

**Report 98**  
**PROJECT ON BUSINESS AND POLITICS IN THE**  
**MUSLIM WORLD**

**Weekly Presentation: December 23, 2009**

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Period: From December 13-19, 2009

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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

- Senate sends \$1.1 trillion spending bill to Obama
- Senate closing in on \$626 billion spending bill
- Obama implores top bankers to increase lending
- Dems weigh dropping Medicare expansion in overhaul
- Democrats vow to close Medicare 'doughnut hole'
- Moment of truth for health care in Senate
- AP sources: Ill prison to get some Gitmo detainees
- US lawmakers approve jobs package
- Frustrated liberals voice discontent with Obama
- Clinton: US ready to join \$100B climate aid fund
- Canada says must go in tandem with U.S. on climate

##### Western Europe

- Merkel calls on US for deeper emissions cuts
- Danish official: Hopes for climate deal slim
- UN conference recognizes climate deal
- Court: UK is hiding info already made public
- Minister says burqa-style veils impede citizenship
- Portuguese govt aims to permit gay marriage
- Dutch deny Venezuela's claim of US attack plans
- Swiss say they will accept 1 Guantanamo detainee
- Greece's Papandreou unveils economic roadmap to address crisis
- Greece accepts 2 billion-euro emergency loan
- Spain to send 511 more troops to Afghanistan

##### Latin America

- Castro says US on offensive in LatAm despite Obama
- Chavez ally faces early elections in Dominica
- Aristide supporters protest election ban in Haiti
- Bolivia seizes land from TV network owner

## Southeast Europe

### Romania

- Court rules Basescu winner of Romanian election
- PSD rules out joining future Romanian government
- Romania president names prime minister

### Bulgaria

- Bulgarian public split about Turkish broadcast
- Bulgaria confirms support for energy projects
- Bulgaria in talks with US to host Guantanamo prisoners

### Albania

- No end in sight for Albania's political gridlock
- Ambassadors warn Albania that clock is running
- Albania's Meta urges political dialogue
- Albania's Berisha re-elected as Democratic Party leader
- Berisha says Albania wants to produce green energy

### Kosovo

- Kosovo holds second round of local elections
- EU presidency praises Kosovo's municipal elections
- Kosovo's ruling party urges Sejdiu's to recognise election results
- Kosovo government says more recognitions expected
- NATO commander says year successful for Kosovo

### Bosnia

- Inzko: BiH situation might aggravate in 2010
- Inzko extends mandate of international judges in BiH
- Inzko plays down referendum threat in RS
- Belgrade-Sarajevo railway line reopens after 18 years

### Serbia

- EU opens borders to Serbia, Montenegro, Macedonia
- Serbia takes step in downsizing public sector
- Serbia reiterates determination to co-operate with Hague tribunal
- Hague's Brammertz praises Serbia's efforts to capture fugitives
- Serbia charges former Bosnian Serb officer with war crimes
- Vojvodina statute gets green light
- Serbia signs free trade agreement

### Croatia

- Croatia's Sanader denies taking commission from Austrian bank
- Croatia to close two more EU negotiation chapters
- Croatia won't send more troops to Afghanistan

### Oceania

## **Report Summary**

### **USA/Canada**

#### Political Issue

President Obama will definitely be happy that one hangover business he inherited from Bush administration is done away with. He was of the view that America can move out of the recession only by spending it way out and that has become true by the approval of \$1.1 trillion by the Senate now awaiting his signature. But the question is how effective will this new bill move out the American economy from the recession and turned around the financial trauma of many Americans lamenting over spending.

Closing down the Gitmo prison is one of the prioritize matters to the Obama administration as part of his election mandate, but the set date of January 16, 2010 remains unfeasible. The administration has been scouting for place to relocate the prisoners; Thomson Correctional Center in Illinois was one of several potential sites evaluated by the Federal Bureau of Prisons to potentially house the detainees. As the prisoners come to Thomson Correctional Center in Illinois, the underutilized state prison in rural Illinois is hoped to improve the local economy, providing jobs to a hard-hit community.

#### Economic Issue

President Obama would want American financial institutions onboard for the fulfillment of his economic plan. Obama called on the top American bankers to expand their loans to small businesses. Even though the bankers pledged to increase lending and exercise more caution over outside compensation for their employees. They however insisted they are getting conflicting messages from Washington when they do try to make more loans as Washington regulators are cracking down on banks to lend more prudently and forcing them to keep larger cushions of capital to protect against future losses.

After the release of his Afghan strategy, President Obama has been more concerned about the increasing strength of unemployment in the country. He does believe the battle against the recession cannot be fought alone, thereby seeking the softness of lawmakers to aiding his more 'spending proposal'. On that note, the House of Representatives narrowly approved a 154-billion-dollar spending bill aimed at creating jobs.

When George Friedman of STRATFOR said the rhetoric of American president always wore thin after the first year, it could have appeared as overstatement. But recent discontentment among the American Liberals against Obama indicates that Friedman's assertion can be justified. The liberals are worried that Obama is losing touch with the progressive grass roots and thus feeling disappointed. It is more of a reality show to Obama than the liberals, who is now coming to terms with the distinction between campaign rhetoric and actual governance.

## Social/Humanitarian Issue

The healthcare bill is on the verge of being passed for the president's approval. When this is done it will be one of the greatest achievements of the Democrats-led House and more particularly for President Obama, whose tireless effort wants to see a new face of healthcare in the United States. Although the democrats have gotten 60 votes needed for the bill, yet conservative lawmakers and the Catholic Church insisted that not until stronger restrictions on abortions is included and covered by insurance policies they will not consent to the final draft of the bill. Majority Leader Harry Reid said he is ready for a compromise so as to get over the healthcare bill before the Christmas.

## Food, Environment and Energy Issue

The pace set by the European to fund the reduction of greenhouse gas emission has prompted the United States to follow suit. According to Clinton the US will be spending \$100 billion as part of the fund. Meanwhile the speech of the Canadian Prime Minister, Stephen Harper suggests whatever climate plan Washington undertakes will decide how and what Canada will do, because both economies are interlinked. Canada is however ready to contribute to the fund geared at reducing greenhouse gas emission.

## Geostrategic Issues

### **Western Europe**

#### Political Issue

France is yet again proving its conservatism on matter of integration. In France, total assimilation is the proof that an immigrant is ready to kowtow to the mainstream value. French President Sarkozy was hard on veil recently during a parliamentary meeting; such rhetoric is further heightened by France's immigration minister Eric Besson that he wants Muslim immigrants wearing the full veil (hijab) covering the face to be deprived of citizenship and long-term residence.

Portugal a predominately Catholic country might soon be joining five other European countries where gay marriage is permitted. Belgium, the Netherlands, Spain, Sweden and Norway say no problem to same sex marriage. As countries welcome such marriage, it creates concern for religious institution particularly the Vatican clamouring that Europe should return to its Christian heritage.

#### Economic Issue

Greek Prime Minister George Papandreou announced a four year economic plan geared at bailing the country from the shock of economic recession. The prime minister recently said if the economy is not accorded serious attention it will endangers Greece's sovereignty. Thus explains the rationale why the government decided to take an

emergency 2 billion-euro loan from private banks in an attempt to deal with its huge budget deficit and growing debts.

### Social/Humanitarian Issue

The British court has been co-operative with civic right activists over the declassification of documents hope to be helpful in understanding the ordeals of British arrested and kept in Gitmo prison. The documents will as well help to highlight the role of the British government in the torture claimed by these British. The British government has not been happy with the court ruling. Report has it that such documents the British government wants to remain classified for national security reasons are already declassified in the U.S, hence that will avail the civic groups to pound more on the government that such document be made public.

### Food, Environment and Energy Issue

As world leaders arrive for the climate summit in Denmark, the deadlock between the rich and poor continue does not cease to exist on how best to solve and combat the global climate issue. The poor believes the industrial countries should pay more for the damage they have caused the earth. After protracted debate between the industrial western countries and the emerging powers like China and India, a partial agreement was reached as both US and China stroke an understanding. Even though the conference has failed to meet the desired intention of developing countries, the accord reached though not binding but could be a platform for operational pact towards the reduction of gas emission.

### Geostrategic Issues

More Spanish troops are expected in Afghanistan as contribution to the American troops surge in Afghanistan. Spanish troop presence in Afghanistan to more than 1,500.

The scope of enmity between the US and Venezuela is being widened as the latter accused the Dutch government of allowing the US to use its self-governing islands of Curacao and Aruba for espionage and intelligence against Venezuela. This accusation is refuted by the Dutch government, demanding proof from Venezuela.

## **Latin America**

### Political Issue

Fidel Castro's letter read out during the summit of America Bolivarian Alternative for the Americas (ALBA), a regional trade group founded by Chavez, comprising of Leftist government in Latin, indicates that the schism between the Island and Washington it yet to be over. The arrival of Obama to the centre stage of American politics drew Cuba softness towards Washington, but subsequent Obama's policy changed that mood. Castro said Obama is the new face of the empire in the region and

accused Washington of complicity in the Honduras coup and attempt to foment trouble between Colombia and Venezuela.

Aiding the interest of native Indians remains the priority of the first Indian President, Evo Morales committed to replicate Chavez kind of socialism in his country. The government has been seizing property hoped to be handed over to the poor and landless Indians. Many accuse the government of being authoritarian, but Morales believes his policy is pro-marginalized Indians.

The release of election result in Dominica Island will tell if another socialist-leftist government in the region will be unseated. Dominica's Prime Minister Roosevelt Skerrit has promised to retain his seat for another five years. The island is part of the alliance created by Venezuelan Hugo Chavez, although the island maintains good relations with Washington.

Political conflict remains active in the region. The Honduras saga was the recent most issue that shocked the region upon which many political questions remain unanswered. Some Haitians are also protesting against the exiled former president Jean-Bertrand Aristide. They accused the government of derailing his return and prevented his party from participating in the forthcoming elections.

Economic Issue

Social/Humanitarian Issue

Food, Environment and Energy Issue

Geostrategic Issues

## **Southeast Europe**

Political Issue

The Romanian Constitutional Court declared President Traian Basescu as winner of the last disputed election, allowing him a second term in office, thereby leaving the Social Democrat former Foreign Minister Mircea Geoana a loser. Mircea Geoana who lost the election said his party will not be a coalition partner in their new government.

The clarity of the election is necessary for the country, because it stained Romania's image as EU member and also obstruct its loan from international institutions. Hence the president has nominated Emil Boc as prime minister and asked him to form a new government before Christmas. Romania a new EU member has been a political tussle ground, where the parliament and the presidency struggle for power.

In Bulgaria, Prime Minister Boyko Borisov of GERB party said he will endorse the ultranationalist Ataka's campaign to scrap a Turkish news bulletin on Bulgarian National Television (BNT). Turkish speaking Bulgarian makeup 10% of the country's

population and by trying to scrap the language on the national television will require 48 parliamentary signatures before a referendum will decide the matter. Some political parties are against the referendum because of its time and fund consumption, while others see the issue as non-tolerance for minority.

Political tension between the Albanian ruling party and the opposition grids on, the opposition said it will not cease to boycott the parliament until the irregularities during the June national election are corrected. The government has called for an investigation into the matter but refused to allow the ballots to be opened, saying such an act would be illegal. Swedish foreign minister, whose country holds the rotational EU presidency, asks the parties to reconcile in bid to move the country forward in its EU integration.

Ethnic politics in Bosnia and Herzegovina is leading the country nowhere as substantial development and agreements ought to be taken are hindered by the political cleavage in the country. Thus, High Representative and EU Special Representative to Bosnia and Herzegovina (BiH) Valentin Inzko said that the political situation in BiH could aggravate, and asked for support.

Citizens of Serbia, Montenegro and Macedonia can now enter other parts of Europe particularly the EU countries visa-free. The excitement filled the air as EU commission made the announcement. These countries believe after 20 years their dream towards the EU is becoming fulfilling.

Although the legality of its existence as an independent state still remains contested at the International Court of Justice, nonetheless the Republic of Malawi became the 64th state to recognise Kosovo. Prime Minister Hashim Thaci thanked Malawi for the gesture and hoped to see many countries recognise his country as an integral part of the comity of nations.

## Economic Issue

Serbian Parliament has approved a law that sets a limit on the maximum number of employees in local administration as part of the government's public sector downsizing plan. Overall, the bill envisions the dismissal of 5,648 of 37,789 local administration employees. Under the draft, local administration staff cannot exceed 10% of the number of citizens in one municipality.

Serbia inked a free trade agreement with the European Free Trade Association (EFTA) countries. EFTA has four members, Iceland, Lichtenstein, Norway and Switzerland; such deal of course will further boost Serbia's economy and aid it to drive out of the recession.

## Social/Humanitarian Issue

Reopening of railway lines between Belgrade to Sarajevo after 18 years of closure might be another measure to ensuring peace relation between the two countries through people to people contact.

Cooperation of Serbian authority with the Hague Tribunal on war criminal is no doubt one of the prerequisites for Serbia-EU accession. On this platform, the part of Serbia wanting to join the EU and getting all obstacles out of the way, want the absconded fugitives apprehended and handed over to the tribunal. It is believe cooperation is in the best interest of the country.

## Food, Environment and Energy Issue

Whatever the political and economic tension in the country, Bulgarian government does still believe in development of its nuclear power. The country is dedicated to three big energy projects in co-operation with Russia, the second nuclear plant at Belene, the Burgas-Alexandroupolis oil pipeline, and the South Stream natural gas pipeline are to be operational/

## Geostrategic Issues

The Europeans have been asking the US government to shut down the Gitmo prison. But souldering the burden for the closure will not be on US alone. Hence, Obama has been asking European allies to welcome the relocation of the inmates. Bulgaria said it will accept some inmates from Gitmo prison. Bulgaria doing this might be a show of goodwill and way of making the US-Bulgaria missile project a realty.

Unlike the goodwill of the Bulgarian government showing willingness to house some of the Gitmo inmates, Croatia another US ally rejected sending more troops to Afghanistan, rather wants to maintain the presence of its 293 soldiers in Afghanistan.

## **Oceania**

Political Issue

Economic Issue

Social/Humanitarian Issue

Food, Environment and Energy Issue

Geostrategic Issues

## Report Details

US/Canada

WASHINGTON – The Senate on Sunday passed a \$1.1 trillion spending bill with increased budgets for vast areas of the federal government, including health, education, law enforcement and veterans' programs. The more-than-1,000-page package, one of the last essential chores of Congress this year, passed 57-35 and now goes to President Barack Obama for his signature. The weekend action underlined the legislative crush faced by Congress as it tries to wind up the year. After the vote, the Senate immediately returned to the debate on health care legislation that has consumed its time and energy for weeks. Senate Democrats hope to reach a consensus in the coming days on Obama's chief domestic priority. The spending bill combines six of the 12 annual appropriation bills for the 2010 budget year that began Oct. 1. Obama has signed into law five others. The final one, a \$626 billion defense bill, will be used as the base bill for another catch-all package of measures that Congress must deal with in the coming days. Those include action to raise the \$12.1 trillion debt ceiling and proposals to stimulate the job market.

The spending bill passed Sunday includes \$447 billion for departments' operating budgets and about \$650 billion in mandatory payments for federal benefit programs such as Medicare and Medicaid. Those programs under immediate control of Congress would see increases of about 10 percent. The FBI gets \$7.9 billion, a \$680 million increase over 2009; the Veterans Health Administration budget goes from \$41 billion to \$45.1 billion; and the National Institutes of Health receives \$31 billion, a \$692 million increase.

All but three Democrats voted for the bill, while all but three Republicans opposed it. Democrats said the spending was critical to meet the needs of a recession-battered economy. "Every bill that is passed, every project that is funded and every job that is created helps America take another step forward on the road of economic recovery," Senate Majority Leader Harry Reid, D-Nev., said after the vote. Republicans decried what they called out-of-control spending and pointed to an estimated \$3.9 billion in the bill for more than 5,000 local projects sought by individual lawmakers from both parties. The Citizens Against Government Waste said those projects included construction of a county farmer's market in Kentucky, renovation of a historic theater in New York and restoration of a mill in Rhode Island. Sen. John McCain, R-Ariz., a longtime critic of such projects, said it was "shameful" that so many had found their way into the legislation. Most Americans, he said, were watching football and not the Senate debate, adding, "If they knew what we are about to pass ...."

The legislation also contains numerous items not directly related to spending. It provides help for auto dealers facing closure, ends a ban on funding by the District of Columbia government for abortions and allows the district to permit medical marijuana, lets Amtrak passengers carry unloaded handguns in their checked baggage and permits detainees held at Guantanamo Bay to be transferred to the United States to stand trial, but not to be released.

WASHINGTON – The Senate comes in shortly after a snowy dawn to vote on legislation ensuring that the troops are armed and the jobless don't lose their benefits — and to take one more step toward a Christmas week showdown over health care.

The planned early morning vote Saturday on the \$626 billion defense spending bill and sundry other must-pass matters was the outcome of an acrimonious struggle between Democrats determined to pass a health care bill this year and Republicans intent on using delaying tactics to stop them. The defense bill itself, which contains \$128 billion for military operations in Iraq and Afghanistan and a 3.4 percent pay raise for the military, enjoyed wide support. But there was GOP discontent over the Democratic decision to use the bill as the engine to carry several short-term extensions of programs set to expire because of the failure of Congress to deal with them separately.

Those include two-month extensions of unemployment benefits for the long-term jobless, health care subsidies for those out of work, highway and transit funding, three provisions of the anti-terror USA Patriot Act and legislation shielding doctors from a steep cut in Medicare payments. "The Democratic leadership in both the House and Senate held this bill for the troops captive," said Sen. John McCain, R-Ariz. "They knew that at the end of the year, they would stuff unrelated, must-pass legislation, which has nothing to do with the Department of Defense, or the men and women in the military ... so they could get it passed." Democrats in turn scolded Republicans for forcing a 1 a.m. vote Friday to end a GOP-led filibuster and then requiring the full 30 hours, under Senate rules, before a final vote could be staged. Republicans have acknowledged they will use every means possible to stop the health care bill from coming to a final vote this year. Republicans are "using the military, the soldiers, as pawns in this political game," said Sen. Mark Begich, D-Alaska.

WASHINGTON – President Barack Obama implored top bankers Monday to help keep the fragile recovery from faltering by boosting lending to small businesses and getting behind an overhaul of financial regulation. "We rise and fall together," he declared. The bankers said they got the message. Some pledged to increase lending and exercise more caution over outside compensation for their employees. But they also insisted they are getting conflicting messages from Washington when they do try to make more loans. While the White house presses for more lending, regulators are cracking down on banks to lend more prudently and forcing them to keep larger cushions of capital to protect against future losses. That means there's less money available to lend. Obama called his message a simple one: "America's banks received extraordinary assistance from American taxpayers to rebuild their industry, and now that they're back on their feet, we expect an extraordinary commitment from them to help rebuild our economy." He urged bankers to "explore every responsible way" to boost lending and to "take a third and fourth look" at every loan application.

The impact of the president's burst of populist jawboning was hard to gauge. Meanwhile, the government is losing direct leverage as major banks repay the taxpayer bailout loans. Obama's lecture to the bankers was also part of a broader election-season Democratic effort to tie sluggish bank lending to continued high joblessness — and to try to tie the banking industry to Republican efforts against Obama's financial overhaul legislation. The meeting came amid growing friction between the president and the banking industry, a day after Obama denounced "fat cat bankers on Wall Street" who enjoy big bonuses but "just don't get it." "He didn't call us any names" during Monday's session lasting just over an hour, said U.S. Bancorp CEO Richard Davis.

Davis called the meeting "very productive" and acknowledged banks haven't done as good a job as they could in resuming lending. He said he and fellow bankers understood the public outcry over compensation and said they agreed to "make sure we are doing the job of banking, which is lending." "And we should get paid for that when we do it," added Davis, who is incoming chairman of the Financial Services Roundtable.

WASHINGTON – The end game at hand, Senate Democrats appeared ready to jettison a proposed Medicare expansion from historic health care legislation Monday in hopes of assuring Christmas-week passage of the bill to extend coverage to tens of millions. "Democrats aren't going to let the American people down," Majority Leader Harry Reid said after a closed-door meeting called to discuss last-minute trade-offs in the legislation that President Barack Obama has made a top priority. "I'm confident that by next week, we will be on our way toward final passage." Liberals sought the Medicare expansion as a last-minute substitute for a full-blown, government-run insurance program that moderates earlier insisted be jettisoned. But it drew strong opposition from Sen. Joe Lieberman, I-Conn., and quieter concerns from a dozen Democrats — all of whose votes are essential for Democrats to overcome implacable Republican opposition. "Put me down tonight as encouraged about the direction these talks are going," Lieberman said less than 24 hours after he rattled Democrats with his threat to join side with Republican opponents unless he got his way.

Reid did not say flatly that Democrats had decided to drop the proposal for uninsured Americans as young as 55 to purchase coverage under Medicare. But several senators said it appeared inevitable, and liberals sounded resigned to it. "I want to see health care reform," Sen. Sherrod Brown, D-Ohio, said. One official said participants at the meeting broke into applause when Sen. Arlen Specter of Pennsylvania, who switched parties earlier in the year, said he had made his move to become the 60th vote for health care. And with all Democratic senators invited to meet with Obama at the White House complex on Tuesday, that appeared a prime opportunity for him to join his guests in a display of unity. The overall measure, costing nearly \$1 trillion over a decade, is designed to expand coverage and ban the insurance industry practice of denying coverage on the basis of pre-existing medical conditions. Obama also has urged Congress to slow the rate of growth in health care spending nationally, and several days after Reid submitted a package of revisions, lawmakers awaited final word from the Congressional Budget Office on that point. Disputes over abortion and the importation of prescription drugs from Canada and other countries also flared as the Senate entered a third week of debate on the legislation.

WASHINGTON – It's an annual ordeal for many seniors living on a budget. Medicare's coverage gap for prescription drugs — \$3,610 next year — has steadily gotten bigger since the benefit's inception. But if Democrats have their way on health care overhaul, the dreaded "doughnut hole" will shrink by \$500 right away and go away altogether by 2019. With the elderly worried that Medicare cuts in the health care bill will put the quality of their own care in jeopardy, Democrats belatedly are scrambling to convince them otherwise. Lawmakers are eager to make amends with a pivotal political constituency ahead of next year's midterm elections. Senate Democratic leaders this week joined their House counterparts in vowing to close the coverage gap if President Barack

Obama's health care remake passes. "I personally am committed to fully closing the doughnut hole once and for all," Majority Leader Harry Reid, D-Nev., said on the Senate floor. "The legislation we will send to President Obama for signature will make good on his promise, and ours, to forever end this indefensible injustice for America's seniors." Lawmakers say they expect the pharmaceutical industry to pick up the cost, adding at least \$20 billion more to the \$80 billion the companies have pledged toward the overhaul. Drugmakers have separately offered a 50 percent discount on brand name drugs in the coverage gap, already incorporated in the legislation. Several senators said the expectation that the industry would ante up more was a factor this week when the Senate killed an effort to allow consumer access to low-cost prescriptions from abroad. Following the Obama administration's lead, more than a dozen Democrats who previously had backed drug imports switched sides on the vote. Whether the gambit will work with seniors is another matter. "It's a trade-off in the minds of seniors," said Robert Blendon, a Harvard School of Public Health professor who follows opinion trends on health care. "The question they have to ask is whether they're better off if Medicare stays the way it is with no change, or if the bill is enacted with the (Medicare) cuts — but they get the doughnut hole filled."

WASHINGTON — Senate Democrats appear within reach of the 60 votes necessary to pass President Barack Obama's health care legislation after a long year of struggle and a final burst of deadline bargaining with holdout Sen. Ben Nelson of Nebraska. Emerging from marathon talks with Majority Leader Harry Reid and White House officials late Friday night, Nelson said "real progress" had been made toward his call for greater restrictions on abortion within the legislation. Majority Leader Harry Reid decided to unveil a final package of changes in the long-debated legislation on Saturday "and is confident that it will prevail," his spokesman, Jim Manley, said in a late-night statement. Reid made no comment to reporters, but Sen. Chuck Schumer, D-N.Y., another participant in the talks, sounded pleased. "I've been in Harry Reid's office for 13 hours and I'm glad to get out of there," he said. "But I'm particularly glad with what has happened in that office." With Nelson's vote, President Barack Obama's Senate allies would have the 60 needed to overcome a filibuster by Republicans.

That gave Nelson enormous leverage as he pressed for concessions that included stronger restrictions on abortions to be covered by insurance policies offered in a newly overhauled health care system. Officials said he was also seeking to ease the impact of a proposed insurance industry tax on nonprofit companies, as well as win more federal funds to cover Nebraska's cost of treating patients in Medicaid, the state-federal health care program for the poor. These officials, speaking on condition of anonymity because of the sensitivity of the talks, said the administration and Democratic leaders had offered concessions on those points. The Nebraska Democrat has already rejected one proposed offer on abortions as insufficient, and the presence in the talks of Sen. Barbara Boxer, D-Calif., indicated additional changes were on the table. Boxer has a strong record in favor of abortion rights. She told reporters as she left the Capitol at the end of the evening there had been progress made on the issue of separating personal funds, which may be used to pay for abortions, from federal funds, which may not. The issue is contentious because the legislation provides federal subsidies to help lower and middle-income families afford

insurance and the other federal health care programs ban the use of government money to pay for abortions.

WASHINGTON – Taking an important step on the thorny path to closing the U.S. detention facility at Guantanamo Bay, Cuba, the White House plans to announce Tuesday that the government will acquire an underutilized state prison in rural Illinois to be the new home for a limited number of terrorist suspects held at Guantanamo. Administration officials as well as Illinois Sen. Richard Durbin and Illinois Gov. Pat Quinn will make an official announcement at the White House. Officials from both the White House and Durbin's office confirmed that President Barack Obama had directed the government to acquire Thomson Correctional Center in Thomson, Ill., a sleepy town near the Mississippi River about 150 miles from Chicago. The officials spoke on the condition of anonymity to avoid pre-empting Tuesday's announcement. A Durbin aide said the facility would house federal inmates and no more than 100 detainees from Guantanamo Bay.

The facility in Thomson had emerged as a clear front-runner after Illinois officials, led by Durbin, enthusiastically embraced the idea of turning a near-dormant prison over to federal officials. The White House has been coy about its selection process, but on Friday a draft memo leaked to a conservative Web site that seemed to indicate officials were homing in on Thomson. The Thomson Correctional Center was one of several potential sites evaluated by the Federal Bureau of Prisons to potentially house detainees from the Navy-run prison at Guantanamo Bay. Officials with other prisons, including Marion, Ill., Hardin, Mont., and Florence, Colo., have said they would welcome the jobs that would be created by the new inmates.

Closing Guantanamo is a top priority for Obama, and he signed an executive order hours into his presidency directing that the process of closing the prison begin. Obama has said he wants terrorism suspects transferred to American soil so they can be tried for their suspected crimes.

The Thomson Correctional Center was built by Illinois in 2001 as a state prison with the potential to house maximum security inmates. Local officials hoped it would improve the local economy, providing jobs to a hard-hit community. State budget problems, however, have kept the 1,600-cell prison from ever fully opening. At present, it houses about 200 minimum-security inmates. Obama has faced some resistance to the idea of housing terrorism suspects in the United States, but in Thomson many have welcomed the prospect as a potential economic engine. Thomson Village President Jerry Hebel, was asleep when the word came that Thomson had been chosen.

WASHINGTON (AFP) – As US workers continue to struggle with double-digit unemployment, the House of Representatives narrowly approved a 154-billion-dollar spending bill aimed at creating jobs. US President Barack Obama's Democratic allies said Wednesday's package, which the Senate will likely not act on until 2010, would aid those looking for work and states facing shortfalls and mulling public sector layoffs. Lawmakers voted 217-212 for the bill, which includes 48.3 billion dollars in infrastructure investments from highway construction to clean water projects and public housing programs. Related article: Fed moves to eixt stimulus package

Obama praised the bill's passage, saying the legislation offered "some productive ideas to respond to... great need." He thanked lawmakers for "offering new initiatives including repairing our roads and bridges, providing relief to Americans who have lost their jobs, and preventing layoffs at the state and local level." The bill also includes provisions toughening controversial "Buy American" provisions that require the use of US-made construction materials for highways and bridges funded with money from a February economic stimulus package. Specifically, the legislation would make it harder to waive those requirements -- a step the US Chamber of Commerce and other business associations condemned in a letter to key lawmakers. "The result will be delayed projects, fewer projects funded, and fewer Americans put back to work," because the requirements delay construction projects, they warned.

The legislation also includes 26.7 billion dollars to help cash-strapped US states retain key public sector workers like teachers, firefighters, and police officers. The legislation includes six-month extensions of unemployment benefits, which had been due to expire at the end of December, as well as a stopgap health insurance program that chiefly benefits the unemployed. Democrats tapped leftover funds from a titanic financial sector bailout package to pay for about half of the new legislation. But Republicans charged that the spending plan would add billions of dollars to programs funded under a nearly 800-billion-dollar economic stimulus plan passed in February, even though much of that money has not yet been spent.

WASHINGTON — On health care, war and the economy, President Barack Obama is meeting growing resistance from the very group that propelled his election last year: liberal Democrats. Their most pressing concern is the health care legislation now before the Senate, a package that lacks the government-run insurance plan, or public option, that liberals badly wanted. Even organized labor, one of the president's most loyal, most powerful constituencies, is making it clear that unions feel Obama has compromised too much. AFL-CIO President Richard Trumka calls the Senate plan "inadequate" and "too kind to the insurance industry." Andrew Stern, the president of the Service Employees International Union, told its members that Obama "must remember his own words from the campaign. His call of 'Yes We Can' was not just to us, not just to the millions of people who voted for him, but to himself." Liberals' frustrations go beyond health care.

House Speaker Nancy Pelosi, D-Calif., this week warned Obama not to expect her to deliver him the votes to fund his proposed troop buildup in Afghanistan; he'll have to make the case himself. Members of the Congressional Black Caucus have made it clear they want more help for distressed minority communities as part of any financial regulatory overhaul. Darrell West, vice president of governance studies at the center-left Brookings Institution, chalks up the pushback to "impatience." "They're worried the president is losing touch with the progressive grass roots," he said. Given a choice, most presidents would take party unity over public infighting.

Still, Obama aides suggest at this point he's not overly concerned. White House Deputy Press Secretary Josh Earnest said the president "never said that bringing change to Washington and confronting challenges that Washington has ignored for too long would be easy."

COPENHAGEN – U.S. Secretary of State Hillary Clinton has announced that the United States is prepared to join other rich countries in raising \$100 billion in yearly climate financing for poor countries by 2020. The announcement could give a boost to deadlocked climate talks which have faltered over disputes between rich and poor countries over emissions cuts and climate financing.

Clinton says that the financing is contingent on world leaders reaching a broader climate pact at the U.N. talks in Copenhagen. She says the deal must include all major economies, meaningful actions to cut greenhouse gas emissions and a system to ensure all parties' actions are transparent. Clinton says "\$100 billion is a lot. It can have tangible effects."

OTTAWA (Reuters) – Prime Minister Stephen Harper brushed off criticism on Friday that Canada would act on climate change only in parallel with the United States, saying this was crucial because of North America's economic integration. "If the Americans don't act, it will severely limit our ability to act, but if the Americans do act, it is absolutely essential that we act in concert with them," Harper told a news conference in Copenhagen at the end of a U.N. climate summit. He said the Conservative government's strategy was "a big departure" from the previous Liberal government's approach at the 1997 Kyoto talks on climate change. "The previous government said that they would go ahead and implement a regulatory regime in Canada even if the United States did not do so," Harper said.

Opposition Liberal leader Michael Ignatieff said in Ottawa on Friday that Canada should not effectively let its public policy be set by Washington, and has criticized delays in the Harper government's plans to impose regulations on industry. Harper said the government's position was that it would put the Canadian economy at a disadvantage to go it alone. "The nature of the Canadian economy and the nature of our integrated energy markets is such that Canada and the United States need to be harmonized on this, so obviously we are working with the Obama administration and will be continuing to adjust our plans in terms of what is being planned in the United States," he said.

Harper had originally advocated reductions only in the intensity of carbon emissions, meaning cutting the amount emitted per unit produced, but he insisted that the approach now was for absolute reductions going forward. Regulation of Canada's huge oil sands, slammed by environmental activists for their greenhouse gas emissions, will be essential, he added. Harper also said Canada was ready to contribute funds to help poor countries combat climate change, particularly to the poorest and most vulnerable nations.

Western Europe

BERLIN – Germany's chancellor has called on the United States to cut back even more on emissions of carbon dioxide and other global-warming gasses. Angela Merkel told parliament ahead of her departure for the climate talks in Copenhagen on Thursday that the current U.S. offer of a 4 percent cut "is not ambitious enough." All industrialized nations are under pressure to make even deeper cuts, while developing countries such as China and India are being pressured to rein in emissions growth as part of efforts to reach an international agreement. The EU has pledged a 20 percent cut that could increase to a 30 percent cut if other nations also make far-reaching pledges.

COPENHAGEN – World leaders starting flooding into Copenhagen on Thursday, even as a Danish official acknowledged that hope was running out for a comprehensive climate deal because the negotiations between rich and poor countries were deadlocked. The official said the Danish hosts of the U.N. conference had not given up though it appeared unlikely that their ambitious plan for the conference would be fulfilled.

"As it looks now, we will not get the deal that we had hoped for," said the official, who is not authorized to speak publicly about the talks and asked not to be named. Denmark started the two-week U.N. conference — the largest and most important meeting on climate change in history — hoping to crafting a comprehensive framework to curb the greenhouse gas emissions that cause global warming and provide funds for poor countries to deal with climate change. They wanted to get agreement on all the main elements so that a treaty could be signed next year.

But so far the talks have been marked by sharp disagreements between China and the United States — the world's top carbon polluters — and a yawning chasm between rich and poor nations over what should be done.

Still unresolved are the questions of emissions targets for industrial countries, billions of dollars a year in funding for poor countries to contend with global warming, and verifying the actions of emerging powers like China and India to ensure that promises to reduce greenhouse gas emissions are kept. European officials have called for a breakthrough in the final stretch of the conference, which is set to end Friday.

"We are in a crisis of the negotiation. We have to overcome the blockage in the discussion and negotiations," German Environment Minister Norbert Roettgen said. "We still have time: 36 or 48 hours. We need the political will to overcome this."

British Prime Minister Gordon Brown said he believed the conference would still reach an agreement. "We can, by working together over the next 48 hours, reach agreement that will help the planet move forward for generations to come," he said. Leaders arriving Thursday included Iran's Mahmoud Ahmadinejad, Germany's Angela Merkel, France's Nicolas Sarkozy, among many others.

COPENHAGEN – The U.N. climate conference narrowly escaped collapse by agreeing Saturday to recognize a political accord brokered by President Barack Obama with China and other emerging powers. The decision was made after an all-night plenary session, in which a small group of nations blocked the Copenhagen Accord, because it lacks specific targets for reducing carbon emissions. After a break, the conference president gavelled the decision to "take note" of the agreement instead of formally approving it. Experts said that clears the way for the accord to become operational in practice even though it has not been formally approved by the conference. "The linkage is strong enough for it to become operational," said John Hay, a spokesman for the U.N. climate change convention. Several developing countries, including Bolivia, Cuba, Sudan and Venezuela, bitterly protested the deal and said it is unacceptable because it lacks specific targets for reducing carbon emissions. Decisions are made by consensus in U.N. climate negotiations.

LONDON – Details of U.S. interrogation techniques that Britain is fighting to keep secret are no different from what has already been made public by President Barack Obama, according to parts of a U.K. court ruling that were declassified Wednesday.

Three of four paragraphs censored from an October ruling show that high court justices discounted the British government's argument that revealing the information would harm U.S.-British intelligence cooperation. One passage said it was "impossible to believe" that the U.S. would punish Britain for releasing information which was similar to the interrogation memos Obama himself declassified earlier this year. "What would be put into the public domain are matters relating to interrogation techniques that have been widely discussed and made public by the United States government," the judges said in another one of the newly released sections of the ruling. The information referred to by the judges is contained in seven paragraphs of joint U.S.-British intelligence describing the treatment of former Guantanamo Bay inmate Binyam Mohamed, an Ethiopian-born British resident who was arrested in Pakistan and allegedly tortured there and in Morocco before being flown to the U.S. detention center at Guantanamo Bay in Cuba. Mohamed's lawyers have demanded that the seven paragraphs be made public, claiming that they prove that Mohamed was mistreated and that the U.S. and British government were complicit in his abuse.

On Oct. 16, Britain's High Court ordered Britain's government to declassify the paragraphs, but Britain's Foreign Office appealed the ruling and partially censored the judgment itself, arguing that the content of the judges' arguments could put the country's safety at risk. On Wednesday, Britain's Foreign Office partially reversed itself, agreeing to declassify three of the four censored paragraphs. A Foreign Office statement said that the move followed "the expert advice of our legal counsel" and noted that the passages had gone through a security check. Human rights group Reprieve, which along with The Associated Press and other news organizations is fighting to get access to the paragraphs, supplied the uncensored judgment to the AP. Reprieve lawyer Cori Crider said the previously secret passages — which are mainly devoted to criticism of the government's legal maneuvering — showed that the British officials were too quick to cite security concerns when choosing to withhold potentially embarrassing information. "Like the little boy who cried 'wolf,'" she said, "it's the little spy who cried 'national security.'"

PARIS – France's immigration minister said Wednesday that he wants the wearing of Muslim veils that cover the face and body to be grounds for denying citizenship and long-term residence. Eric Besson said he planned to take "concrete measures" regarding such veils, which are worn by a small minority of women in France but have become the object of a parliamentary inquiry into whether a ban should be imposed. Besson spoke during a hearing before the panel of lawmakers as their nearly six-month inquiry draws to a close. Besson said he believed a formal ban on veils that cover the face and body seemed to him "unavoidable," with a ban in public services as a minimum step. Whether such veils are banned or not, he said he intends to personally move forward to ensure that women wearing such veils and seeking French nationality or residence cards are denied. "I want the wearing of the full veil to be systematically considered as proof of insufficient integration into French society, creating an obstacle to gaining (French) nationality," he said. He said he would advise prefects, the highest state representative in the various French regions, that the wearing of such veils is a motive for not delivering 10-year residence cards.

Besson said he was prepared to put the measures before parliament to make them law. In November, Besson ordered a nationwide debate on the French identity, to

conclude by the end of January with possible measures. Conservative President Nicolas Sarkozy is the force behind both the national identity campaign and the targeting of full-body veils, which he has said are not "welcome." Critics claim he is playing to traditional far-right fears of immigration, particularly by Muslims. There is concern that some immigrants and citizens, including members of its Muslim population — at some 5 million the largest in Western Europe — are failing to fully integrate and even defying the nation's secular values. A law was passed in 2004 banning Muslim headscarves from classrooms.

LISBON, Portugal – Portugal's Socialist government has drawn up a proposal that would make Portugal the sixth European country to allow gay marriage.

The law is almost certain to pass, as the center-left Socialist government has the support of all left-of-center parties, who together have a majority in Parliament. Right-of-center parties oppose the measure. The proposal changes Portuguese law to remove references to marriage being between two people of different sexes, Cabinet Minister Pedro Silva Pereira told a news conference Thursday, adding the government will send its proposal to lawmakers for a debate, probably in January. If approved by Parliament, the proposed law goes to Portugal's conservative President Anibal Cavaco Silva, who can ratify or veto it. A veto can be overturned by Parliament. If there is no presidential veto, the first gay marriage ceremonies could take place in April — a month before Pope Benedict XVI is due on a four-day official visit.

Gay marriage is currently permitted in five European countries — Belgium, the Netherlands, Spain, Sweden and Norway. In Portugal, an overwhelmingly Roman Catholic country, previous efforts to introduce gay marriage have run into strong resistance from religious groups and conservative lawmakers. Pedro Corte-Real, head of the Portuguese delegation of ILGA, the International Lesbian, Gay, Bisexual, Trans and Intersex Association, said the proposal was a vindication of his group's battle to end sexual discrimination. "We have been fighting for this for years," he told The AP.

In July, the Constitutional Court upheld the country's ban on gay marriage, rejecting an appeal by two lesbians seeking to wed. It said the constitution, while granting equal rights, did not state that same-sex marriages must be permitted.

THE HAGUE, Netherlands – The Dutch government denied Friday that it is allowing the United States to use Caribbean islands to prepare a possible military attack against Venezuela as that country's president contends. A spokesman said Foreign Minister Maxime Verhagen had asked Venezuela's ambassador to clarify the claims made by President Hugo Chavez in a speech Thursday at the climate summit in Copenhagen.

Foreign ministry spokesman Bart Rijs said the United States does use civilian air fields on the self-governing islands of Curacao and Aruba, but the U.S. forces are solely combating narcotic trafficking and use unarmed aircraft. The Venezuelan leader had accused the U.S. military of sending intelligence agents, war ships and spy planes to Aruba, Curacao and another self-governing Dutch island, Bonaire, in preparation for an attack to topple him from power.

BERN, Switzerland – Switzerland will take in one detainee from the U.S. detention facility for terrorism suspects at Guantanamo Bay, Cuba in the hope of helping President Barack Obama to close down the prison, the government said Wednesday. The detainee is a citizen of Uzbekistan and has been held for seven years at the U.S. military prison, the government said. He was detained in Afghanistan in 2002 for alleged links to terrorism, said Justice Minister Eveline Widmer-Schlumpf. The authorities refused to release the man's name. The Swiss said they interviewed the detainee in August and concluded that he had no links to a terrorist group, and received American assurances that he posed no public risk. The detainee has been cleared for release since 2005, but couldn't be returned to his native Uzbekistan where he would face possible persecution. He has promised to respect Swiss law, learn the French language and find a job, a statement said. The transfer still needs to be approved by the U.S. Congress, said Justice Ministry spokeswoman Brigitte Hauser-Suess. If handed over, the man will be resettled in Geneva, the government said.

By taking the detainee, Switzerland wants to "play its part in solving the Guantanamo problem," the government said. Obama ordered the Guantanamo facility closed by January 2010, but said last month he would miss the deadline. There are over 200 detainees at the prison. Obama has ordered the U.S. federal government to acquire an underused state prison in rural Illinois to be the new home for a limited number of terror suspects now held at Guantanamo. Other European nations including France, Hungary, Ireland, Italy and Portugal have also agreed to accept detainees in recent months.

ATHENS, Greece -- Prime Minister George Papandreou unveiled a four-year plan Monday (December 14th) to reduce the country's crushing budget deficit and bring its soaring debts under control. Speaking to business and trade union leaders, Papandreou said that over the next three months, the government will make decisions that have been avoided for decades. Following this quarter of national dialogue regarding possible measures, the government will shift into action, which is what the financial markets want to see, Papandreou stressed.

The roadmap envisions drastic cuts in public sector costs. Additionally, bonuses that private banks award their employees will be taxed at a rate of 90%, while in 2010, a hiring freeze will be slapped on the public sector. Additionally, one third of Greek tourism offices abroad will be closed. Also targeted will be the employment of illegal immigrants in Greece.

ATHENS, Greece -- The government has decided to take an emergency 2 billion-euro loan from private banks in an attempt to deal with its huge budget deficit and growing debts, local media reported on Wednesday (December 16th). The loan will have an annual interest rate of 2.5% -- significantly lower than the average interest rate of 3.3% -- will be paid off in five years. The government is expected to receive the money on January 4th. Meanwhile, the government and opposition met to discuss the economic crisis following Prime Minister George Papandreou's announcement of stiff spending cuts. He asked all parties to support the measures to pull the country out of the crisis. Papandreou says party leaders reached an agreement on several key points despite ideological differences. One rallying point with which all party leaders agreed is to tackle significant levels of corruption.

MADRID – Spain's defense minister has announced plans to send 511 more soldiers to Afghanistan in response to President Barack Obama's request for more allied help to fight the Taliban. Carme Chacon says most of the soldiers will train Afghan soldiers so the Kabul government can eventually fend for itself. The deployment needs approval from Spain's Parliament. It would raise the Spanish troop presence in Afghanistan to more than 1,500. Chacon told a parliamentary panel Thursday that details of the deployment would be announced at a conference on Afghanistan next month in London. In November, Spain sent an additional 200 troops.

## Latin America

HAVANA – Fidel Castro says President Barack Obama's "friendly smile and African-American face" are hiding Washington's sinister intentions for Latin America — more evidence of a new cooling in U.S.-Cuba relations after a thaw had seemed possible just months ago. In a letter to Hugo Chavez that the Venezuelan president read at the close of a summit of leftist Latin American nations Monday, Castro said the U.S. "empire is on the offensive again" in the region. He blamed Washington for a military coup that toppled leftist President Manuel Zelaya of Honduras in June and criticized a U.S. agreement with Colombia that allows U.S. troops greater access to seven of that country's military bases. "They are obviously the real intentions of the empire, this time under the friendly smile and African-American face of Barack Obama," Castro said.

The 83-year-old former Cuban president heaped praise on Obama when he first took office, calling him intelligent, sincere, serene, courageous, honest and well-meaning. He later endorsed Obama's winning of the Nobel Peace Prize.

But Castro has turned on Obama, saying in an opinion piece in state media last week that the U.S. president's acceptance of the Nobel prize after deciding to send 30,000 more soldiers to Afghanistan was "a cynical act." His letter to Chavez is the latest sign that reconciliation between the U.S. and the communist-governed island isn't likely soon. That had seemed a possibility as recently as the spring, when the White House eased restrictions on Cuban-Americans who want to travel and send money to this country and Obama spoke of a possible new beginning in relations. The idea that Washington is turning up the heat on the leftist governments in Latin America dominated the two-day meeting of the Bolivarian Alternative for the Americas, a regional trade group known as ALBA that was founded by Chavez as an alternative to U.S.-backed, free-trade consortiums. Bolivian President Evo Morales said that if the U.S. threatened Latin America militarily, the region would rise up and create "a second Vietnam." Chavez quipped that Obama was the winner of the "Nobel Prize of War." The Venezuelan leader also responded to recent comments by U.S. Secretary of State Hillary Rodham Clinton, who warned Latin American governments to "think twice" about building ties with Iran. "It's ridiculous, the threat of the secretary of state, and we aren't afraid of her," Chavez said.

ROSEAU, Dominica – Dominica's Prime Minister Roosevelt Skerrit, who has led his small Caribbean country into an alliance with Hugo Chavez, is betting that Friday's early general elections will keep his Labor Party in power for another five years.

The island of 72,000 people has become one of the staunchest members of Chavez's Bolivarian Alliance while reaping tens of millions of dollars in Venezuelan investment. However the 37-year-old University of Mississippi graduate has also maintained friendly relations with the United States. Opposition leader Ron Green says ties with Venezuela would remain warm if his United Workers Party wins most of the 21 seats, but he has accused Skerrit of manipulating aid from Chavez for political benefit and recently suggested the Venezuelan leader might have inadvertently interfered in Dominican affairs. Skerrit also established ties with the People's Republic of China in March 2004, breaking relations with Taiwan — a blow to the Asian island's battle to maintain international recognition. Green has said that he would keep ties with China.

Skerrit has promoted development by signing a deal with a Colorado company to export water and has proposed selling geothermal power to the region. Green graduated from Manhattan College in New York and earned a masters degree in education at Columbia University. Opponents have tried to undermine Skerrit by accusing him of holding dual French and Dominican citizenship, seemingly a constitutional violation. They also have raised questions about the potential for electoral irregularities because of a voter registry that apparently contains many people who have died or moved away: there are 67,000 registered voters in a population of 72,000.

PORT-AU-PRINCE (Reuters) – Supporters of former Haitian President Jean-Bertrand Aristide marched through Port-au-Prince on Wednesday calling for his return from exile and protesting his party's exclusion from upcoming elections. Several thousand protesters joined in the protest march, which marked Aristide's rise to power as Haiti's first democratically elected president in December 1990. The demonstrators accused the government of President Rene Preval, a one-time Aristide ally, of planning a fraudulent legislative ballot on February 28 and said they would boycott the vote in the impoverished Caribbean nation. Aristide's populist Fanmi Lavalas political movement has been banned from participating in the election on grounds it failed to meet the legal requirements for registration. "There will be no election in February, there will be a selection. What the authorities are planning is really a big farce," Dr. Maryse Narcisse, a leading member of Aristide's party, told Reuters. "The president and election officials are the masterminds behind the plan to exclude the majority of the population from the vote," said Narcisse, who spoke as she marched with others through the streets of Port-au-Prince. No one in Preval's cabinet was immediately available for comment.

Aristide, a firebrand former Roman Catholic priest, was ousted in a 1991 military coup and restored to power three years later under a U.S. military occupation. He won a second presidential election in 2000 but fled Haiti in 2004 in the face of a bloody armed rebellion and under U.S. and French pressure to quit. He had faced accusations of despotism and corruption, charges he repeatedly denied. "We want Aristide back here now. He is our leader and Preval is a traitor," said Moise Sanon, a 30-year-old demonstrator, wearing a Haitian flag and a poster emblazoned with Aristide's image.

LA PAZ, Bolivia – Bolivia's leftist government has seized another big ranch from a top opposition figure. It says the 2,500-hectare (10-square-mile) spread will go to landless Indians. Along with the ranch, President Evo Morales' government also

confiscated a 500-hectare parcel from Osvaldo Monasterio, a banker and agribusinessman who owns the Unitel TV network. One opposition lawmaker called the seizure "vengeance" by Morales, who easily won re-election Dec. 6. Authorities said Thursday that Monasterio's land was not being worked and was fraudulently obtained. Morales has promised to seize fallow land and redistribute it to the poor indigenous majority. Last week, the government seized a ranch from soybean magnate Branko Marinkovic.

## Southeast Europe

BUCHAREST, Romania – The Constitutional Court on Monday declared Traian Basescu the winner of Romania's disputed presidential election. The court ruled that Basescu had won a second term as president after days of uncertainty following a vote the opposition claimed was rigged. The court said that Basescu had won the most votes in the Dec. 6 runoff. Election authorities finished re-examining some 138,000 voided ballots Monday, and decided the outcome of the election was not changed. Basescu won 50.33 percent of the vote to defeat former Foreign Minister Mircea Geoana, who won 49.67 percent. Geoana conceded defeat and wished Basescu good luck with his new five-year mandate. However, he continued to insist that the elections had been rigged and that the court had ignored "extremely clear evidence." Geoana's Social Democrats filed a motion to the court last week alleging fraud. They claimed they had evidence of ballot-stuffing, multiple voting and widespread vote-buying, and asked for new elections to be held. "The fight for the presidency ends here but the fight for finding the truth in these elections continues," Geoana said. Monday's decision is expected to bring some stability to Romania which has been without a proper government since Oct. 13 when the government was dismissed by Parliament in a no-confidence vote. Romania's president appoints the prime minister, who in turn will form the new government and set a budget.

Amid the uncertainty, a delegation from the International Monetary Fund and the European Commission arrived in Romania Monday to discuss a loan to the country that has been frozen following the political crisis. The delegation is meeting Romanian authorities to discuss the 2010 budget, which has to be approved by Parliament and is crucial to the decision to free up a euro1.5 billion (US\$2.2 billion) installment of an IMF loan. It will not release the money following this visit. The IMF and the European Commission said a review mission could return in January, once a new cabinet has been formed and has set out its program. The IMF, the EU and the World Bank put together a euro20 billion package in March to help Romania during the economic turmoil. On Monday the Central Electoral Bureau said that 2,247 of the previously 138,000 void ballots were valid. Of the votes declared valid, 1,260 were cast for Basescu and 987 for Geoana.

BUCHAREST, Romania -- Social Democratic Party (PSD) leader Mircea Geoana said on Thursday (December 17th) that his party will not participate in a coalition government with the Democratic Liberal Party (PDL). "Things with us are extremely clear. If [President Traian] Basescu and [Prime Minister-Designate Emil] Boc want to rule, then they should take their own responsibility. Our proposal was to establish a

government of national unity with a prime minister that has been approved by all sides," Geoana said. Earlier, Geoana described Boc's nomination as prime minister-designate as "inappropriate", adding that Basescu missed an historic chance to achieve national conciliation. Basescu just won a second term as president following a tight run-off with Geoana

BUCHAREST (AFP) – Romanian President Traian Basescu on Thursday designated Emil Boc as prime minister and asked him to form a new government before Christmas. "I have signed the decree naming Mr Boc as the new prime minister", Basescu said in an address, adding that he hoped the government could be sworn in before December 23. Liviu Negoita stood down as Romania's previously designated prime minister on Wednesday as the political deadlock continued following President Basescu's recent re-election. Since October, the country has been led by an interim government after the coalition between Basescu's liberal democrats and Mircea Geoana's social democrats broke down. Boc, 43, who before Thursday was filling in as interim prime minister, is a lawyer and head of the Democratic-Liberal party (PDL). He became prime minister in December 2008 when his PDL party formed a coalition with the Social-Democrats. The coalition collapsed on October 1 and his minority government fell on a no confidence vote on October 13. "Emil Boc is a man of dialogue who has been able in the past to take responsibilities for difficult decisions" as Romania was plunged into a deep recession, Basescu said. The first task of the new government will be to adopt a draft budget for 2010 in order to get new instalments from 20-billion-euro crucial aid package from the International Monetary fund (IMF), the European Union and the World Bank. In November, the IMF and the European Union decided to delay the next loan tranches until a new government was formed, dealing a new blow to the heavily recession-hit economy.

Prime Minister Boyko Borisov announced his GERB party will endorse the ultranationalist Ataka's campaign to scrap a Turkish news bulletin on Bulgarian National Television (BNT), causing an uproar. For five years, Ataka has been pushing to scrap BNT's ten-minute daily news bulletin in Turkish, broadcast since 2000. It has collected 48 parliamentary signatures required for a referendum. The initiative has sparked widespread debate, and the public appears split on the issue. State Commission for Protection against Discrimination head Kemal Eyup said a referendum would divide Bulgarian society, and test ethnic relations. Approximately 10% of Bulgaria's population is Turkish, making it the largest minority group. MPs from the Socialist opposition say the referendum -- which could cost up to 10m euros -- is unnecessary. The country, they argue, should focus instead on pressing economic issues.

Others, such as the right-wing Union of Democratic Forces (UDF), want to add an unrelated question to the referendum, concerning plans to build a second nuclear power plant in Belene. Meanwhile the issue is gaining international attention. Turkish Prime Minister Recep Tayyip Erdogan called Borisov for an explanation, while the Alliance of Liberals and Democrats for Europe insists on putting the issue up for debate in the European Parliament next year. "We don't want the matter being exploited against Bulgarian Muslims or by them. That's why I support the idea of solving the issue with a referendum, as this is the most democratic way," Borisov said.

Most bloggers aren't buying it. Journalist Ivan Bedrov argues it is an issue of tolerance. "It is the politicians' responsibility to initiate the right solutions, even if they are disliked by the majority. ... They would not call a referendum for and against taxes, because they know the result," he writes. Also, as a matter of principle, "BNT uses taxpayer money and the Turks in Bulgaria are also taxpayers." Speaking for many, Димитър argues the question is "whether Turkish is an official language. It is not! Period." Based on that fact, he argues, "There are private television stations that they should broadcast news on, not on the national one."

SOFIA, Bulgaria -- The government confirmed on Friday (December 11th) its dedication to three big energy projects in co-operation with Russia -- the second nuclear plant at Belene, the Burgas-Alexandroupolis oil pipeline, and the South Stream natural gas pipeline. The announcement was made after a bilateral meeting on economic co-operation. The situation around the Burgas-Alexandroupolis project has been especially controversial recently, after the cabinet decided to conduct an environmental impact study in the region which will delay the project by up to 18 months. However, Economy and Energy Minister Traycho Traykov stressed that the projects will continue to receive the government's support only if their economic worth and environmental safety are proven.

SOFIA, Bulgaria -- Interior Minister Tsvetan Tsvetanov said in an interview with national radio on Friday (December 11th) that Bulgaria is leading talks with the US to accept some inmates from Guantanamo prison. He added that the government has received a letter from the US with the request, but no decision has been taken yet. "Bulgaria's participation would be small and we would not accept people who might pose a threat to our national security," Tsvetanov added, stressing that the issue would be discussed in parliament. Prime Minister Boyko Borisov said that if Bulgaria decides to host an inmate from the facility, this would be a strong gesture of solidarity and co-operation between Europe and the US.

Amid public insults and accusations, the gap between the government and the country's opposition widened to record levels in Albania, sparking concern abroad. On Wednesday (December 9th), Swedish Foreign Minister Carl Bildt called on Albanian authorities and political parties to immediately address the ongoing political crisis. "The political condition in Albania requires fast dialogue for the country to move forward. This message is important for Tirana", Bildt said. However, the opposition, led by the Socialist Party (SP), stands firm in its boycott of parliament due to numerous alleged irregularities in the June 28th elections. "We will not enter parliament until all conditions for it to be considered a legitimate ... place where Albanians are being rightfully represented are met," SP leader Edi Rama said. Albania's opposition parties support the SP's demand that the ballots, voter lists and related documents at polling stations where the alleged irregularities took place be made public. But the government of Prime Minister Sali Berisha says co-operation with the opposition can only take place within parliament. Berisha reiterated that the June elections were "the most transparent process the country ever had". Although the government accepted a parliamentary investigation into the elections, it has refused to allow the ballots to be opened, saying such an act would be

illegal. The opening of ballots is not covered under any existing law, and would require majority support in parliament.

TIRANA, Albania -- Foreign diplomats have warned political parties in Albania that time for resolving the political crisis in the country is ticking away. The head of the OSCE Presence in Tirana Ambassador Robert Bosch, and Dutch Ambassador Henk GC van den Dool said on Tuesday (December 15th) that Albania is risking its EU integration process as a result of the opposition's parliamentary boycott. Opposition lawmakers say they won't return to work until the government investigates alleged manipulation in the June general elections. "The current situation is problematic, we consider that a non-functioning democracy is not a ticket to the EU," Bosch said, adding that the European Commission's review of Albania's request for EU candidate status could be affected.

TIRANA, Albania -- Deputy Prime Minister Ilir Meta asked leaders Thursday (December 17th) of the two largest political parties -- the ruling Democratic Party (DP) and the opposition Socialist Party (SP) -- to start a dialogue and find a solution to the ongoing political stalemate. Meta, head of the Socialist Movement for Integration, the junior party in the coalition, says rhetoric must be put aside and that co-operation is necessary for the good of EU integration. The SP insists it will continue its boycott of parliament until its allegations of manipulations in the June general elections are investigated.

TIRANA, Albania -- The Democratic Party (DP) overwhelmingly re-elected Prime Minister Sali Berisha as its leader Monday (December 14th), with 1,204 votes in favour and five against. Berisha, the only candidate running for the post, said in his speech he would work for a better future for Albanians. Once again, he invited the opposition Socialist Party (SP) to end its parliamentary boycott and return to work. Also Monday, the SP continued its strike in the port city of Durrës, and announced daily protests until December 21st when a big rally will be held in Tirana. The SP says the DP won the June general elections by manipulating votes, and insists an investigation is warranted.

COPENHAGEN, Denmark -- During his speech at the UN Climate Change Conference in Copenhagen, Albanian Prime Minister Sali Berisha said on Thursday (December 17th) that Tirana is committed to respecting international and EU standards on climate and producing green energy. "My government's objectives are to make Albania a small power of green energy in the region," said Berisha. He added that 95% of Albania's energy is produced by hydro power plants and called on international institutions to help companies invest more in the country. "Two-thirds of the hydro potential is still to be utilised. We plan to build 440 hydro power plants, while 130 are already under way," Berisha said.

PRISTINA, Kosovo -- Kosovars hit the polls Sunday (December 13th) to cast their ballot in the country's second round of local elections. The municipalities voting this time around have more than one million registered voters. Turnout was low in some municipalities during the first round of voting on November 15th. The main parties in the

election are Prime Minister Hashim Thaci's Democratic Party of Kosovo (PDK) and the Democratic League (LDK) of Kosovo led by President Fatmir Sejdiu. In the first round, the PDK won five mayor posts, while the LDK won two, including one in Pristina. Some 4,000 police officers will be on duty during the vote, which will be monitored by local and international observers.

BRUSSELS, Belgium -- EU presidency holder Sweden on Tuesday (December 15th) lauded the smooth process of the second round of municipal elections on Sunday. In a statement, Sweden said the proceedings went normally, which marks important progress in consolidating a democratic and multiethnic society in accordance with European standards. Sweden singled out the work of the Central Election Commission (CEC), saying it believes the CEC will continue to investigate some reported issues involving the vote. Sweden also welcomed the monitoring offered by the European Network of Election Monitoring Organisations.

PRISTINA, Kosovo -- The ruling Democratic Party (PDK) urged President Fatmir Sejdiu on Thursday (December 17th) to persuade his party to recognise the results of the recent local elections. His Democratic League of Kosovo (LDK) has disputed the preliminary results of the vote in four municipalities where a second round was held on December 13th, arguing those results were manipulated. PDK deputy leader Hajredin Kuci said Sejdiu should intervene and make the LDK accept the decisions of the Central Election Commission. But under the constitution, Sejdiu was forced to "freeze" his post as LDK leader after he was elected president in February 2006.

PRISTINA, Kosovo -- The government says more countries will recognise Kosovo's independence in the future. During a cabinet meeting Thursday (December 17th), Prime Minister Hashim Thaci thanked the Republic of Malawi for becoming the 64th state to recognise Kosovo, describing it as "important". Foreign Minister Skender Hyseni said the arguments Kosovo recently presented at the International Court of Justice, where the legality of Kosovo's independence is being challenged by Serbia, were "multidimensional" and were supported via oral arguments by 16 other countries.

PRISTINA, Kosovo -- NATO Commander of the Allied Joint Force Command in Naples, US Admiral Mark Fitzgerald, said on Tuesday (December 15th) in Pristina that 2009 has been a successful year for Kosovo. "Two rounds of successful elections, security continues to improve, and the Kosovo Security Force is now functional," Fitzgerald said after making his last visit to KFOR troops this year. Their numbers will be reduced in January from 14,000 to 10,000. Commenting on the recent opening of a military base in southern Serbia, near the border with Kosovo, Fitzgerald said it represents no threat to Kosovo.

Bosnia...BERLIN, Germany -- High Representative and EU Special Representative to Bosnia and Herzegovina (BiH) Valentin Inzko said on Friday (December 11th) that the political situation in BiH could aggravate, and asked for support. At a meeting with German Foreign Minister Guido Westerwelle, Inzko warned "the situation will likely get worse during 2010 due to the upcoming general elections.

For this reason BiH will remain a demanding challenge. Therefore the EU and the International Community must be equipped to meet the challenges."

SARAJEVO, Bosnia and Herzegovina (BiH) -- High Representative Valentin Inzko extended on Monday (December 14th) the mandates of foreign judges and prosecutors at BiH's State Court, despite firm opposition from Bosnian Serbs. According to Inzko's decision, this judiciary will continue handling war crimes cases for three more years, until December 31st 2012. The international staff's mandate was set to expire at the end of this month. Inzko's decision is unpopular in Republika Srpska (RS). Prime Minister Milorad Dodik says his government will not accept it and will ask the RS parliament to hold a special session on the matter. Bosnian Serb authorities bristle whenever Inzko resorts to his Bonn powers.

Also on Monday, Inzko changed rules to allow the Mostar city council to elect a mayor via a simple majority, rather than a two-thirds majority. The inability to reach the higher threshold has kept the mayoral post vacant for more than 14 months.

SARAJEVO, Bosnia and Herzegovina (BiH) -- High Representative Valentin Inzko on Tuesday (December 15th) downplayed concerns about Republika Srpska (RS) holding a referendum on his decision to extend the mandate of foreign judges and prosecutors working in BiH's Court. In an interview with Dnevni Avaz, Inzko said he is convinced that RS will not organise any referendum and insisted his actions were neutral, moderate and only aimed at reinstating the rule of law. Under Inzko's decision, foreign judges and prosecutors will continue to work only on war crimes cases until 2012, while those in charge of corruption, organised crime and terrorism will become advisers to domestic staff. RS Prime Minister Milorad Dodik has said his entity's parliament will reject Inzko's resolution and may approve a referendum on it.

SARAJEVO, Bosnia and Herzegovina (BiH) -- A train connecting Belgrade to Sarajevo made its first run in nearly 18 years on Sunday (December 13th). The line was closed after being seriously damaged during the 1990's Bosnian conflict. The trip by train takes about nine hours

BELGRADE, Serbia – The European Union on Saturday opened its borders unrestricted to more than ten million Serbs, Montenegrins and Macedonians after nearly 20 years, a major boost for the troubled region's hopes for closer ties with the 27-nation bloc. The three western Balkan nations celebrated the lifting of visas with fireworks, concerts and all-night festivities, marking a significant milestone for citizens who have long felt shunned by the rest of Europe. "We should all remember this day," said Serbia's Foreign Minister Vuk Jeremic. "Finally, the same rules that apply for others apply for us as well." In the Macedonian capital of Skopje, a huge countdown clock was posted at a central square where thousands attended a concert with DJs and pop singers. At midnight, champagne corks popped in a toast to the end of what many in the region thought was a humiliation. "This is a great day, a very important day for Macedonia," said Prime Minister Nikola Gruevski.

Champagne toasts was also organized during a midnight flight to the EU seat in Brussels. Serbia's deputy Prime Minister Bozidar Djelic accompanied some 50 Serbs to

their first trip ever to an EU country. "I am not sure if I am dreaming or not, they gave us such a nice welcome," said an unidentified passenger interviewed by the Serbian state television upon arrival in the Belgian capital. At the border with Hungary, several hundred Serbs braved freezing weather to be the first to cross the border just minutes after midnight Friday. "We are finally free," said a smiling student from Subotica identified only as Zarko. The citizens of the former Yugoslavia had enjoyed free travel in the past, but visa requirements were introduced as the federation was breaking up in 1991 in a series of conflicts that lasted until 1999. The visa policy forced residents to wait in long lines at EU nations' embassies. Travel agents in Serbia, Bosnia and Montenegro all have reported a surge in bookings for New Year's holidays after EU ministers announced the change earlier this month. Illustrating the triumphant mood, one blogger told Belgrade's B92 television: "The last one leaving the country, please switch off the lights."

BELGRADE, Serbia -- Parliament approved on Friday (December 11th) a law that sets a limit on the maximum number of employees in local administration as part of the government's public sector downsizing plan. Overall, the bill envisions the dismissal of 5,648 of 37,789 local administration employees. Under the draft, local administration staff cannot exceed 10% of the number of citizens in one municipality. Layoffs will affect 110 municipalities, while 35 municipalities will be safe. The parliament has already approved a bill on the maximum number of employees in state administration that would lead to cuts of 2,784, or less than 10% of the jobs there. The two laws along with a pension and salary freeze are the main tools the government will use in order to constrain the 2010 public finance deficit to 4% of GDP, down from 4.5% in 2009 as agreed with the IMF.

BELGRADE, Serbia -- War crimes prosecutor Vladimir Vukcevic said on Sunday (December 13th) that authorities are searching intensively for the two remaining fugitives, Ratko Mladic and Goran Hadzic, stressing that there is a clear political will to complete the country's co-operation with The Hague tribunal. "This can no longer be an obstacle for us on the road towards Europe. We cannot be held hostage by anyone, not even Ratko Mladic or Goran Hadzic," Vukcevic told the Beta news agency.

BELGRADE, Serbia -- During a visit Tuesday (December 15th), UN war crimes tribunal chief prosecutor Serge Brammertz praised the professionalism of those searching for war crimes fugitives, but insisted on further efforts to capture Ratko Mladic and Goran Hadzic. During a conference in Belgrade, he said that UN prosecutors have every reason to believe that Mladic, the former Bosnian Serb commander, is in Serbia. Full co-operation by Serbia is crucial to eventual EU membership.

BELGRADE, Serbia -- War crimes prosecutors filed charges Monday (December 14th) against a former Bosnian Serb soldier, accusing him of murdering three Bosnian Muslim civilians in 1994. Along with three other Bosnian Serbs, Dusko Kesar, 46, is suspected of instigating and participating in the murders, in the town of Prijedor. In 2005, his alleged accomplices were sentenced in Republika Srpska to a total of 50 years in prison. Kesar has Serbian citizenship. In other news, Hague tribunal chief prosecutor Serge Brammertz is in Belgrade on Tuesday for a roundtable on the UN tribunal's work.

Local prosecutors, judges and representatives of other institutions are participating in the conference.

BELGRADE, Serbia--Vojvodina's parliament approved the province's statute Monday (December 14th). The law strengthens the province's autonomy and gives it jurisdiction in 20 areas, including regional development, agriculture, tourism, industry, transportation, health care, the economy and privatisation, and mining and energy. Vojvodina will also get its own representative in Brussels, though it will not be able to sign international agreements--only regional ones. A total of 86 lawmakers from the ruling coalition supported the measure, while three members of the opposition coalition between the Democratic Party and New Serbia party opposed it. Members of the Serb Radical Party and the Serbian Progressive Party boycotted the vote, claiming the legislation is a separatist act that will lead to Serbia's disintegration. The Serbian parliament has already okayed the statute.

GENEVA, Switzerland -- Serbia signed a free trade agreement with the European Free Trade Association (EFTA) countries on Thursday (December 17th) in Geneva. Economy Minister Mladjan Dinkic, who initialled the document, said the agreement will come into force in April, following ratification by the Serbian parliament. EFTA has four members -- Iceland, Lichtenstein, Norway and Switzerland.

ZAGREB, Croatia -- Former Prime Minister Ivo Sanader refuted on Tuesday (December 15th) Austrian media allegations that he accepted commission from Austrian Hypo Alpe Adria Bank to help it do business in Croatia. He also rejected claims that the bank has financed the Croatian Democratic Union (HDZ). The Austrian newspaper Die Presse reports that Sanader helped the bank start operations in Croatia and in return, received a large fee. Hypo Alpe Adria, which had suffered losses from bad loans in Eastern Europe, was nationalised on Monday.

BRUSSELS, Belgium -- EU members approved the closing of two negotiation chapters with Croatia on Thursday (December 17th). This clears the way for formal closure at an intergovernmental accession conference in Brussels on Monday, bringing the number closed to 17 out of 33. Croatia has opened 28 chapters so far. The country hopes to wrap up membership negotiations in the first half of 2010. Also Thursday, the Croatian government forwarded for parliamentary approval two laws that aim to harmonise domestic legislation with that of the EU's. A third is expected by the end of the year.

ZAGREB, Croatia -- Parliament decided on Friday (December 11th) that Croatia will not increase its presence in Afghanistan next year. The country will keep its current presence of 293 soldiers in the mission. The decision came despite a US call on its allies to send more troops

Oceania