in Latin America.

Lobo says he will seek to form a national unity government in an attempt to overcome deep rifts in the impoverished and polarized nation.

But top Zelaya aide Carlos Reina, who left the Brazilian embassy earlier, said Lobo had not made any attempt to talk to Zelaya - who was ousted after critics said he acted against the constitution and tried to illegally extend term limits.

Zelaya "accepts no dialogue with the de-facto government which aims to whitewash the coup," Reina added. "The elections have to be canceled."

The Honduran Congress is expected to vote this week on the reinstatement of Zelaya, which is part of an agreement brokered in October by the US and the Organization of American States, OAS. However the controversy was if the vote had to be taken before or after the election.

Some observers see Zelaya's reinstatement as a possible way out of the crisis, and a way to add legitimacy to Lobo's presidency. Lobo is scheduled to be sworn in as Honduras next president January 27.

Rio de Janeiro, Dec. 2 (Xinhua) -- Brazilian President Luiz Inacio Lula da Silva on Wednesday deplored the alleged corruption cases exposed in the country's Federal District that is home to the national capital city of Brasilia.

President Lula da Silva spoke of the issue in Kiev of Ukraine where he is paying an official visit.

The president said those found guilty of the recently uncovered irregularities must be punished according to law.

Federal District Governor Jose Roberto Arruda and some other senior officials were exposed to have taken bribes by an investigation codenamed "Pandora's Box" carried out by the Federal Police.

Investigators said there was evidence of regular and frequent payment of bribes by entrepreneurs to Federal District officials since 2002 and the alleged bribery amounted to at least 600,000 reais (340,000 U.S. dollars).

The Brazilian president had declined on the day before to take a position on the issue, saying that several video clippings showing Federal District officials receiving bribes "did not speak for themselves" and that the images did not enable him to make a judgment on the matter.

"I did not want to condemn it. The Federal Police is investigating; the District Attorney is investigating. I cannot condemn anyone. We must wait for the due process," the president explained.

The corruption allegation has caused several protests in the Federal District in the past few days.

On Wednesday afternoon, about 150 protesters stormed the building of the Federal District's House of Representatives, smashing the building's glass door and writing with chalks on the representatives' tables.

The protesters refused to leave the building and claimed they would only leave when Governor Arruda resigned.

Like Washington D.C., the Federal District is set aside to accommodate the Brazilian capital. Though it is not a state, the district shares some of the administrative characteristics of either a state or municipality, both being the administrative regions of the country.

Brasilia, Dec. 2 (Xinhua) -- No matter who gets elected to replace Luiz Inacio Lula da Silva as the Brazilian president, Brazil is not to change much domestically, analysts said.

President da Silva has served his maximum two consecutive terms as allowed by the constitution and will not be elected in the October 2010 presidential elections.

Local political pundits, however, do not fear the vacuum left by da Silva who has been in each and every election campaign in the past two decades.

This is because Brazil has such a multi-party system with numerous parties sharing the vote that no single party has a chance of gaining the power alone.

Four parties have been dominating via coalition the Brazilian political landscape since 1985 when democracy returned and their absolute majority of seats in both Brazil's

Senate and Chamber of Deputies forced smaller parties to often make alliance with at least one of them.

The intertwinement of parties aside, the eligible presidential candidates do not differ much from one another, as far as domestic issues are concerned.

The front runners, according to pundits and polls, now include Dilma Rousseff, Jose Serra and Ciro Gomes.

Chief of Staff Dilma Rousseff, chosen by da Silva himself, represents the Workers' Party (PT); Sao Paulo Governor Jose Serra runs for the Social Democracy Party (PSDB), and former cabinet minister Ciro Gomes runs for the Socialist Party (PSB).

Only Gomes' party is outside the incumbent ruling coalition but he himself has been an ally of da Silva.

Having both fought against the military dictatorship before 1985, Rousseff and Serra shared similar views on many domestic issues including the existing economic policy to bail the country out of the global economic slowdown.

"Serra variables would be strong fiscal adjustment and relaxed monetary policy, i.e., low interest and high exchange rates. Dilma will ... do a fiscal adjustment, but less than Serra, and there will be less scope for intervention in exchange and interest rates. But both show concerns with the exchange rate," said Jose Luis Oreiro, economist and professor at the University of Brasilia.

Sociologist Werneck Vianna, from the Instituto Universitario de Pesquisas de Rio de Janeiro, predicted that the debate on mobilizing the state as the development inducer will be central during the forthcoming campaigning.

"It is difficult to differentiate Ciro from Dilma or Serra. All the three (candidates) have a very similar profile, and Serra and Dilma are even more similar. They are executives, people trained in administration, with a vocation for that type of command," Vianna said. But analysts agreed that Brazilians would see some changes in their country's foreign policy after 2010, especially the country's approach toward its South American neighbors and partner countries in the South-South cooperation.

As the opposition spokesperson, Serra already criticized the government for its position in the recent accommodation of the Iranian president's visit to Brazil.

Serra described in his published newspaper article the government's position as "embarrassing" and "undesirable."

Brazil may pull further away from Venezuela for its military cooperation with the United States and exert greater pressure on Argentina for commercial differences if Serra gets elected, analysts said.

Though Serra enjoyed an early 20-point lead in opinion polls, the analysts believed that Rousseff and Gomes, both supported personally by da Silva, would easily catch up in later polls thanks to the influence of the popular incumbent president who still holds a personal approval rate of 80 percent.

Brazil's Minister of Sport, Orlando Silva, has voiced his concern about infrastructure renovations needed ahead of the South American country hosting the 2014 FIFA World Cup.

Silva says all the upgrading necessary may not be completed if the country does not deal with its bureaucracy.

Silva highlights the airport sector as being his biggest worry, adding that it could “collapse” if it does not get the necessary funding in time, Brazilian news agency Estado reported.

According to Silva, about R15 billion has already been made available by the government for airport refurbishment, but a further R15-billion still needed.

He also said that investments in 64 projects to improve public transportations in the host cities will be announced this month.

The South African Government budgeted R15-billion for the World Cup three years ago, however that figure has escalated and the Government has invested considerably more since then.

Dec. 3 (Bloomberg) -- Germany and Brazil differed on how to deal with Iran’s disputed nuclear program, with Chancellor Angela Merkel renewing a threat of sanctions and President Luiz Inacio Lula da Silva urging more patience.

Speaking after talks in Berlin, Merkel said Iran was “testing” the international community. Lula, who met last month with Iranian President Mahmoud Ahmadinejad, said the “best and cheapest” way to achieve a nuclear agreement with Iran was with “patience, a lot of patience.”

Iran has spurned an offer put forward by the five permanent members of the United Nations Security Council and Germany to enrich its uranium abroad. The U.S. and some allies accuse Iran of trying to make a nuclear weapon, while the government in Tehran insists the work is for peaceful energy generation.

Iran is under three sets of Security Council sanctions over its refusal to halt uranium enrichment, a process that can lead to the manufacture of a weapon. Ahmadinejad’s cabinet has ordered scientists to begin building 10 enrichment sites in defiance of the UN, state-run media reported on Nov. 29.

“Nobody can force somebody into a corner,” Merkel said at a press conference with Lula, “but it’s also true that, in my time and before, we’ve continuously had discussions -- for more than four years -- and still can’t see any progress.”

Understanding, Trust

Lula said the path to convincing Iran to scale back its nuclear program was through mutual understanding and trust. He said Iran, like Brazil, had the right to enrich nuclear fuel.

“In my opinion it’s not appropriate to treat Iran as if it were an insignificant country and put pressure on Iran every day,” Lula said. “I don’t think that will lead to good results.”

Lula is leveraging Brazil’s clout as a rising economic power, increasing its international role and starting a mediating role in the Middle East. Last month, the Brazilian leader met with Israeli President Shimon Peres and Palestinian Authority President Mahmoud Abbas as well as Ahmadinejad.

Germany and Brazil renewed their calls today for additional seats on the UN Security Council -- both countries seek permanent membership.

Los Angeles, Dec. 3 -- Brazil’s Chamber of Deputies approved the first of four government-sponsored bills proposing legislation for the oil sector and the potentially oil-rich subsalt reserves.

With 250 votes in favor and 67 opposed, deputies approved the creation of Petrosal, a wholly owned state-run company that will manage contracts for new subsalt areas. The bill now goes to Brazil’s Senate for approval.

Meanwhile, of the other pending subsalt bills, one proposes creation of production-sharing contracts and giving Petroleo Brasileiro SA (Petrobras) operator status and a minimum 30% stake for all new subsalt areas.

The third bill seeks to create a social fund to improve education and health care using new revenue from the offshore fields, while the fourth bill would exchange 5 billion bbl of future oil from unleased areas owned by the Brazilian government for new stock in Petrobras.

However, according to one analyst, the new measures by Brazil's government to take greater control of the country's oil industry could reverse much of the progress achieved in the sector in recent years.

Fitch corporate ratings director José Luis Villanueva told Business News Americas the proposed regulation to give Petrobras a minimum 30% stake in all new pre salt and strategic areas is just one example of the government increasing its control in the industry.

Another measure, the prospective transfer of 5 billion bbl of oil reserves to Petrobras, could result in minority shareholders seeing their stake drop to 25% from the current 60% level, Villanueva said.

Though investors will be able to exercise preemptive rights, minority shareholders may not be able to compete with the government.

"They may not have the liquidity or the capital necessary to increase their stake, or they may think that the valuation of their reserves might be overpriced and they might not participate," Villanueva told BNAmericas.

"Brazil in general has been quite successful, Petrobras in particular, in increasing production and increasing reserves, but the risk is there that the government can spoil its very strong track record of the past," he told the agency.

Manaus, Brazil: China and Brazil should work to tap the potential for cooperation and take advantage of their economic complementarity to help achieve economic prosperity of both countries, top Chinese political adviser Jia Qinglin said on Sunday.

Jia, who is in Amazonas state as part of his visit to Brazil, said at a meeting with state governor Carlos Eduardo de Souza Braga that Amazonas, with a strong economy and Brazil's sole free trade area, has been the destination of investment by some Chinese companies, which have based their production here and sold products in Brazil and to other parts of South America.

China also welcomes Brazilian businesses, particularly those from Amazonas state, to seek opportunities for cooperation in China, said Jia, chairman of the National Committee of the Chinese People's Political Consultative Conference.

Jia expressed the hope that both sides would work to tap the potential for cooperation and take advantage of the complementary elements of both economies to expand their cooperation and thus contribute to their economic prosperity and a deepening of the friendship between the two peoples.

China values relations with Brazil and stands ready to join hands with Brazil to enrich the strategic partnership between the two countries and elevate their mutually beneficial cooperation to a new level, said Jia.

De Souza Braga, for his part, said Amazonas state's exchanges with China have been increased with the development of Brazil-China relations.

Amazonas' trade with China accounts for 20 percent of the total trade between Brazil and China, and China has become the primary source of foreign investment and tourists to Amazonas, he said.

The governor pledged efforts to broaden cooperation with China and to support Chinese companies' business here.

Brazil is the last leg of Jia's four-nation tour, which has already taken him to the Philippines, Peru and Ecuador.

Kiev, Dec 02, 2009 (Xinhua via COMTEX) -- Ukrainian President Viktor Yushchenko met here with his Brazilian counterpart Luiz Inacio Lula da Silva on Wednesday, and both sides pledged to further strengthen bilateral economic and technical cooperation.

During the meeting, Yushchenko said Ukraine attaches great importance to the joint Ukrainian-Brazilian project on using carrier rocket "Cyclone-4" to launch commercial satellites.

"We are confident that with the implementation of this project, Ukraine and Brazil will be strengthened in the field of space technology in the 21st century," Yushchenko said.

Yushchenko also said that Ukraine supports Brazil's candidacy for a non-permanent member of the UN Security Council in 2010-2011. The Brazilian leader, in turn, thanked the Ukrainian side for its support.

When meeting with Ukrainian Prime Minister Yulia Tymoshenko on the same day, Lula said Brazil was ready to offer a loan to Ukraine to complete the "Cyclone-4" project.

Tymoshenko said that Kiev is interested in cooperation with Brazil on building a marine terminal in southern Ukraine for processing Brazilian iron-ore and other mineral materials. She also stressed the possibility of scientific and technological cooperation between the two countries and cooperation in the military industry.

Lula arrived here on Tuesday evening for a three-day state visit to Ukraine. This is his first trip to Ukraine after taking office in early 2003.

Rio de Janeiro, Nov. 30 (Xinhua) -- Brazilian President Luiz Inacio Lula da Silva said Monday that his country has proved that the state plays an important role in combating the global financial crisis since the market itself cannot solve all problems.

In his weekly radio show, "Breakfast with the President," Lula said Brazil had taken all measures to ensure that the country would leave the crisis behind quickly and even manage to achieve growth.

Meanwhile, he also warned that the country must remain cautious, because "2010 will be a very crucial year."

In September, Lula declared that Brazil was no longer in technical recession. He quoted Brazilian Institute of Geography and Statistics figures as saying that the country's growth in the second quarter rose 1.9 percent as against the previous three months.

During Monday's radio show, the Brazilian leader also stressed the importance of the innovation industry and called for Brazilian companies to invest more in the field as the only way to successfully compete in the era of globalization.

He said that Brazil has been striving for the development of the innovation industry, adding that a 41 billion reais (23.56 billion U.S. dollar) investment plan in science and technology will be launched in 2010.

With regard to climate change, the president noted that it is vital that Brazil sets a carbon-emission reduction goal, which will force other countries to present similar proposals as well.

The Latin American country promises a reduction of 36.1 to 38.9 percent of the greenhouse gas emissions by 2020.

He also reiterated that richer countries must not only reduce their own emissions, but also help poorer countries reach their reduction goals on the basis of economic development.

"It is clear that countries across the world should have to take respective responsibilities," Lula said.

Brasilia, Nov. 27 (Xinhua) -- Brazilian President Luiz Inacio Lula da Silva Friday praised China for setting up a concrete target for greenhouse gas emissions reduction, in a meeting with China's top political advisor Jia Qinglin.

Jia, chairman of the Chinese People's Political Consultative Conference (CPPCC) National Committee, briefed Lula on China's position on climate change and its emissions cut targets.

China announced on Thursday that it would reduce the intensity of its carbon dioxide emissions per GDP unit in 2020 by 40 to 45 percent from the 2005 level.

Jia said China sees tackling climate change as a major strategy in the country's development and steadfastly takes the road of sustainable development.

China has made its maximum efforts in setting the targets, which demonstrates the will of the 1.3 billion Chinese people to make their contribution to the fight against climate change, he added.

Jia said it shows China's determination to push for progress in implementing the "Bali Roadmap," in hopes that the upcoming Copenhagen Summit on Climate Change slated for Dec. 7-18 will yield positive results.

China will make every possible effort to guarantee the accomplishment of its targets which are very demanding, he added.

He also said China and Brazil, as developing countries, should boost their coordination in safeguarding the interests of the developing world in the fight against climate change and stick to the U.N. Framework Convention on Climate Change (UNFCCC), the Kyoto Protocol and the principle of "common but differentiated responsibilities."

Lula said the targets set by China represent an important and ambitious step it has taken in the fight against global warming.

He said Brazil and China have a lot in common on the issue of fighting climate change and should join hands to prompt developed countries to fulfill their commitments to reduce gas emissions and provide finance and technology to developing countries.

During the meeting, Jia also spoke highly of the development of friendly relations between the two countries in the past 35 years and said both sides should make continued efforts to strengthen cooperation and communication in such areas as politics, trade and economy, technology, energy, infrastructure and culture.

Lula said Brazil attaches great importance to the development of its relations with China. He also thanked China for giving support to Rio de Janeiro's bid for hosting the 2016 Olympic Games.

Jia began an official visit to Brazil on Friday, part of his four-nation tour, which has taken him to the Philippines, Peru and Ecuador.

Citing the fact that industrialized countries cause much more environmental destruction than loggers and farmers in the Amazon, Brazilian President Luiz Inácio Lula da Silva has called on Western countries—“gringos”—to help halt deforestation.

The Guardian:

Brazil’s president said today that “gringos” should pay Amazon nations to prevent deforestation, insisting rich western countries had caused much more environmental destruction than the loggers and farmers who cut and burn trees in the world’s largest tropical rainforest.

President Luiz Inácio Lula da Silva was speaking before an Amazon summit at which delegates signed a declaration calling for financial help from the industrialized world to halt deforestation, which contributes to global warming.

“I don’t want any gringo asking us to let an Amazon resident die of hunger under a tree,” Lula said. “We want to preserve, but they will have to pay the price for this preservation because we never destroyed our forest like they mowed theirs down a century ago.”

With only 7 days remaining before the Copenhagen Climate Summit begins, Brazil's President, Luiz Inacio Lula da Silva, is apparently feeling the global pressure to stop the razing of Amazon rainforests.

Silva arranged for an Amazon summit last Thursday to form a unified position on deforestation and climate change for seven Amazon nations. The summit was supposed to end with delegates from these seven nations signing a declaration calling for financial help from the industrial world to halt the deforestation that causes global warming. To Silva's embarrassment, the summit was poorly attended.

Regardless of the poor showing at the summit, Silva believes the message of the summit was communicated. "I don't want any gringo asking us to let an Amazon resident die of hunger under a tree," Silva said. "We want to preserve, but they will have to pay the price for this preservation because we never destroyed our forest like they mowed theirs down a century ago."

According to Silva aides the point of the summit was to let the world know that the Amazon is home to 30 million people, most of who depend on the forest's natural riches to eke out a living. About 25 million people live in Brazil's portion of the Amazon, an area larger than Western Europe.

The Brazilian government has been trying to reduce the burning of the rain forest. Brazil alone has managed to reduce Amazon destruction to about 7,000 square kilometers (2,702 square miles) a year, which is the lowest level in decades. But to put that into perspective, that still equals burning an area bigger than the state of Delaware every year. The Brazilians do recognize that the Amazon rainforest is both the single biggest single natural defense against global warming as the forest absorbs carbon dioxide. It is also currently the single biggest contributor of carbon emissions due to the burning and rotting of trees that are dying due to the deforestation.

The dilemma, as stated above is economics. It is hoped for and expected that the Copenhagen summit will provide for a new global climate agreement to reward countries for "avoided deforestation," with cash or credits tradable on the global carbon market.

Norway is already making payments which should total \$1 billion by 2015 as long as Brazil continues to try to stop the burning. Brazilian finance ministers are hoping to increase that amount to \$21 billion, and more donations are hoped for from Japan,

Sweden, Germany, South Korea and Switzerland as they are considering donating to the fund.

Perhaps Brazil would find more support if information was released with how that \$21 billion will be spent.

Speaking ahead of the Copenhagen conference as part of the Channel 4 News week in Brazil, President Lula warned interviewer Jon Snow “everybody will be the victim of global warming”.

In an exclusive interview, to be broadcast on Channel 4 News, the Premier added: “In Brazil you can see climate change very easily.

“From the scientific viewpoint, what is of my concern is that it was not taken seriously in the Kyoto protocol.

“I believe we should not have a simplistic discussion (about) a divide between north and south.

“Every time you present to me a severe situation, instead of putting the blame on somebody, I want to look for someone that is willing to find a solution.

“It’s useless to put the blame on the UK because that’s where the industrial revolution started, so the UK would have much more responsibility.

“I believe that all of us, we have to pay according to our responsibility. Now, no-one will be able to pay a debt that has accumulated for 200 years.

“And so I prefer to have the good sense [to] start discussing what each country can do from now onwards so that a set of countries can take responsibility for the preservation, for the conservation, of the quality of life that we live on the planet earth.”

President Lula went on to say that he would not be happy if the Copenhagen conference produced merely a political agreement on climate change, with no legally binding agreement.

“In politics, when you don’t manage to do everything that you want, you stay happy for what it’s possible to get done.

“If we manage to reach a political matrix that makes it possible to establish goals for the next years, I believe that if we reach that deal we get an important step forward.

“What cannot happen... is for us to do absolutely nothing.

Responding to Gordon Brown’s assertion that it would be a catastrophe if no deal were reached at Copenhagen, President Lula said: “I don’t know if it would be a catastrophe, because when we have a catastrophe then everybody will be concerned and take care of the issue.”

And he went on: “The truth of the matter is that if we do not reach in Copenhagen an agreement, we will send a very negative signal to the world – that is to say, the rulers are acting with the lack of responsibility vis a vis the future of the world.”

“Everybody will be the victim of global warming.

“I believe that we will have to have the courage to do what our rulers did not do in the 20th century.”

Iguazu, Brazil, Nov. 28 (Xinhua) -- Both rich in hydroelectric resources, China and Brazil should learn from each other in promoting the harmonious development between man and the nature, said China's top political adviser Jia Qinglin on Saturday.

Jia, chairman of the Chinese People's Political Consultative Conference (CPPCC) National Committee, made the remarks during his visit to the Itaipu Waterpower Station on the Brazil-Paraguay border.

Jia spoke highly of Itaipu's resource utilization mode, which combines hydrodynamics, aquatic breeding, tourism and ecosystem protection, a development mode characteristic of harmony between man and the nature.

China and Brazil are both rich in hydraulic resources. Vast is the room for bilateral exchange and cooperation in areas like the conservation of water resources, construction and administration of power installations, as well as personnel training, he said.

Jia expressed hope that both sides could learn from each other so as to better serve the interests of the two peoples.

Itaipu is the world's second biggest hydroelectric power station, only after China's Three Gorges Dam. With a total installed generation capacity of 14,000 Megawatts, it supplies 30percent of the electricity consumed by Brazil and the total of that consumed by Paraguay.

Jia began an official visit to Brazil on Friday, part of his four-nation tour, which has taken him to the Philippines, Peru and Ecuador.

Detailed Report/Mexico

Mexico, Nov. 29 (Xinhua) -- Mexican President Felipe Calderon said on Sunday that the defeat of the organized crime in Mexico would strengthen the State and release the society from a scourge which has already claimed too many lives.

In the central court of the National Palace, President Calderon listed the main achievements of his administration in the past three years to State secretaries, businessmen, representatives of the Judiciary and the Congress.

President Calderon thanked his national security cabinet, the Armed Forces and the Federal Preventive Police for their collaboration in the fight against organized crime.

The president expressed regret that drug trafficking is no longer a "low profile" criminal activity foreign to people. It has grown into massive drug transport to the United States as well as many Mexican cities and villages.

"The drug traffic has become a fight between different organized crime groups for squares, markets and streets, with violence that led to felonies like extortion and kidnapping, which affect the citizens," he said.

He stressed that his administration has adopted a strategy, which helped seize almost 25,000 vehicles, 400 aircraft, 7 million cartridges and 3,000 grenades.

The president said drug seizures in the past three years were very important. If the seizures were not made, the drugs would be enough to provide every Mexican youngster aged 15 to 30 with 100 doses, he added.

Phoenix — Government officials overseeing the construction of a "virtual fence" along the 2,000-mile U.S.-Mexico border hope to turn over the first segment to the Border Patrol in January, while beginning construction on a second stretch in coming weeks.

Although the government has plans to extend the network of cameras, ground sensors and radars along most of the border, officials said they'll draw on lessons from the first two segments in southern Arizona as they contemplate if and where to build more sections and how fast to complete them.

The government estimated it would cost \$6.7 billion to cover most of the Mexican border by 2014.

"We do want some time to look at whether or not that really does make the most sense," said Mark Borkowski, the government's director of the virtual fence project. "Is it really sensible to spend all that money? Or are there other more measured approaches? Maybe there are some places along the border that make sense, but maybe not the entire border." As it now stands, once both southern Arizona sections are in operation along 53 miles of the border, the next step would be to authorize construction through the majority of the 375-mile border in Arizona, the nation's busiest gateway for immigrant smuggling and a major thoroughfare for marijuana smuggling.

By using cameras, ground sensors and radars mounted on a series of towers, the system allows a small number of dispatchers to track illegal border-crossers on a computer monitor. They'll be able to zoom in with cameras to see whether it's a person or animal moving, and decide whether the movement requires sending Border Patrol agents to the scene.

The virtual fence, developed as part of then-President George W. Bush's border security plan, is designed to add another layer of protection at the border, along with thousands of Border Patrol agents and 650 miles of real fences.

The government and the contractor building the virtual fence said they were making solid progress after a series of setbacks earlier in the project.

While a prototype virtual fence in southern Arizona has been in use for nearly two years, the first permanent 23-mile stretch along the Mexican border near Sasabe, Ariz., would be handed over to the Border Patrol in January for testing, if everything goes as planned. The government hopes to begin construction on a second 30-mile section south of Ajo, Ariz., once environmental clearances are finalized.

The project was criticized because of delays and the government's finding in 2008 that the 28-mile prototype fence didn't work properly. That prompted the government to withhold some payments to its contractor, Boeing Co. The prototype will be replaced by the first permanent segment.

As virtual fence construction continues, the Border Patrol continues to use older technology that has limitations.

Borkowski, who took over as the project's top leader months after the prototype came under criticism, said it would be easy to blame Boeing for the project's early failures, but much of the fault rests with the government.

The government left it up to Boeing to figure out what the government needed, and the Border Patrol — the end user — wasn't asked to be very involved at the beginning, Borkowski said.

"Unfortunately, what we communicated was, 'We are going to put up a system, everybody is going to love it and when we turn it on, it will work right out of the box and the Border Patrol will be delighted.' And that's not what happened," Borkowski said.

Borkowski said he wasn't entirely satisfied with Boeing's work on the project, but that the company has shown improvements in recent months.

Tim Peters, a vice president for Boeing, said large, complex project experience fits and starts and that his company has made good progress in figuring how to tie together the project's off-the-shelf components.

"It's like sitting down at Christmas, and your kid or your nephew just got a box of Lincoln Logs, Legos and Tinker toys and now you have to figure out how to put those

pieces together," Peters said. "And Legos don't necessarily play well with Tinker Toys, and Tinker Toys certainly don't play well with Lincoln Logs."

Ira Mehlman, a spokesman for the Federation for American Immigration Reform, which favors tougher immigration enforcement, said he wasn't confident that the virtual fence will end up being built along the whole length of the border and that the delays on the project show that the government wasn't serious about securing the border.

"The confidence will come when they actually have something out there that actually works and helps stop people from coming across the border," Mehlman said.

ICEM Mexican affiliate Los Mineros continue to face government repression, and joint government-company action against them. Wednesday 25 November saw a convoy of 10 buses, carrying 400 members and supporters to a peaceful protest in the city of Zacatecas, blocked by riot police and held at Las Arcinas, in the municipality of Sain Alto, 25km from the city. The passengers were told that if they got off the buses, they would be beaten.

The protest was planned as a call for justice over the murder of fellow mineworker Jeventino Flores-Salas in June this year, and also to show support for their exiled leader Napoleon Gomez-Urrutia. Miners from throughout Mexico travelled to Zacatecas on Tuesday 24 November, but were blocked by police the following day from entering the city. The strong suspicion is that Grupo Peñoles asked the federal police to act in this manner. The Mexican Constitution gives citizens the right to move freely, to peaceful demonstration and expression. All of these rights were denied by the police action. Although the workers were finally allowed entry into the city, they were not left alone by the police, and were not allowed to join the manifestation.

The union has criticized the state government of Amalia Garcia-Medina, who is supposedly left-wing, but still sides with the right-wing repression of the federal government.

In other news regarding Los Mineros, the Australian Government is putting pressure on the Calderon Government to rethink its campaign of repression against the Mexican miners. This follows a resolution of the National Executive of ICEM affiliated CFMEU condemning the actions of the Mexican government following the Pasta de Conchos mine disaster in 2006. CFMEU lobbying to the Australian government has resulted in the Australian government making a strong statement of support for the international labor movement's campaign for improved trade union rights in Mexico.

The approval ratings of Mexico's centre-right president have slumped to their lowest level since he took office three years ago, according to an influential poll published on Tuesday.

Only 52 per cent of Mexicans believe that President Felipe Calderón is doing a good job in office – a huge fall of 16 percentage points compared with the same poll three months ago.

Meanwhile, the president's personal popularity rating fell to 6.3 out of 10 compared with 6.9 in September.

The results, published by the country's Reforma newspaper, will doubtless come as a further setback for Mr Calderón as he battles with the worst economic recession in decades and a severely weakened presence in Congress.

As he embarks on the final three years of his six-year term, Mr Calderón will do so with his National Action Party (PAN) no longer the biggest force in the lower house of

Congress, and with the opposition Institutional Revolutionary Party (PRI) in full ascendancy.

According to the poll, the main reason for the slump is the recent tax increase, approved by Congress last month, in which value added tax will go up by one percentage point to 16 per cent.

The decision was taken to try to compensate the decline in oil production, which accounts for more than a third of government revenue. Late last month, Fitch Ratings, the international credit-rating agency, downgraded Mexico on concerns about its medium-term fiscal position.

Yet Dan Lund, a political scientist in Mexico City, says that the biggest thorn in Mr Calderón's side is the economy, which is expected to contract by around 7 per cent this year, the steepest fall in decades and by far the weakest performance in Latin America.

"This is just one more indication of the general problem that when the economy does badly it takes an extraordinary president to ride it out," he says. "In terms of his reform agenda in the coming years, Mr Calderón is now very limited."

The poll also suggests that Mexicans are losing faith in Mr Calderón's ability to guarantee public security as well as in his war against drugs, which has been the government's overriding priority since it came to power.

Only 36 per cent of those asked said they viewed favorably Mr. Calderón's public-security policy compared with 43 per cent in September. The figure is the lowest level since September last year.

On the war against drugs, 39 per cent of those surveyed said they approved of the government's record, a precipitous fall of 11 points since September – though higher than the 34 per cent approval in September last year.

Turkish Prime Minister Recep Tayyip Erdogan is set to pay a formal visit to Mexico through November 8-10, his office said Tuesday, Anadolu Agency reported.

Erdogan is scheduled to meet with Mexican President Felipe Calderon on December 9.

The two leaders are expected to discuss bilateral issues as well as latest regional and global developments.

Both Turkey and Mexico hold seats in the UN Security Council as non-permanent members.

Former Mexican President Vicente Fox on Tuesday lashed out against Venezuelan President Hugo Chávez, whom he accused of being "increasingly authoritarian" and threatening to become "a dictator."

In a meeting with the press in the context of the 19th Ibero-American Summit held in the Portuguese resort of Estoril, 25 km from Lisbon, Fox voiced his concern over the "democratic regression" which in his view is affecting Latin America. He considers that "these leaders are increasingly authoritarian, and are aiming to become dictators, as in the case of Venezuela."

These politicians "are provoking conflicts in Latin America due to their aggressive and violent language," said the member of the Mexican ruling party, National Action Party (PAN) in an international meeting which was not attended by Chávez.

Mexico City (AP) -- A pair of shootouts between troops and gunmen in northern Mexico have killed 13 people, including a bystander and a drug trafficker linked to the killing of a retired army officer.

Navy spokesman Adm. Jose Luis Vergara said troops were searching a villa Friday in a suburb of Monterrey named Juarez when they were ambushed by a group of heavily armed men. Eight gunmen were killed and nine more were arrested in the initial shootout, Vergara said.

Television images showed a garden littered with bloodied corpses. Several handcuffed men sat on the ground with shirts pulled over their heads and a line of automatic rifles nearby.

Vergara said soldiers had gone to the villa to check an intelligence report that suspected drug trafficker Ricardo Almanza Morales was there. He said one soldier was wounded and is in stable condition.

Almanza Morales, killed in the attack, was accused of working for the Zetas, drug traffickers who also serve as enforcers for the Mexican Gulf cartel, and of killing army Brig. Gen. Juan Arturo Esparza and his four bodyguards in a November attack.

Esparza was killed shortly after he was named police chief in the Monterrey suburb of Garcia. Five Garcia police officers were among 10 people arrested in Esparza's killing.

Nuevo Leon state Attorney General Alejandro Garza y Garza said in Monterrey that a second shootout that left five people dead ensued when gunmen in at least 10 Sport Utility Vehicles heading to the villa, presumably to rescue those detained, ran into a military convoy.

During that shootout, one of the gunmen's cars burst into flames. Three people inside died, Garza y Garza said. Television images showed three charred bodies, two of them with their hands tied behind their backs.

Garza y Garza said the driver was a drug trafficker and the other two apparently were drug dealers who had been kidnapped. A fourth body was found about 165 feet (50 meters) from the burning vehicle. A woman who was driving near the shootout was killed by a stray bullet and two other bystanders were wounded, he said.

Seven people were arrested during the second clash, Garza y Garza said.

Hours after the shootouts, gunmen suspected of working for the Zetas attacked a detention center in Monterrey suburb of Escobedo, killing two federal police officers guarding it and freeing 23 inmates, 15 of them members of a kidnapping gang working for the Zetas and the eight others were suspects detained in robbery investigations, he said.

Local media reported some of those rescued were local police officers working for drug traffickers, but Garza y Garza did not say if police were among those freed.

The attack on the detention center "was a reaction to the (soldiers') raid and their intelligence work," Garza y Garza said.

Confrontations between soldiers and drug traffickers have grown more frequent in Monterrey, Mexico's wealthiest city, as troops fight drug dealers and corrupt police officers helping drug cartels.

Drug-fueled violence has cost more than 14,000 lives across Mexico since President Felipe Calderon sent troops to crackdown on cartels in late 2006.

Also Friday, all eight government officials including the mayor of the town of Tancitaro, in Michoacan state, resigned to their posts alleging they have been threatened by drug traffickers and none of the local police officers showed up to work.

Tancitaro Mayor Jose Meza couldn't be reached, but the state congress called an emergency meeting to discuss the government situation in the town of 26,000 people.

The town is in a drug-plagued area and in March the top city council member, Gonzalo Paz, was kidnapped, tortured and killed. Soldiers have destroyed more than 20 meth labs so far this year in the town and several police officers have been killed by drug traffickers.

In southern Guerrero state, gunmen killed three police officers and injured four others, authorities said.

Public security officials in the Pacific coast state of Guerrero said in a statement Friday that the officers fired back after shooters opened fire Thursday evening in the town of Coyuca de Catalan. Two federal police officers, one state police officer and two of the gunmen were killed, it said.

The bodies of five men with gunshot wounds also were found Thursday in Guerrero, authorities said.

McALLEN, Texas (AP) — The U.S. ambassador to Mexico said Thursday that programs to provide more than \$1.1 billion in equipment and training to help Mexico fight organized crime are on track.

Ambassador Carlos Pascual's comments followed the release Thursday of a government report showing only about \$24 million of the aid had been spent by the end of September. Congress appropriated the first \$400 million for Mexico as part of the Merida Initiative in June 2008.

Pascual said expenditures had increased several times since the report was completed and noted that five new helicopters would be delivered to Mexico in a matter of weeks.

"The snapshot showed where we were and the snapshot is very different today, it's going to be radically different in two weeks," Pascual said.

"In any program there is a necessary lead time for obtaining the resources, for executing the contracts, for producing the necessary equipment, for training the people on their use, and that's what we've been doing now," Pascual said. "And what you'll see over the course of the next year and a half is a radical change in the pace of the implementation."

The report by the Government Accountability Office blamed bureaucracy, conditions placed on the funds by Congress and preparations in recipient countries for the slow implementation of the \$1.4 billion Merida Initiative. The initiative provides resources to Mexico, Central America as well as the Dominican Republic and Haiti to fight the drug war.

Mexico's Department of Foreign Relations North America Desk said in a statement to The Associated Press that "the government of Mexico is prepared, logistically and administratively, to receive that assistance and use it to strengthen our national strategy against international organized crime."

"The administration of President Felipe Calderon recognizes the commitment of U.S. President Barack Obama to speed up the delivery of equipment and training," the Thursday statement said.

When Congress approved the first \$400 million installment for Mexico in June 2008, more than 4,000 people had died in drug-related violence in that country since Calderon launched an offensive against the drug cartels in December 2006. The death toll now stands at nearly 14,000.

The initiative resulted from the Merida Summit in March 2007 between then-President George W. Bush and Calderon. It was recognition of the shared threat posed by organized crime and called for a huge funding boost spread over three years.

The funds will pay for equipment such as helicopters, non-intrusive scanners, and improved law enforcement communications networks, as well as technical training to strengthen the countries' justice systems and expand anti-gang programs.

Mexico City — The United States government has spent only 2 percent of the more than \$1 billion it has pledged to help Mexico win its battle against drug traffickers, according to a government study released Thursday.

Despite vows by the Bush administration, and now the Obama administration, to help President Felipe Calderón of Mexico in his three-year-long assault against drug cartels, actual spending totaled only about \$24 million by the end of September, the Government Accountability Office said.

Carlos Pascual, who became the American ambassador to Mexico in August, said the 2 percent figure is misleading and does not capture hundreds of millions of dollars that is in the process of being spent. “The logjams have been broken,” he said in a telephone interview Friday, indicating that five Bell helicopters would be delivered to Mexico next week.

Two years ago, the United States announced a \$1.4 billion, multiyear aid package for Mexico and Central America, a huge increase over previous spending, but the delivery of the money has been bogged down by burdensome contracting rules and other delays, the agency found.

The slow disbursement of funds has frustrated top Mexican officials, with Mr. Calderón raising the issue in a meeting with American lawmakers this year.

Secretary of State Hillary Rodham Clinton, questioned about the slow spending when she visited Mexico City in July, acknowledged that “our long process of approval was cumbersome and challenging for the Mexican government” and vowed to “see what we can do to cut that time.”

Mexico and the United States first agreed to increase American antidrug aid during meetings in March 2007 between President George W. Bush and Mr. Calderón in the city of Mérida. The so-called Mérida Initiative resulting from the meeting represented the largest foreign aid package in the Western Hemisphere since Plan Colombia, a multibillion-dollar effort initiated in 2000 to combat drug cartels and end the insurgency in that country.

The hundreds of millions of dollars in annual aid pledged for Mexico represents a significant increase over previous spending. In 2007, for instance, Mexico received only \$36.7 million in counternarcotics assistance. Central American nations have also been promised more money in antidrug aid, and spending in the region has been similarly behind expectations.

The State Department attributed some of the delay to the challenge of tracking all the money and programs spread across numerous government agencies, saying that dozens of additional staff members have had to be hired at the American Embassy in Mexico to handle administrative matters.

Helicopters and a surveillance plane are the most expensive items, and contracting requirements associated with such aircraft have slowed the spending, officials said. It usually takes two years from the beginning of contract negotiations for helicopters to be delivered, State Department officials said. In Mexico's case, the time lapse will be much shorter if five Bell helicopters are delivered as scheduled. But delivery of a surveillance plane and Black Hawk helicopters for the Mexican military will take longer.

Tijuana, Mexico (AFP) - Gunmen shot and killed a former police commander and opposition politician in his office in the Mexican border town of Tijuana, officials said. Lawyer Eleuterio Cachu Ortiz, who was shot three times in the head, was the fourth current or former police official to be killed in the past two days.

"He was in his office when the murderers entered and shot him with a gun," said a spokesman for the Baja California attorney general's office, Jose Manuel Yepiz.

Cachu was the commander of the Federal Judicial Police in the state and a candidate for a seat in parliament for the opposition Democratic Revolution Party in this northwestern border city of 1.3 million inhabitants.

The police chief of Gomez Palacio city in the northern state of Durango was gunned down late Wednesday.

Earlier Thursday, a gang of 40 armed men attacked a police headquarters in San Francisco de los Romo, in the central state of Aguascalientes, killing two police officers.

Some 120 policemen were killed in Mexico last year, according to official figures.

President Felipe Calderon has dispatched some 50,000 soldiers and thousands of police in a nationwide clampdown to confront the country's powerful drug cartels, but has so far failed to stem drug-related violence that has claimed over 14,000 lives in the past three years.

Estoril, Portugal - (Dow Jones) - Spain supports an initiative by Mexico to create a "green fund" to which developed countries would contribute to finance cuts in carbon dioxide emissions in developing nations, a spokesman for the Spanish prime minister's office said Tuesday.

Mexican President Felipe Calderon and Spain's Prime Minister Jose Luis Rodriguez Zapatero discussed the issue during a breakfast earlier Tuesday.

The spokesman said that the initiative was also being supported by Norway.

Calderon Monday proposed a fund to introduce a financial mechanism to give more effective incentives for reductions in CO₂, and said the fund was necessary as the upcoming Copenhagen climate summit won't produce an agreement capable of substituting the Kyoto Protocol.

If developed countries were to pay EUR10 a metric ton of CO₂ that developing countries would reduce, the proposed fund could amount to EUR150 billion within 10 years, Calderon said. His calculation was based on an assumption that by 2020, the world needs to reduce some 15 billion tons of CO₂ emissions.

Figures for the fund still need to be subject of negotiations, the spokesman from the Spanish government said Tuesday.

Zapatero and Calderon are here for the Iberoamerican Summit that ends Tuesday.

Mexico City, Dec 1 (Reuters) - Mexican Finance Minister Agustin Carstens said on Tuesday he would be willing to head the central bank when Gov. Guillermo Ortiz's term ends this month.

Carstens has been mentioned by investors and economists as the most likely candidate to lead the bank if President Felipe Calderon does not re-nominate Ortiz, who clashed with Calderon last year on interest rate policy.

"I'm here to help the president, and if he wants me to go to the Banco de Mexico, I'll do it," Carstens said in an interview on Mexican radio station Radio Formula. Carstens said Calderon was still mulling his decision.

Removing Ortiz, who is well liked on Wall Street after aggressively fighting inflation over the last decade, would likely be seen by investors as damaging to the central bank's independence.

Calderon criticized the central bank last year for keeping interest rates relatively high despite an inflation rate in Mexico that was similar to that of the United States.

A few weeks later in June 2008, the central bank started raising rates even as the economy slipped toward recession.

The rate hikes of 2008 showed Ortiz would not bow to political pressure and Calderon's administration later said it would respect the central bank's independence.

Carstens said Calderon's eventual decision would be "aimed at strengthening the Banco de Mexico as an institution."

"I am sure that will be his position," he said.

Last week, Calderon said Ortiz has done "good work," but would weigh all the "pros and cons" before deciding whether to nominate him for another term.

Ortiz has not said publicly whether he wants to stay on for another term. Any nominee must be approved by the Senate.

Ortiz has run the central bank since 1998 and has overseen a fall in inflation from 15.3 percent to as low as 2.9 percent in 2005. Consumer prices rose 4.5 percent in the 12 months through October 2009.

The bank is widely expected to raise rates next year to fight inflation, which is seen rising due to higher taxes recently approved by Congress.

The bank left its benchmark overnight rate steady last week at 4.5 percent at its last scheduled monetary policy decision of the year and possibly the bank's last decision under Ortiz.

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