

Report 108
PROJECT ON BUSINESS AND POLITICS IN THE
MUSLIM WORLD

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This week report dwells much on Yahoo/AP/Reuters News, BBC, New York Times. 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

- Democrats cautiously embrace Obama health plan
- Live from Washington: Obama's health care summit
- Obama, GOP fail to reach accord on health bill
- Analysis: Politics and posing trump health policy
- Article: George Will, "Why Dems' Health Care Bill is Stalled," *RealClearPolitics*, Feb. 25, 2010
- Article: "Is Barack Obama tough enough?: Conservatives call him too weak to be a warrior. Tell that to the Taliban," *Economist*, Feb. 25, 2010
- Article: Walter Russell Mead, "The Carter Syndrome," *Foreign Policy*, Issue 177, January/February 2010
- Facing pressure, Bernanke to address lawmakers
- Senate to vote on modest jobs bill, passage likely
- Homeland chief: Domestic extremism is top concern
- Article: Scott Stewart, "General Aviation: A Reminder of Vulnerability," *STRATFOR*
- Marijuana use by seniors goes up as boomers age
- Fearing Obama Agenda, States Push to Loosen Gun Laws
- Clinton urges closer NATO ties to Russia

Western Europe

- Article: "Rudeness in EU politics: Why are British Eurosceptics so rude?," *Economist*, Feb 26th 2010
- Honor Mahony, "Van Rompuy insulted in parliament," *Euobserver*, Feb. 24, 2010
- Eyeing Israel, EU condemns identity theft in Dubai assassination
- Israeli FM sidesteps questions on Hamas killing
- George Friedman, "The Utility of Assassination," *STRATFOR*,
- Swiss man in diplomatic row leaves Libya
- Denmark's prime minister shuffles government
- Dutch will go to polls June 9, 1 year early
- Iranian bank wins ruling against UK sanctions

- EU wants global halt on executions by 2015
- UN climate talks to resume in April in Germany
- APNewsBreak: Iran nuclear offer falls short
- Article: Hans-Jürgen Schlamp, “Nuclear Dispute: EU Plans Massive Sanctions Against Iran,” *Spiegel Online Magazine*, February 26, 2010
- Article: Missile defence in Europe: The next salvo, *Economist*, Feb. 18, 2010
- Transport strikes lay bare Europe's malaise
- Greek court says customs strike illegal
- Papandreou says Greece needs support, not loans
- EU takes Greece to court over tax exemptions
- Germany denies it is coordinating aid to Greece
- Germany rejects Greece's war reparations claim
- Nicolas Sarkozy admits Rwanda genocide 'mistakes'

Southeast Europe

Albania

- PACE delegation in Tirana to help with negotiations
- PACE delegation continues talks in Tirana
- Albanian opposition returns to parliament

Bosnia and Herzegovina

- BiH green lights extradition of murder suspect to Croatia
- FBiH parliament passes key amendments to veterans law
- PIC ambassadors concerned by FBiH's finances
- Muslims in RS veto referendum law

Bulgaria

- Bulgaria: says no official talks on US missile shield
- Bulgaria, Russia agree to start building nuclear plant
- EU anti-fraud office satisfied with Bulgaria's efforts

Croatia

- Croatia's Josipovic discusses possible RS referendum
- Croatia opens two more EU negotiation chapters

Kosovo

- Hysa to co-ordinate northern Kosovo strategy

Macedonia

Montenegro

- Court blocks extradition of Montenegrins to Serbia

Romania

- Romania confirms invitation to join South Stream
- IMF disburses \$3.3 billion to Romania
- Diaconescu leaves Romania's PSD
- Geoana replaced as leader of Romania's PSD

Serbia

- Serbia police search fugitive Mladic's house
- Tadic's office comments on possible meeting with Sejdiu
- Serbia's Malovic invites Montenegrin counterpart to talks

Slovenia
Oceania

- Australia summons Israeli envoy over Dubai killing

Report Summary

USA/Canada

Political Issue

Can Obama's healthcare reform make it through the Washington political jiggling? How many Americans are really interested in the big-government health reform of Obama, the cry against the reform is it just the concern of the wealthy and the insurance companies or a sincere social responsibility geared at insuring 30 million uninsured Americans

George Will's article titled '**Why Dems' Health Care Bill is stalled**' published in *RealClearPolitics* is one among many that expounds the differential positions between the liberals and republicans as regard Obama's healthcare reform. He was of the view that the filibuster arrangement in the constitution was strictly responsible for the stall, and thus some liberal argues the unconstitutionality of the constitution, that failed to give Senate the power to override such arrangement. Although, republicans are using the filibuster arrangement to roadblock democrats bills, because they are the minority.

Hence, even though filibuster is detrimental to the cause of democrat Senate majority, both parties always either wants to take advantage of it or against it according to circumstance. Whatever the argument of both, the whole picture is yet to be clear to the public, who are yet to understand why elected public government is not allowed to accomplish his duties because of filibuster arrangement in the Senate.

How much 'American' is President Obama, does he have the gut to challenge external threat or is he a president meant only to appease American's foes for Washington's past mistakes. These were the hot questions vibrating in an article titled '**Is Barack Obama tough enough?**' published in the *Economist* magazine. The nub of the argument is that most conservatives see and call Obama as too weak to be a warrior. But the reality is that Obama has done more targeted killings of Talibans and al-Qaeda than former President Bush. Bringing terrorists for trial on American soil irks many conservatives and failure of Obama to be more confrontational. Since inception Obama has been more interested in patching up gaps between American and its allies.

Walter Russell agrees profoundly that the possibility of Obama ending his term the way former President Jimmy Carter did, is not far from reality. He highlighted this view in his article titled '**The Carter Syndrome**' published in the *Foreign Policy* magazine. Russell was of the view that grand ideas of former American presidents...Alexander Hamilton, Woodrow Wilson, Thomas Jefferson, and Andrew Jackson have been instrumental in forming the view of American politicians and public intellectuals over the ages. Obama a Jeffersonian by principles and policies is not different from every other American presidents having ideological leaning for one of the above-mentioned previous

presidents. Jeffersonians disagree with the view that America should be globalist; they would rather want the United States to minimize its commitments and, as much as possible, dismantle the national-security state. However, such principle is said to be unsuitable for the increasingly changing nature of the present world system.

Even though Hamiltonians assert that America must maintain a strong national government and a strong military and should pursue a realist global policy, which will be helpful in promoting economic development and the interests of American business at home and abroad. Wilsonians doesnot necessarily disagree with Hamiltonians' globalist foreign policy, but see the promotion of democracy and human rights as the core elements of American grand strategy. Jacksonians favour a populist government but yet suspicious of Hamiltonian business links.

A clear understanding of the divide among these ideas show that Jeffersonians are always seen to be too weak to show the power and strength of America on one hand, and on the other believed to be underplaying the democratic principles of US on the global level. Obama's policies is seen by many realists and idealists alike to be lacking the muscularity of American foreign policy and that might make Obama end up as a carbon copy of Carter, who was unable to execute hawkish American foreign policy and ending up with just one term. More interestingly, even those within Obama's ideological liberal caucus have started be take the position that their elected president Obama is a sellout failing to live up to expectation.

Dismissing the mountain of problems that preceded and followed Obama's administration is not sufficed. Eight years of damage cannot be repaired is just one or two years amid the political tussle between republican and democrat in Washington. However, Obama is expected to become more assertive and politically ingenious to making balance policies between domestic and foreign American needs.

Economic Issue

Before his confirmation for a second term as the Federal Reserve chairman, Ben Bernanke was believed by some to be complicit in the irresponsible actions that contributed to the financial crisis. This argument was rejected by President Obama and others who felt Bernanke efforts in getting the nation's economy out from recession should be lauded. But the Capitol Hill is on high expectations from Bernanke to turnaround the unemployment problem plaguing the country. Furthermore, Senate democrats are flexing their capacity at passing a bill that will relieve the unemployed and also cut tax for employers of the latter.

Social/Humanitarian Issue

It was hard for Americans to score Joseph Andrew Stack's act as act of terrorism. But dubbing Stack as terrorist was not hard for Nihad Awad, the executive director of the Council on American-Islamic Relations (CAIR), whose organization wants American government to stop using the word violence rather terrorism for the incident. Scott Stewart's article '**General Aviation: A Reminder of Vulnerability**' in *STRATFOR* analyzes the use of the aviation industry for terrorist attack and never fell short to describe the event as terror attack. Stack intentionally targeted the IRS due to a long

history of problems he had had with the agency. He flew a small plane into the tax department's four-story office building in Austin, Texas, killing himself and at least one federal employee. Before the incident, Stack allegedly left a series of messages on a website expressing his disgust with the IRS, saying at one point that "violence not only is the answer, it is the only answer." Stack hoped that his action would cause "American zombies to wake up and revolt" against the government. Must there be a play of word when depicting or describing events involving people of different community.

Proscribing certain drugs in the public has always been a debate, but data continues to show that people are not interested in the proscription of these drugs why because of the psychological relaxation derived from the drugs. Seniors in the USA are said to be interested in marijuana because it subsided the pain of aging.

Reducing the ownership of gun and public gun conflict was one of Obama's campaign promises which some believed he is now silent about. Upon his silence, states are geared at reenacting laws that will make gun a rampant public protection toy. The question is who is right, anti or pro-gun, on what premise can the public be freer from violence.

The secularized western society system has no capacity to deprive the youth from radicalism. This is becoming true from the manner with which both native and immigrant children are turning towards radicalism. Before 9/11, American intelligence agencies were troubled over international extremist but that trend has changed as more threat is now been nurtured from domestic extremism.

Food, Environment and Energy Issue

Geostrategic Issues

Since the end of history as Fukuyama suggests, some are hence concerned about the legitimate importance of NATO. Giving the present state of world affairs the extent to which NATO remains necessary is questioned. Russia is asking for a new European security treaty that Washington believes would lead to a diluting of NATO's influence in Europe and beyond. Would there ever be peace between Russia and its European neighbours and the US, if NATO continues to exist.

Western Europe

Political Issue

'Rudeness in EU politics: Why are British Eurosceptics so rude?' published in *Economist* painted a graphic understanding of what happened at the European Parliament recently. It was a surprise for European Parliamentarians when British Eurosceptic politician Nigel Farage, a member of the European Parliament (MEP) from the United Kingdom Independence Party, mounted insults on President of the European Council, Herman Van Rompuy, in the European Parliament this week. The new EC president is

expected to be honoured and seen as symbol of European unity and authority, but Farage having the gut to say that rather than get a global figure whose salary might outmatch President Obama, the EU decided to choose the former Belgian prime minister “having charisma of a damp rag, and the appearance of a low-grade bank clerk.” The Euro Euobserver also carried the incident and how certain parliamentarians asked Britain to exit the EU if not comfortable with the EU parliament.

Could this just be a slap and challenge to Rompuy’s authority or Britishness outlook of Farage against the Belgian, even though Farage intention for the impoliteness was geared at boosting his political standing for the House of Common back in the UK.

Do European governments have the stomach to critically analyse the recent allegation that Mossad was involved in fake European passports and the illegitimate assassination of a Palestinian leader in Dubai. How much damage will this event flame the ire of European against Israel.

George Friedman’s article written in *STRATFOR* titled ‘**The Utility of Assassination**’ analyses assassination of secret agency but never condemned the unethical doing of Mossad getting involved in fake foreign passports all in the sake of killing a target and never saw it causing any huge skirmish between Israel and its European allies or boost the latter’s sympathy for Palestinians. .

The Danish government has recently made a reshuffling of the cabinet with a significance changes as women ministers will have to oversee the defense and foreign ministries for the first time. The question however is can the reshuffling really turnaround the country and drive it out of recession as hoped by the government.

Dutch are expected to go for another general election by June 9. The imperative for the elections owes to the collapse of the coalition government. The Labour party coalition partner wanted the government to stand by its mandate of pulling troops out of Afghanistan, which the ruling party was not ready to go by, so as not to embarrass NATO

Greece a member of Eurozone has been in major headlines because of its sick economy. At one point there was fear that Athens might exit the Eurozone, but such hypothesis got dismissed when Athens determined to take a very harsh austerity measures to recover the economy. This however cannot happen without the support of Eurozone fellows. Amid this drama, Germans are wary that their government will become a charitable club by aiding Greek’s economy. Meanwhile, some angered Greeks are asking more compensation from Berlin over the invasion Greece by Nazi force in 1941.

Economic Issue

Austerity measures across Europe are fomenting public anger as strikes become rampant across Europe. Workers are not ready to accept government austerity tools, but governments are arguing that such doing is to prevent the repetition of another economic recession and to drive out yet-over recession. Meanwhile, a court in Athens call workers strike as illegal amid the effort of the government to sanitize the economy and the growing demand by Eurozone member that government spending must be slashed.

Last week, Greek Prime Minister George Papandreou said rather than see Greece as economic failing state, instead the present state of Athens economy is due to the bad policy of previous government. The European Commission might be heeding to that as it has decided to take Greece before the EU's Court of Justice for failing to recover state aid it had illegally granted to hundreds of companies through tax exemptions.

Bank Mellat of Iran on Wednesday won a preliminary court ruling against sanctions imposed by the British government. The government has accused the privately owned bank of providing financial services to companies involved in Iran's nuclear and missile programs. The Treasury acted in October to forbid any U.K. financial companies from doing business with the bank. High Court Justice John Mitting agreed with the bank's argument that it was entitled to information about allegations against it. The judge granted permission for the government to appeal the ruling.

Can France maintain same kind of colonial status in Africa, even though Paris is trying to patch relations with its former colonies. President Sarkozy has said that France relations with continental Africa should shift from colonial to partnership, extent to which that is feasible time will tell. Most recently, French agreed that the Rwandan genocide was a mistake on the part of the Paris as well as international community. Before such statement, Rwanda has shut down French institutions, including schools and cultural organisations. Some of these are now being reopened, but Rwanda's official language has even been switched from French to English.

Social/Humanitarian Issue

The European Union under the presidency of Spain wants to end death penalty law by 2015. The feasibility of this to happen is hard to tell because it would demand EU to make strong argument before those countries, even the United States still practicing it. Nevertheless, is capital punishment rational and how does that rationality fit in with modernity?

Food, Environment and Energy Issue

The United Nations is expected to host another summit in Bonn, Germany as follow up to the Copenhagen climate summit that failed to produce an intended international treaty for global warming. The whole debate on global warming and climate change is somewhat said to be simply scientific euphoria or is it a reality that the whole world should give a concerted attention.

Can Iran ever satisfy the west over its nuclear issue? Does Iran has the sovereign right to nuclear technology despite its huge oil reserve, the whole frenzy of the west of nuclear weapon is it justified when Israel is known to be harbouring nuclear heads. Similarly, how long will Russia continue to play cat and dog game with Iran on weapon or nuclear co-operation. Russia on one hand is sensitive of its status in the region particularly with Israel and would not want to undermine European position against Iran.

Hans-Jürgen Schlamp's article '**Nuclear Dispute EU Plans Massive Sanctions Against Iran**', published in *Spiegel Online* depicts the renewed propensity of Europeans to increase pressure on Iran. Europe's policy of sanction and negotiation is said to have achieved little or nothing. Thus, with the recent IAEA report that Iran is likely moving towards nuclear weapon makes Europe feel the urge to take a concerted sanction that will hit hard into Iranian energy and financial sectors. The latter is hoped to be better tools to choke export and import towards Iran. Taking these steps, Europeans believe Iran will change cause, but Brussels believes not until Arabs, Brazil and Turkey are taking on the sanction board, Iran might see it as part of western conspiracy engineered by Israeli lobby.

Geostrategic Issues

The 21st century is displaying a new outlook distinctive from previous century. Nations do not necessary have to go to war before they can show their power, instead business and economic leverage is increasingly becoming a bargaining power among states, thanks to globalization. The recent diplomatic twist between Libya and Switzerland which latter involved EU members better explain this financial and economic bargaining power.

According to the Economist magazine, appeasement of Russia by the Obama administration not to have her missile defense system in Poland and Czech Republic was misread. The swift acceptance of Romania to host the system and anticipatory yes from Bulgaria shocked Washington with the view that Russian factor that overrode the Poland and Czech debacle will resurface. Yes it is definitely resurfacing, Kremlin believes Washington along with NATO are yet to draw the curtain of the Cold War era, though many Europeans are looking forward to having harmonious relations with their Slavic neighbour.

Southeast Europe

Political Issue

Serbians wanting the membership of the EU want their government to apprehend genocide suspect Ratko Mladic, upon whom EU has tied Serbia-EU integration. But providing Ratko to the ICJ is easily said than done because it would be hard accomplishing that due to the reservation of the radical Serb politicians against sending Ratko to ICJ.

The six months Albanian political stalemate between the ruling party and the opposition Socialist party has finally come to an end after the committed mediation of Albanian President Topi and the Parliamentary Assembly of the Council of Europe (PACE). The opposition has been boycotting the parliament over the allegation that the ruling party was complicit in irregularities during last June national election. The deadlock has affected Albania-EU integration talks.

The controversial referendum championed by Republika Srpska (RS) Prime Minister has been rejected by Bosniak members of the parliament. The Muslim Bosniaks are asking for the amendment of the law allowing the referendum and also asking the parliament to reconcile Republika Srpska and BiH's Constitution, meanwhile threatening to veto the law if their demand is not made.

Due to the ethnic relations between BiH and Croatia, Croatian government has been very much concerned about the stated July referendum which many fear might lead to Republika Srpska independence from the rest of the federation. Croatia government is of the view that RS cannot change the current situation unilaterally, and any held referendum would have no absolute no legal consequences

Will Romania and Bulgaria take advantage of economic benefit of Russia over military relation with Washington? Romanian president has agreed to launch US missile system, and a rumour that Bulgaria will also be following suit has taken headlines. Refuting the rumour Bulgaria foreign ministry said there has been no formal talk between Sofia and Washington, though a week ago Bulgarian Prime Minister Boyko Borisov said that preliminary talks with Washington will soon be held.

Both Sofia and Russia are cooperating on a nuclear power plant worth of 1.9 billion euros over a period of two years. Similarly, Russia has recently inducted Romania into the South Stream gas pipeline, a vital economic initiative Bucharest would not dismiss

Cristian Diaconescu, the losing candidate for chairman of the Romanian Social Democratic Party (PSD), announced on Wednesday that he is resigning from all positions in the party, as well as from the party's caucus in the Senate. Similarly, former Foreign Minister Mircea Geoana also lost the leadership post of the Social Democratic Party (PSD) at a party congress that ended early Sunday. Geoana will be replaced by lawmaker Victor Ponta.

Economic Issue

IMF is set to issue loan to Romania bid to rescue the country from financial shock. Romania will have to be more prudent with the loan as signal that of mature economy.

Social/Humanitarian Issue

If BiH extradite the Serb murderer to Croatia, responsible for the death of prominent Croatian publisher and journalist Ivo Pukanic, this will be another indication that regional cooperation on crime is not a tentative reality.

Montenegro has however rejected the extradition of two Montenegrins asked by Serbia for drug trafficking. Amid this incident is the regional summit on crime wherein Montenegrin and Serbian officials are expected to attend and discuss related issues.

The government said he wants his country to join the wagon of EU countries free from tax defaulters and having promising economy. Bulgaria government has been lauded by European Anti-Fraud Office (OLAF), for its anti-fraud measure to tame crime in the country.

Geostrategic Issues

Croatia is making headway in its bid for the EU membership. The European Commission is opening more talks with Zagreb and the latter hopes that by the time Spain presidency tenure elapses, Croatia will almost be done with its EU membership processes.

Oceania

Political Issue

Australian government wants explanation from Israel over the use of Australian passports fraudulently. Prime Minister Kevin Rudd said it is not a minor issue and his government is ready to go to the root of the issue.

Economic Issue

Social/Humanitarian Issue

Food, Environment and Energy Issue

Geostrategic Issues

Report Detail

US/Canada

WASHINGTON – Congressional Democrats cautiously embraced President Barack Obama's new health care plan as their last hope for enacting a comprehensive overhaul. Republicans trashed it, dimming prospects for any deal at the bipartisan health care summit that Obama has scheduled for Thursday to try to jump-start the debate.

A year after calling on Congress to act to reform the nation's costly and inefficient health care system, Obama finally produced a plan of his own Monday. It used legislation already passed by the Senate as its starting point, making changes designed to appeal to House Democrats. Even after months in which health care gradually turned from Obama's top domestic priority into a political albatross, Obama opted for one last attempt at full-scale legislation. It costs around \$1 trillion over a decade, requires nearly everyone to be insured or pay a fine, and puts new requirements on insurance companies, including — in a new twist responding to recent rate hikes — giving the federal government authority to block big premium increases. In the end Obama may have to settle for much less than what he proposed Monday — or nothing at all. But many Democrats said that despite all the bad-news polls and the loss of their filibuster-proof Senate supermajority

in a special-election upset, it would still be better to pass a sweeping bill than make small changes or none at all. If Obama fails on a comprehensive health care overhaul where Bill Clinton and other presidents failed before him, the chance won't come around again anytime soon. "This is the last time out," said House Ways and Means Committee Chairman Charles Rangel, D-N.Y. "So this is it. This is it." The whole endeavor will now rise or fall on Obama's ability to sell his plan at the summit Thursday, and the reaction from lawmakers and the public in the days ahead. Congressional Democrats got their first look at the proposal Monday morning. Reflecting the uncertain future of the health overhaul effort, many focused as much on the fact that Obama finally stepped in with a detailed plan of his own as on the policy details. "The president needs to say 'This is what I'm for', and it sounds like he's done that," said Sen. Tom Carper, D-Del.

Obama's plan does not include the government insurance option sought by liberals and it dramatically scales back a tax on high-value insurance plans from the Senate bill that was opposed in the House. It eliminates a controversial Medicaid deal for Nebraska, offers all states more help with Medicaid funding, and beefs up subsidies to help lower-income people buy care, all changes that won praise from House Democrats. It also closes the so-called "doughnut hole" in Medicare's prescription drug coverage. Individuals and small businesses would shop for insurance in regulated state-based marketplaces called exchanges. Obama tried to avoid the mistakes Clinton made in delivering a health care proposal to Capitol Hill and telling Congress to pass it, but many now believe he erred in the opposite direction. Republican leaders made no secret of their contempt.

WASHINGTON – President Barack Obama and his Democratic allies are pleading their case for health care overhaul in an extraordinary summit with Republicans, broadcast live to a divided public on daytime TV. But Democrats are already looking beyond Thursday's meeting at historic Blair House. With GOP lawmakers remaining steadfast in their opposition, the president and his party are preparing to move on alone. At stake in the high-risk strategy is the Democrats' stalemated legislation to extend coverage to more than 30 million people who are now uninsured. Politically, it's an all-or-nothing gamble in a midterm election year for Democrats bent on achieving a goal that has eluded lawmakers for a half-century. Polls show Americans want their elected leaders to address the problems of high medical costs, eroding access to coverage and uneven quality. But the public is split over the Democrats' sweeping legislation, with its \$1 trillion, 10-year price tag and many complex provisions, including some that wouldn't take effect for another eight years — after Obama has packed up and left the White House. For Obama, the summit is his chance to make a compelling closing argument to the American people. If he succeeds, Democrats will push ahead to pass the legislation with a package of revisions he's proposed. If Obama falters, another Democratic president will have been humbled by health care. He will have to appeal to both sides to at least give him a modest bill smoothing some of the rough edges from the current system. Wednesday, on Capitol Hill, the statements of two leaders illustrated the chasm between the parties. "We'll have that meeting," said Sen. Chris Dodd, D-Conn., who helped write the Senate bill. "But far more important, after that meeting, you can either join us or get out of the way." "I think it's nearly impossible to imagine a scenario under which we could reach an agreement," said Senate Republican leader Mitch McConnell of

Kentucky. "Because we don't think we ought to pass a 2,700-page bill that seeks to restructure one-sixth of our economy."

Both men will be at the summit, which begins at 10 a.m. EST, and will be carried live from Blair House, the presidential guest quarters. C-SPAN will carry complete coverage. News operations from CNN to public broadcasting are planning to make it the focus of their day. "Not only are lawmakers polarized, the parties' constituencies are far apart," said Robert Blendon, a Harvard University professor who follows public opinion trends on health care. "The president is going to use it as a launching pad for what will be the last effort to get a big bill passed. He will say that he tried to get a bipartisan compromise and it wasn't possible." In an eleventh-hour move, the White House invited Maine Sen. Olympia Snowe, one of the few Republican moderates the White House courted throughout last year in hopes of winning her support for the legislation. She declined since she wasn't chosen under the long-standing rules for the event.

WASHINGTON – Giving no ground, President Barack Obama and Republican leaders fought forcefully for their competing visions of historic health care reform Thursday in an exhausting, often-testy live-on-TV debate. Far from any accord, Obama signaled the Democrats were prepared to push ahead for an all-or-nothing congressional vote. The marathon, 7 1/2-hour session did reveal narrow areas of agreement on the topic that has vexed Congress for months and defied U.S. leaders for decades. But larger ideological differences overwhelmed any common ideas, all but cementing the widely held view that a meaningful bipartisan health care bill is not possible as time grows short in this election year. Obama rejected Republican preferences for starting over, discussing the issue much longer or dealing with it in a limited, step-by-step fashion.

"We cannot have another yearlong debate about this," Obama declared. "I'm not sure we can bridge the gap." Party officials said March is probably the last chance to act.

It has been more than a year since he proposed his overhaul, which would be important to virtually all Americans in remaking the way they receive and pay for health care. The version he embraces, basically tracking legislation passed by the Senate, would expand health coverage to some 30 million people who lack it and stop insurance companies from dropping people for questionable reasons or denying coverage to people who have certain illnesses.

Obama and the Democrats portray the current situation as a major crisis, with tens of millions of people left with no health insurance at all and health care costs threatening to bankrupt the nation. The Republicans see problems as well, but seek more modest steps to deal with them and say Obama's plan would run up the federal deficit — despite his claims to the contrary. Obama strongly suggested that Democrats will try to pass a sweeping overhaul without GOP support, by using controversial Senate budget rules that would disallow filibusters. And then, he said, this fall's elections would write the verdict on who was right. Democratic leaders tried to portray Republicans as hypocrites for denouncing parliamentary tactics they, too, have used. Democratic leaders hope to embolden colleagues who worry about re-election races in the face of polls showing substantial dislike for the party's approach. The Democrats-only strategy could face particularly strong resistance in the House, where 39 party members voted against an Obama-backed health care bill last year. Democratic officials confirmed Thursday that the White House has developed a slimmed-down health care plan as a possible "Plan B"

fallback. But that contingency also faces problems, including possible defections from House liberals who insist the overhaul must be expansive. Democratic officials conceded it's possible that no health care legislation will pass this year, which would leave their candidates with little to show while Republicans claimed a big win. At Thursday's summit, Rep. Eric Cantor, the No. 2 House Republican, agreed with Obama that "we have a very difficult gap to bridge here." But he differed strenuously about resolving it. "We just can't afford this," he said of the \$1 trillion, 10-year proposal. "That's the ultimate problem."

WASHINGTON – What happens when you throw 38 lawmakers, four television cameras and the president of the United States together and tell them to fix health care? Sniping. Posing. Serious election-year politics. And little hope of bridging the gap between Barack Obama and Republicans. Did you expect anything else? From its conception, Thursday's health care "summit" was destined to be little more than a stage where Democrats and Republicans would recite their lines and further their political agendas. Playing their part, Republicans branded Obama as arrogant and overreaching for refusing to drop a health care plan that a majority of voters don't favor. The GOP hopes to kill it. Obama tried to cast the Republicans as obstructionists. He hopes to ram his proposal past a GOP filibuster. Measured on that narrow and cynical scale, the summit was a success. Both team scored political points. But Americans were led to believe that the goal was finding common ground on getting health insurance to tens of millions of Americans who don't have it and containing skyrocketing costs that threaten the nation's fiscal well-being. "I'd like to make sure that this discussion is actually a discussion and not just us trading talking points," Obama said at the summit's opening, "I hope that this isn't political theater." By that scale, everybody failed.

Still, that's an account of this day viewed with the lens up close. From a distance, you might focus on the fact that national leaders spent a long day discussing a crucial issue in front of television cameras, where their words could be parsed and recorded. It could be argued that they were working hard at what we pay them to do. Or was it just a lot of talking past each other?

Obama dominated the conversation, barely contained his impatience with GOP statements and at times mocked them for trotting out visual effects (thick stacks of Democratic health care legislation) and talking points. Republicans complained about the time disparity and lectured the president about his policies. It was not a conversation, rarely even a debate. It was a series of made-for-TV speeches by public servants who treated each other like stage props. A few snippets: _Sen. Lamar Alexander, R-Tenn., called Obama's plan a nonstarter. "This is a car that can't be recalled and fixed," he said, "and we ought to start over." As Alexander spoke, Obama's body betrayed his frustration: He pursed his lips. He tapped his pen on a pad. Was that a smirk? He cradled and fidgeted with his chin. "Lamar," Senate Majority Leader Harry Reid said several minutes later, "you're entitled to your opinion but not your own facts." _Senate Republican leader Mitch McConnell noted sternly that Democrats had spoken for 52 minutes and Republicans only 24 in the first portion of the summit. "You're right," Obama replied, "there was an imbalance on the opening statement because I'm the president." Call it home court advantage. _Sen. John McCain, Obama's 2008 presidential rival, criticized him for cutting deals with fellow Democrats in exchange for their votes. "It was produced

with unsavory — I say that with respect — dealmaking," McCain said. When a lawmaker says something "with respect," chances are it's not respectful. Obama got the drift. "We're not campaigning anymore," he told McCain. "I'm reminded of that every day," quipped McCain. Everybody seemed to get the joke, and laughed — except Obama. "We could spend all day going over our talking points," he said.

Article: Why Dems' Health Care Bill is Stalled

By George Will

Source: RealClearPolitics, Feb. 25, 2010

WASHINGTON -- Today's health policy "summit" comes at a moment when, as happens with metronomic regularity, Washington is reverberating with lamentations about government being "broken." Such talk occurs only when the left's agenda is stalled. Do you remember mournful editorials and somber seminars about "dysfunctional" government when liberals defeated George W. Bush's Social Security reforms? The summit's predictable failure will be a pretext for trying to ram health legislation through the Senate by misusing "reconciliation," which prevents filibusters. If the Senate parliamentarian rules, as he should, that most of the legislation is ineligible for enactment under reconciliation, the vice president, as Senate president, can overrule the parliamentarian. This has not happened since 1975, but liberals say desperate times require desperate measures Today's desperation? Democracy's majoritarian ethic is, liberals say, being violated by the filibuster that prevents their enacting health legislation opposed by an American majority.

Some liberals argue that the Constitution is unconstitutional, for two reasons, the first of which is a non sequitur: The Constitution empowers each chamber to "determine the rules of its proceedings." It *requires* five supermajorities (for ratifying treaties, endorsing constitutional amendments, overriding vetoes, expelling members and impeachment convictions). Therefore it does not *permit* requiring a sixth, to end filibusters. The second reason filibusters are supposedly unconstitutional is that they exacerbate the Senate's flaw as "inherently unrepresentative." That is, the Founders -- who liberals evidently believe were dolts or knaves -- designed it to represent states rather than, as the House does, population.

Liberals fret: 41 senators from the 21 smallest states, with barely 10 percent of the population, could block a bill. But Matthew Franck of Radford University counters that if cloture were blocked by 41 senators from the 21 *largest* states, the 41 would represent 77.4 percent of the nation's population. Anyway, senators are never so tidily sorted, so consider today's health impasse: The 59 Democratic senators come from 36 states containing 74.9 percent of the population, while the 41 Republicans come from 27 states -- a majority -- containing 48.7 percent. (Thirteen states have senators from each party.) Since there have been 50 states, Republicans have never had 60 senators. There were 60 or more Democratic senators after seven elections -- 1960 (64), 1962 (66), 1964 (68), 1966 (64), 1974 (61), 1976 (62) and 2008 (60, following Arlen Specter's discovery that he is a Democrat, and the protracted Minnesota recount). But both parties have been situational ethicists regarding filibusters.

In 2005, many Republicans, frustrated by Democrats blocking confirmation votes, wanted to ban filibusters of judicial nominees. They said such filibusters

unconstitutionally prevent the president from doing his constitutional duty of staffing the judiciary. But this is not just the president's duty; the Senate has the constitutional role of consenting -- or not -- to nominations. "Great innovations," said Jefferson, "should not be forced on slender majorities." Hence Barack Obama recently embraced a supermajority mechanism: The 18-member commission he created to recommend measures to reduce the deficit requires that any recommendation be endorsed by 14 members. Filibusters are devices for registering intensity rather than mere numbers -- government by adding machine. Besides, has a filibuster *ever* prevented eventual enactment of *anything* significant that an American majority has desired, strongly and protractedly? Liberals say filibusters confuse and frustrate the public. The public does indeed mistakenly believe government is designed to act quickly in compliance with presidential wishes. But most ideas incubated in the political cauldron of grasping factions are deplorable. Therefore, serving the public involves -- *mostly* involves -- saying "No." The Bill of Rights, like traditional conservatism, effectively pronounces the lovely word "no" regarding many possible government undertakings -- establishment of religion, unreasonable searches and seizures, etc. The fiction that government is "paralyzed" by partisanship is regularly refuted. Presidents Reagan, Clinton and Bush reached across party lines in 1986, 1996 and 2001 to pass tax reform, welfare reform and No Child Left Behind, respectively. The \$700 billion TARP legislation and the \$862 billion stimulus were enacted with injudicious speed. Liberals are deeply disappointed with the public, which fails to fathom the excellence of their agenda. But their real complaint is with the government's structure. And with the nature of the politics this structure presupposes in a continental nation wary of government and replete with rival factions. Liberals have met their enemy and he is the diminutive "father of the Constitution," of whom it was said that never had there been such a high ratio of mind to mass: James Madison.

Article: Is Barack Obama tough enough?

Conservatives call him too weak to be a warrior. Tell that to the Taliban

Source: Economist, Feb. 25, 2010

IF THERE is one thing conservatives agree on, it is that Barack Obama is not tough enough to be commander-in-chief. Some insinuate that he doesn't love America enough to defend it wholeheartedly. Never before has a president "gone before so many foreign audiences to apologise for so many American misdeeds, both real and imagined," grumbles Mitt Romney, a once and no doubt future Republican presidential candidate. Even France is lecturing America on the dangers of appeasement, which is like "AIG lecturing us on financial responsibility", scoffs Tim Pawlenty, another aspirant. Mr Obama is "the groveller in chief", says Michelle Malkin, a conservative blogger.

An easy way to raise a cheer at the Conservative Political Action Conference in Washington last week was to bash the president for letting terrorists get "lawyered up". To tumultuous applause, Marco Rubio, a young Republican firebrand from Florida, urged a more robust approach: kill the terrorists or capture them, "get useful information from them" and then "bring them to justice...in front of a military tribunal in Guantánamo, not a civilian courtroom in Manhattan." An anti-Obama bumper-sticker asked: "So you're for abortion but against killing terrorists?" Most of these barbs are bunk. Yes, Mr Obama favours trying Khalid Sheikh Mohammed, the alleged mastermind of September 11th

2001, in a civilian court. But that is not a sign of weakness. Several terrorists were successfully prosecuted in civilian courts under George Bush. And though Mr Obama is willing to admit his country's failings, he is quite ruthless about blowing its enemies to scraps. American drones fired missiles at suspected Taliban and al-Qaeda leaders in Pakistan's tribal areas 55 times last year, killing hundreds of jihadists and who knows how many civilians. This year, the killing has accelerated; so far more than a dozen strikes have been reported. Mr Obama orders assassinations at a far brisker pace than George Bush ever did. For some reason, his habit of blowing up alleged terrorists and bystanders from the air causes less global outrage than the smothering of a lone Hamas operative, allegedly by Israel, in a hotel room in Dubai. But whether you think it justified or not, it is hardly evidence that the president is "against killing terrorists".

After more than a year in power, Mr Obama has still not figured out what to do with terrorist suspects captured on foreign soil. He has not yet fulfilled his promise to close the prison at Guantánamo Bay because he does not know what to do with the remaining inmates. Some are deemed too dangerous to release, but cannot easily be prosecuted. In some cases, evidence was obtained by coercion; in others, through intelligence sources that the administration does not want revealed in court. Mr Obama will not rule out holding them indefinitely without charge, but he knows this makes America look bad. He does not want to add to the problem by bringing more foreign jihadists into American custody. Instead, American forces are either killing them or letting less squeamish allies detain them. In September, for example, America tracked down a much-wanted terrorist in Somalia. Saleh Ali Nabhan was accused of helping to blow up the American embassies in Kenya and Tanzania in 1998, and was thought to have been the main liaison between al-Qaeda and its Somali ally, al-Shabab. Had he been captured and questioned, he could have been a mine of useful intelligence. But there is no functioning Somali government to hand him over to, so American helicopters vaporised him. This seems to be the rule, not the exception. A recent *Washington Post* investigation of Mr Obama's war against al-Qaeda leaders abroad found "dozens of targeted killings and no reports of high-value detentions" by American forces.

Suspected terrorists caught on American soil are of course taken into American custody. But those caught in Iraq are swiftly handed over to the Iraqis. Those spotted in Pakistan are detained by the Pakistanis—as several senior Taliban commanders were in recent weeks, thanks in part to American intelligence. America maintains a prison at Bagram air base in Afghanistan, but this will be turned over to the Afghans by the end of the year. None of these countries has a reputation for comfortable cells and polite jailers. In short, it is far from clear that Mr Obama's policies have led to gentler treatment for terrorist suspects abroad. The opposite may be true. Hence the howls of anguish from human-rights activists who once thought Mr Obama was their man. Hence, also, the urgent need for a coherent detainee policy.

Man of steel

More generally, the notion that Mr Obama does not take seriously his responsibilities as commander-in-chief is risible. In Iraq, he is methodically withdrawing American troops as the country becomes more capable of self-government. In Afghanistan, admittedly after dithering for far too long, he has picked a sound strategy and is seeing it through. The surge of NATO troops into Helmand province appears to be working, at least so far. As for Iran, Mr Obama could always follow Sarah Palin's advice

and declare war on the mullahs so that people “decide, well, maybe he’s tougher than we think”. But that might have, well, negative consequences. Instead, he is trying to persuade China and Russia to go along with stiffer sanctions to hinder Iran’s nuclear ambitions. This may or may not work. The omens are not good: Iran announced this week a plan to build two new uranium-enrichment plants inside mountains, where they will be harder to bomb. James Lindsay and Ray Takeyh argue, in *Foreign Affairs*, that Mr Obama should be thinking hard about how to contain Iran after it goes nuclear. The success of Mr Obama’s foreign policy will depend on his ability to choose between finely balanced evils. If he fails, it will not be for lack of steel.

The Carter Syndrome

By: Walter Russell Mead

Source: Foreign Policy Online Magazine, Issue 177, January/February 2010

Neither a cold-blooded realist nor a bleeding-heart idealist, Barack Obama has a split personality when it comes to foreign policy. So do most U.S. presidents, of course, and the ideas that inspire this one have a long history at the core of the American political tradition. In the past, such ideas have served the country well. But the conflicting impulses influencing how this young leader thinks about the world threaten to tear his presidency apart -- and, in the worst scenario, turn him into a new Jimmy Carter.

Obama's long deliberation over the war in Afghanistan is a case study in presidential schizophrenia: After 94 days of internal discussion and debate, he ended up splitting the difference -- rushing in more troops as his generals wanted, while calling for their departure to begin in July 2011 as his liberal base demanded. It was a sober compromise that suggests a man struggling to reconcile his worldview with the weight of inherited problems. Like many of his predecessors, Obama is not only buffeted by strong political headwinds, but also pulled in opposing directions by two of the major schools of thought that have guided American foreign-policy debates since colonial times.

Politicians and public intellectuals have been influenced by former U.S. presidents, be it Jefferson, Hamilton, Wilson, or Jackson.

In general, U.S. presidents see the world through the eyes of four giants: Alexander Hamilton, Woodrow Wilson, Thomas Jefferson, and Andrew Jackson. Hamiltonians share the first Treasury secretary's belief that a strong national government and a strong military should pursue a realist global policy and that the government can and should promote economic development and the interests of American business at home and abroad. Wilsonians agree with Hamiltonians on the need for a global foreign policy, but see the promotion of democracy and human rights as the core elements of American grand strategy. Jeffersonians dissent from this globalist consensus; they want the United States to minimize its commitments and, as much as possible, dismantle the national-security state. Jacksonians are today's Fox News watchers. They are populists suspicious of Hamiltonian business links, Wilsonian do-gooding, and Jeffersonian weakness. Moderate Republicans tend to be Hamiltonians. Move right toward the Sarah Palin range of the party and the Jacksonian influence grows. Centrist Democrats tend to be interventionist-minded Wilsonians, while on the left and the dovish side they are increasingly Jeffersonian, more interested in improving American democracy at home than exporting it abroad.

Some presidents build coalitions; others stay close to one favorite school. As the Cold War ended, George H.W. Bush's administration steered a largely Hamiltonian course, and many of those Hamiltonians later dissented from his son's war in Iraq. Bill Clinton's administration in the 1990s mixed Hamiltonian and Wilsonian tendencies. This dichotomy resulted in bitter administration infighting when those ideologies came into conflict -- over humanitarian interventions in the Balkans and Rwanda, for example, and again over the relative weight to be given to human rights and trade in U.S. relations with China.

More recently, George W. Bush's presidency was defined by an effort to bring Jacksonians and Wilsonians into a coalition; the political failure of Bush's ambitious approach created the context that made the Obama presidency possible.

Sept. 11, 2001, was one of those rare and electrifying moments that waken Jacksonian America and focus its attention on the international arena. The U.S. homeland was not only under attack, it was under attack by an international conspiracy of terrorists who engaged in what Jacksonians consider dishonorable warfare: targeting civilians. Jacksonian attitudes toward war were shaped by generations of conflict with Native American peoples across the United States and before that by centuries of border conflict in England, Scotland, and Ireland. Against "honorable" enemies who observe the laws of war, one is obliged to fight fair; those who disregard the rules must be hunted down and killed, regardless of technical niceties.

When the United States is attacked, Jacksonians demand action; they leave strategy to the national leadership. But Bush's tough-minded Jacksonian response to 9/11 -- invading Afghanistan and toppling the Taliban government that gave safe haven to the plotters -- gave way to what appeared to be Wilsonian meddling in Iraq. Originally, Bush's argument for overthrowing Saddam Hussein rested on two charges that resonated powerfully with Jacksonians: Hussein was building weapons of mass destruction, and he had close links with al Qaeda. But the war dragged on, and as Hussein's fabled hoards of WMD failed to appear and the links between Iraq and al Qaeda failed to emerge, Bush shifted to a Wilsonian rationale. This was no longer a war of defense against a pending threat or a war of retaliation; it was a war to establish democracy, first in Iraq and then throughout the region. Nation-building and democracy-spreading became the cornerstones of the administration's Middle East policy.

WASHINGTON – Ben Bernanke goes to Capitol Hill on Wednesday carrying the weight of high expectations. The Federal Reserve chairman helped pull the country out of the worst recession since the 1930s. Now, lawmakers want to know what he can, or will, do to ease the jobs crisis and make sure the economic recovery lasts. Many will be looking, too, for any clues about when the Fed might start to tighten credit. Bernanke, who will deliver his twice-a-year economic report to Congress, will be under more pressure than usual. It's an election year for lawmakers, whose constituents face near-double-digit unemployment, record-high home foreclosures and tough-to-get credit, especially for small businesses. As he was sworn in for a second term as Fed chief this month, Bernanke said Congress and the White House must do their part to provide relief. "We at the Federal Reserve cannot hope to solve all these problems on our own," he said. To nurture the recovery, Bernanke and his Fed colleagues have pledged to hold a key interest rate at a record low near zero for an "extended period." The idea is for low rates

to encourage consumers and businesses to borrow and spend and keep the economy growing. The unemployment rate, now at 9.7 percent, is expected to drop only slowly. Many economists think it will take until the middle of this decade for the jobless rate to decline to a more normal 5.5 percent to 6 percent.

Bernanke will probably have to reverse course and start tightening credit for millions of Americans even when unemployment is still high. The timing of that move will be the next big challenge for the Fed. Boosting rates too soon could derail the recovery. But waiting too long could trigger inflation and feed a speculative asset bubble. That, too, could threaten the economy, along with Americans' pocketbooks and nest eggs. Some economists think any bump up in interest rates is still months away. Others think it won't happen until next year. There's concern inside and outside the Fed about how the economy will fare later this year once government stimulus fades and the central bank continues to wind down support programs. Bernanke and some of his Fed colleagues don't rule out the possibility that the economy could slide back into a recession. Still, they say the risks are still low. In his appearance before the House Financial Services Committee, Bernanke is likely to engage in a delicate dance: Sounding confident that the recovery will endure, while acknowledging that more must be done to help unemployed Americans and those forced out of their homes by foreclosure. Bernanke also is likely to stress to lawmakers that when the time is right, he's prepared to tighten credit and reel in trillions of dollars the Fed pumped out to fight the financial crisis.

WASHINGTON – Companies that hire the unemployed would claim new tax breaks under a jobs-promoting bill that's expected to pass the Senate on Wednesday. It's the first of several jobs bills promised by Democrats, and passage would give President Barack Obama and Majority Leader Harry Reid, D-Nev., a much-sought victory. But the measure's impact on hiring is likely to be relatively modest, economists say. The bill up for a vote Wednesday would exempt businesses hiring the unemployed from the 6.2 percent Social Security payroll tax through December and give them an additional \$1,000 credit if new workers stay on the job a full year. It would also extend federal highway programs through the end of the year and make a \$20 billion cash deposit into the highway trust fund to make up for shortfalls from lower-than-anticipated gasoline tax revenues. The measure cleared a key hurdle Monday when the Senate's newest Republican, Scott Brown of Massachusetts, and four other Republicans broke party ranks to defeat a filibuster. Republican leaders said Reid had used strong-arm tactics in bringing the measure to the floor. Reid's \$35 billion proposal — blending \$15 billion in tax cuts and subsidies for infrastructure bonds issued by local governments with the \$20 billion in highway money — is a far smaller measure than the \$862 billion economic stimulus bill enacted a year ago.

House Democrats passed a far larger \$174 billion jobs measure in December and many consider the pending Senate measure too puny. But they may simply adopt the Senate measure in order to get the win. The new hiring tax credit could spur about 250,000 new jobs, according to economist Mark Zandi of Moody's Economy.com. In addition to the hiring tax incentives and highway funding, the bill would extend a tax break for small businesses buying new equipment and modestly expand an initiative that helps state and local governments finance infrastructure projects. Separately, Reid announced Tuesday that he wants upcoming legislation to extend unemployment benefits

and health insurance subsidies for the jobless through December and help cash-strapped states with their Medicaid budgets. Taken together, these proposals would cost about \$100 billion. Republicans and some Democrats were unhappy that Reid brought the jobs bill to the floor after abruptly dumping about \$70 billion worth of tax breaks for businesses and individuals, help for the unemployed and additional Medicare payments to doctors that had been unveiled earlier this month by Sens. Max Baucus, D-Mont., and Charles Grassley, R-Iowa, the chairman and ranking Republican on the Finance Committee. Most, if not all, of those ideas are expected to return in subsequent legislation. While lawmakers in both parties promise to focus on jobs-producing legislation, their options are limited by cost considerations and rules that require new initiatives to "paid for" so they don't increase the deficit. But other measures, such as a passel of expired tax breaks for individual and businesses, are competing for the available dollars.

WASHINGTON – Americans who turn to terrorism and plot against the U.S. are now as big a concern as international terrorists, Homeland Security Secretary Janet Napolitano said Sunday. The government is just starting to confront this reality and does not have a good handle on how to prevent someone from becoming a violent extremist, she said. In the last year, Napolitano said, she's witnessed a movement from international extremism to domestic extremism — cases in which Americans radicalized and decided to plot attacks against the country. "What really is it that draws a young person being raised in the United States to want to go and be at a camp in Yemen and then come back to the United States with the idea of committing harm within the United States?" Napolitano asked without citing specific cases. "Where in that person's formulation is there an opportunity to break that cycle?" One case is that of Najibullah Zazi, the Denver airport driver who has been charged with plotting to use explosives to attack the U.S. Born in Afghanistan, Zazi had lived in the U.S. since he was 14 years old. In recent years, prosecutors say, he traveled overseas to receive training from al-Qaida.

Speaking to governors who are in Washington for their annual conference, Napolitano said this problem is one that needs to be drilled down and analyzed. Napolitano was in a wheelchair Sunday because she broke her ankle playing tennis a few weeks ago, a Homeland Security official said. John Brennan, President Barack Obama's homeland security adviser, echoed Napolitano's concerns about violent extremism Sunday. Countering violent extremism is not just a federal issue, Brennan told the governors; it's something that needs to be addressed as a nation. The White House hosted a meeting to discuss these issues Friday, Brennan said. "There needs to be community engagement," he said.

Brennan pointed to a case from late last year when five young Pakistani men living in Northern Virginia traveled to Pakistan seeking training from al-Qaida. The FBI learned of the missing men from their families. After the men disappeared in late November, their families, members of the local Muslim community, sought help from a non-governmental organization, which put them in touch with the FBI. "It's that engagement with those local communities that's going to be the critically important mechanism to detect that radicalization even before they depart," Brennan said.

The government has been engaged in this sort of outreach for years. Homeland Security officials have periodic meetings with Muslim communities. And FBI agents in certain parts of the country regularly reach out to Muslim communities and leaders.

Article: Scott Stewart, “General Aviation: A Reminder of Vulnerability,”
Source: STRATFOR

On Feb. 18, 2010, Joseph Andrew Stack flew his single-engine airplane into a seven-story office building in northwest Austin, Texas. The building housed an office of the Internal Revenue Service (IRS), along with several other tenants. According to a statement he posted to the Internet before taking off on his suicide flight, Stack intentionally targeted the IRS due to a long history of problems he had had with the agency. In the statement, Stack said he hoped that his action would cause “American zombies to wake up and revolt” against the government. Stack also expressed his hope that his message of violence would be one the government could not ignore.

Stack’s use of violence to attempt to foster an uprising against the government and to alter government policy means that his attack against the IRS building was an act of domestic terrorism. (Terrorism is defined by the intent of the actor, not the effectiveness of the attack, a topic we will discuss in more detail at another time.) While Stack’s terrorist attack ultimately will fail to attain either of his stated goals, he did succeed in killing himself and one victim and injuring some 13 other people. The fire resulting from the crash also caused extensive damage to the building. We have received credible reports that Stack had removed some of the seats from his aircraft and loaded a drum of aviation fuel inside the passenger compartment of his plane. This extra fuel may account for the extensive fire damage at the scene. According to STRATFOR analysts present at the scene, it appears that Stack’s plane struck the concrete slab between floors. Had the aircraft not struck the slab head-on, it may have been able to penetrate the building more deeply, and this deeper penetration could have resulted in even more damage and a higher casualty count.

For many years now, STRATFOR has discussed the security vulnerability posed by general aviation and cargo aircraft. Stack’s attack against the IRS building using his private plane provides a vivid reminder of this vulnerability.

Framing the Threat

As we have previously noted, jihadists, including al Qaeda’s central core, have long had a fixation on attacks involving aircraft. This focus on aviation-related attacks includes not only attacks designed to take down passenger aircraft, like Operation Bojinka, the 2001 shoe bomb plot and the Heathrow liquid explosives plot, but also attacks that use aircraft as weapons, as evidenced by the 9/11 strikes and in the thwarted Library Tower plot, among others — aircraft as human-guided cruise missiles, if you will. These aviation-focused plots are not just something from the past, or something confined just to the al Qaeda core leadership. The Christmas Day attempt to destroy Northwest Airlines Flight 253 demonstrated that the threat is current, and that at least some al Qaeda franchise groups (al Qaeda in the Arabian Peninsula, or AQAP, in this case) are also interested in aviation-focused plots.

Jihadists are not the only ones interested. Over the past several decades, a number of other actors have also conducted attacks against aviation-related targets, including

such diverse actors as Palestinian, Lebanese, Japanese and Sikh militant groups, Colombian cartels, and the Libyan and North Korean intelligence services. Stack and people like Theodore Kaczynski, the “Unabomber,” demonstrate that domestic terrorists can also view aviation as a target and a weapon. (UNABOM is an FBI acronym that stood for university and airline bomber, the targets Kaczynski initially focused on.)

MIAMI – In her 88 years, Florence Siegel has learned how to relax: A glass of red wine. A crisp copy of The New York Times, if she can wrest it from her husband. Some classical music, preferably Bach. And every night like clockwork, she lifts a pipe to her lips and smokes marijuana. Long a fixture among young people, use of the country's most popular illicit drug is now growing among the AARP set, as the massive generation of baby boomers who came of age in the 1960s and '70s grows older. The number of people aged 50 and older reporting marijuana use in the prior year went up from 1.9 percent to 2.9 percent from 2002 to 2008, according to surveys from the Substance Abuse and Mental Health Services Administration. The rise was most dramatic among 55- to 59-year-olds, whose reported marijuana use more than tripled from 1.6 percent in 2002 to 5.1 percent. Observers expect further increases as 78 million boomers born between 1945 and 1964 age. For many boomers, the drug never held the stigma it did for previous generations, and they tried it decades ago.

Some have used it ever since, while others are revisiting the habit in retirement, either for recreation or as a way to cope with the aches and pains of aging. Siegel walks with a cane and has arthritis in her back and legs. She finds marijuana has helped her sleep better than pills ever did. And she can't figure out why everyone her age isn't sharing a joint, too. "They're missing a lot of fun and a lot of relief," she said. Politically, advocates for legalizing marijuana say the number of older users could represent an important shift in their decades-long push to change the laws. "For the longest time, our political opponents were older Americans who were not familiar with marijuana and had lived through the 'Reefer Madness' mentality and they considered marijuana a very dangerous drug," said Keith Stroup, the founder and lawyer of NORML, a marijuana advocacy group. "Now, whether they resume the habit of smoking or whether they simply understand that it's no big deal and that it shouldn't be a crime, in large numbers they're on our side of the issue." Each night, 66-year-old Stroup says he sits down to the evening news, pours himself a glass of wine and rolls a joint. He's used the drug since he was a freshman at Georgetown, but many older adults are revisiting marijuana after years away. "The kids are grown, they're out of school, you've got time on your hands and frankly it's a time when you can really enjoy marijuana," Stroup said. "Food tastes better, music sounds better, sex is more enjoyable." The drug is credited with relieving many problems of aging: aches and pains, glaucoma, macular degeneration, and so on. Patients in 14 states enjoy medical marijuana laws, but those elsewhere buy or grow the drug illegally to ease their conditions.

When President Obama took office, gun rights advocates sounded the alarm, warning that he intended to strip them of their arms and ammunition. And yet the opposite is happening. Mr. Obama has been largely silent on the issue while states are engaged in a new and largely successful push for expanded gun rights, even passing measures that have been rejected in the past. In Virginia, the General Assembly approved

a bill last week that allows people to carry concealed weapons in bars and restaurants that serve alcohol, and the House of Delegates voted to repeal a 17-year-old ban on buying more than one handgun a month. The actions came less than three years after the shootings at Virginia Tech that claimed 33 lives and prompted a major national push for increased gun control. Arizona and Wyoming lawmakers are considering nearly a half dozen pro-gun measures, including one that would allow residents to carry concealed weapons without a permit. And lawmakers in Montana and Tennessee passed measures last year — the first of their kind — to exempt their states from federal regulation of firearms and ammunition that are made, sold and used in state. Similar bills have been proposed in at least three other states.

In the meantime, gun control advocates say, Mr. Obama has failed to deliver on campaign promises to close a loophole that allows unlicensed dealers at gun shows to sell firearms without background checks; to revive the assault weapons ban; and to push states to release data about guns used in crimes. He also signed bills last year allowing guns to be carried in national parks and in luggage on Amtrak trains.

“We expected a very different picture at this stage,” said Paul Helmke, president of the Brady Campaign to Prevent Gun Violence, a gun control group that last month issued a report card failing the administration in all seven of the group’s major indicators. Gun control advocates have had some successes recently, Mr. Helmke said. Proposed bills to allow students to carry guns on college campuses have been blocked in the 20 or so states where they have been proposed since the Virginia Tech shootings. Last year, New Jersey limited gun purchases to one a month, a law similar to the one Virginia may revoke.

WASHINGTON – Secretary of State Hillary Rodham Clinton called Monday for closer cooperation between Russia and NATO, the trans-Atlantic alliance that Moscow views with suspicion as a relic of the Cold War and a potential threat to its security. In a speech launching an international seminar on revising NATO's mission for the 21st century, Clinton rejected Russian calls for a new European security treaty that Washington believes would lead to a diluting of NATO's influence in Europe and beyond. "Let me state this unambiguously: While Russia faces challenges to its security, NATO is not among them," she said. "We want a cooperative NATO-Russia relationship that produces concrete results and draws NATO and Russia closer together." Among Russia's chief concerns is NATO's intention to offer membership to the former Soviet republics of Ukraine and Georgia. It also is troubled by U.S. plans to place anti-missile defensive weapons in Romania and possibly other eastern European nations. Clinton called for more military openness between NATO and Russia. Relations were frozen in the months after Russia fought a war with Georgia in 2008. "European security will benefit if NATO and Russia are more open about our armaments, our military facilities, and our exercises," she said. "NATO and Russia should have a regular exchange of information on posture, doctrine, and planned military exercises, as well as specific measures to permit observation of military exercises and to allow visits to new or significantly improved military installations." Later, in a question-and-answer session with her audience in a hotel ballroom, Clinton was asked whether she can imagine the day when Russia becomes a NATO member — given that the Soviet Union's military might was the reason NATO was created in 1949. "I can imagine it," she replied. "I'm not sure the Russians can imagine it." More broadly, Clinton said NATO needs to revise its

basic doctrine, known as its "strategic concept," to take into account the changing nature of threats faced by alliance member countries.

Western Europe

Article: Rudeness in EU politics

Why are British Eurosceptics so rude?

Source: Economist, Feb 26th 2010

THE Belgian newspaper, De Standaard, asked me to write an op-ed explaining to their baffled readers why a British Eurosceptic politician was so very rude to the President of the European Council, Herman Van Rompuy, in the European Parliament this week. Nigel Farage, a member of the European Parliament (MEP) from the United Kingdom Independence Party, called Mr Van Rompuy (a Belgian) that he had the "charisma of a damp rag", among other insults. The short version of why Mr Farage was winkled out of the UKIP politician by BBC Radio 4's Today programme yesterday morning. What does being so rude achieve, Mr Farage was asked. Well, it has got me on this programme, hasn't it, he replied. And there you have it. "Today" is a flagship programme on the BBC: about the most serious news programme in Britain, along with "Newsnight" on BBC television. And calling a foreign politician names gets you on it.

For a longer explanation, this is the English original of my op-ed (in Flemish here).

IF ALL Herman Van Rompuy's political opponents in Brussels were as harmless as Nigel Farage, a British Eurosceptic member of the European Parliament, the new President of the European Council would have few worries. A clever enemy of European integration might have found valuable ammunition in Mr Van Rompuy's first presidential address to the European Parliament. Despite his mild appearance and quiet delivery, Mr Van Rompuy has big ambitions for the European Council, and he scattered clues throughout his speech. The former Belgian prime minister hinted, not for the first time, that he would like to see as many as ten European leaders' summits a year, and made clear he wants the European Council to make "full use" of the powers in the Lisbon Treaty to move towards much closer economic co-ordination between EU member states. He confirmed that he believes he should attend G20 meetings alongside the President of the European Commission, and made clear he wants a role alongside the new High Representative in representing Europe to the outside world. Much of what Mr Van Rompuy has in mind should be anathema to Mr Farage. He is from the United Kingdom Independence Party (UKIP), whose vow to pull Britain out of the EU secured it 13 seats at the 2009 Euro-elections (just ahead of Labour, though some considerable way behind the Conservatives, on a feeble 35% turnout). Mr Farage did offer some political commentary, telling Mr Van Rompuy: "You appear to have a loathing of the very concept of the existence of nation states. Perhaps that's because you come from Belgium, which of course is pretty much a non-country." But in truth, Mr Farage had other ambitions for his parliamentary intervention: namely, to say something that would generate headlines. So he did. The promise was of a Council president who would be a "giant global figure" worthy of a salary higher than President Barack Obama, said Mr Farage, adding: "But I'm afraid all we got was you." Then came his big sound-bite:

“Really, you have the charisma of a damp rag, and the appearance of a low-grade bank clerk. And the question that I want to ask, that we are all going to ask, is: who are you?”

Readers of *De Standaard* must now be asking a question of their own: who is Nigel Farage (and why is he so rude)?

Mr Farage is a fairly successful populist politician, who would like to become a really successful populist politician. He is not a far-right extremist, though he flirts with tough rhetoric on immigration, Islam and crime. He is a libertarian rather than a social conservative, a trouble-maker and a risk-taker (before politics, he worked as a commodities trader, bawling out bids at the London Metals Exchange). To risk a Flemish comparison, he is more Jean-Marie Dedecker than Filip Dewinter.

In Britain, members of the European Parliament can serve years in Brussels and Strasbourg without once appearing on television. Mr Farage does better than that: as a former UKIP leader and reliable provider of tough quotes, he makes it on to political talk shows every now and then. Along with a clutch of other ambitious British MEPs, he has discovered the power of YouTube, the internet site which can send an especially outrageous soundbite around the world, as a parliamentary appearance goes “viral”. But Mr Farage has a purely domestic focus just now. He is running for the House of Commons, in the normally rock-solid Conservative seat of Buckingham, a prosperous commuter town near London. He has run for the Westminster parliament five times before, and never achieved more than 8% of the vote. This time, he might just have a chance of winning.

EUOBSERVER / BRUSSELS - Herman Van Rompuy was subjected to a series of personal insults on Wednesday (24 February) spoiling his maiden appearance in the European Parliament as president of the European Council. Mid-way through a fairly tame exchange of views on EU policy, Mr Van Rompuy was visibly shocked and uncomfortable when comments by British eurosceptic MEP Nigel Farage took a personal turn. Speaking about Mr Van Rompuy's 15 minute introductory speech, Mr Farage said he had the "charisma of a damp rag" and the appearance of a "low-grade bank clerk." "I have never heard of you. Nobody in Europe had ever heard of you," the British politician continued, referring to the former Belgian prime minister's surprise appointment late last year to chair the regular meetings of EU leaders. Virtually unknown outside Belgium, Mr Van Rompuy's low-key manner coupled with not having any pretensions to limelight-stealing were widely seen as key to him securing the job - a new post created by the Lisbon Treaty, in place since 1 December. Since then he has maintained the background approach but has started to make his presence felt by calling an informal economic summit earlier this month, suggesting EU leaders meet every month and making it clear that he intends to be a visible presence at the G20 meeting later this year. Mr Farage's outburst, which was rounded off with a back-handed compliment that Mr Van Rompuy was also "competent and capable and dangerous," was immediately criticised by his colleagues. Joseph Daul, head of the centre-right EPP party, suggested the UK should leave the EU as it is apparently not pleased to be in the union. Socialist leader Martin Schulz said it "would be better for Mr Farage to resign." Mr Schulz also rounded on parliament chief Jerzy Buzek, who did not intervene during Mr Farage's speech. "I am very disappointed with you Mr Buzek. I expected you as president to call this person to order." Mr Buzek, who indicated he had his own behind-the-scenes

way of dealing with such incidents, said "character assassinations are inadmissible in the European parliament." Later in the debate, Mr Van Rompuy dismissed Mr Farage's comments. "There was one contribution that I can only hold in contempt but I'm not going to comment on that further," he said.

London – While stopping short of directly admonishing Israel, the European Union (EU) issued a statement today denouncing the forgery of European passports used in last month's Dubai assassination of a senior Hamas militant. "The EU strongly condemns the fact that those involved in this action used fraudulent EU member-states' passports and credit cards acquired through the theft of EU citizens' identities," EU foreign ministers meeting in Brussels said in the joint statement, adding public pressure on Israel, whose spy agency, Mossad, is widely believed to have carried out the Jan. 20 killing. Israel was not mentioned in the statement, but British Foreign Secretary David Miliband said earlier that he used a meeting in the Belgian capital with his Israeli counterpart, Avigdor Lieberman, to express "the profound concern that exists not just in Britain, but all over Europe." EU foreign policy chief Catherine Ashton said she would raise the issue with Mr. Lieberman when they have dinner tonight. Indeed, the issue seems irksome enough to unite the often disparate EU. "I think that this is going to be an easy one for EU states to address when it comes to speaking with one voice," says Clara Marina O'Donnell, an analyst at the Center for European Reform think tank in London. "The big member states still tend to have more strength and if you have a consensus you won't see the European states trying to split it. But more to the point, nation states are all quite sensitive when it comes to the idea of their passports' integrity."

Sanctions? Still, the issue is unlikely to devolve into a diplomatic crisis, and the prospect of the EU initiating any kind of sanctions against Israel remains extremely remote. Europe is Israel's biggest trading partner and Israel enjoys deep bilateral relations with all EU states. The EU and Israel also share substantial common interests on a range of issues, including opposition to Iran's apparent progress toward arming itself with nuclear weapons.

BRUSSELS – Israel's foreign minister sidestepped questions at EU headquarters Monday about his country's alleged role in last week's assassination of a top Palestinian Hamas operative, officials said. Avigdor Lieberman also avoided discussing the falsified European Union passports believed to have been used by the killers, despite pressure for answers in one-on-one meetings with EU foreign ministers and the bloc's foreign affairs chief, Catherine Ashton. "There's not been an acknowledgment on these issues," Ashton said. She planned also to have dinner Monday with Lieberman. The Jan. 20 assassination of Mahmoud al-Mabhouh in a luxury Dubai hotel has widely been blamed on Israel's Mossad spy agency, and investigators on several continents are examining the use of the bogus EU passports and credit cards linked to U.S.-based banks. Israel had linked al-Mabhouh to arms smuggling into Gaza and the slaying of two Israeli soldiers. The EU said in a statement that the use of false passports from several EU nations was "profoundly disturbing." The British government said Monday eight forged U.K. passports were used — two more than previously thought — bringing to 15 the total number of false EU passports allegedly tied to killing. Those also include five Irish passports, one French and one German.

British Foreign Secretary David Miliband said he had met his Israeli counterpart in Brussels on Monday and stressed "the need for Britain and Israel to cooperate," but said Lieberman "had no information to give me." Britain's Serious and Organized Crime Agency or SOCA is investigating how the identities of British citizens were stolen. Britain's Foreign Office declined to name those whose passports were used. In Paris, French President Nicolas Sarkozy said "nothing positive" comes of such killings. With Palestinian President Mahmoud Abbas visiting the French capital on Monday, Sarkozy also said France could not accept such "executions." Some officials in Brussels spoke of a deterioration in EU-Israeli relations, but the bloc's statement Monday said only that Mabhuh's killing was not "conducive to peace and stability" in the Middle East. The EU also welcomed the fact that Dubai has begun an investigation. Bilateral relations between the EU and Israel are already touchy, fed by a sense in many EU capitals that Israel is not doing enough for the Middle East peace process.

George Friedman
The Utility of Assassination
Source: STRATFOR

The apparent Israeli assassination of a Hamas operative in the United Arab Emirates turned into a bizarre event replete with numerous fraudulent passports, alleged Israeli operatives caught on videotape and international outrage (much of it feigned), more over the use of fraudulent passports than over the operative's death. If we are to believe the media, it took nearly 20 people and an international incident to kill him. STRATFOR has written on the details of the killing as we have learned of them, but we see this as an occasion to address a broader question: the role of assassination in international politics.

Defining Assassination

We should begin by defining what we mean by assassination. It is the killing of a particular individual for political purposes. It differs from the killing of a spouse's lover because it is political. It differs from the killing of a soldier on the battlefield in that the soldier is anonymous and is not killed because of who he is but because of the army he is serving in. The question of assassination, in the current jargon "targeted killing," raises the issue of its purpose. Apart from malice and revenge, as in Abraham Lincoln's assassination, the purpose of assassination is to achieve a particular political end by weakening an enemy in some way. Thus, the killing of Adm. Isoroku Yamamoto by the Americans in World War II was a targeted killing, an assassination. His movements were known, and the Americans had the opportunity to kill him. Killing an incompetent commander would be counterproductive, but Yamamoto was a superb strategist, without peer in the Japanese navy. Killing him would weaken Japan's war effort, or at least have a reasonable chance of doing so. With all the others dying around him in the midst of war, the moral choice did not seem complex then, nor does it seem complex now. Such occasions rarely occur on the battlefield. There are few commanders who could not readily be replaced, and perhaps even replaced by someone more able. In any event, it is difficult to locate enemy commanders, meaning the opportunity to kill them rarely arises. And as commanders ask their troops to risk their lives, they have no moral claim to immunity from danger.

Now, take another case. Assume that the leader of a country were singular and irreplaceable, something very few are. But think of Fidel Castro, whose central role in the Cuban government was undeniable. Assume that he is the enemy of another country like the United States. It is an unofficial hostility — no war has been declared — but a very real one nonetheless. Is it illegitimate to try to kill such a leader in a bid to destroy his regime? Let's move that question to Adolph Hitler, the gold standard of evil. Would it be inappropriate to have sought to kill him in 1938 based on the type of regime he had created and what he said that he would do with it? If the position is that killing Hitler would have been immoral, then we have a serious question about the moral standards being used. The more complex case is Castro. He is certainly no Hitler, but neither is he the romantic democratic revolutionary some have painted him as being. But if it is legitimate to kill Castro, then where is the line drawn? Who is it not legitimate to kill? As with Yamamoto, the number of instances in which killing a political leader would make a difference in policy or in the regime's strength is extremely limited. In most cases, the argument against assassination is not moral but practical: It would make no difference if the target in question lives or dies. But where it would make a difference, the moral argument becomes difficult. If we establish that Hitler was a legitimate target, then we have established that there is not an absolute ban on political assassination. The question is what the threshold must be.

GENEVA – A Swiss businessman detained in Libya for more than 19 months has left the country, easing a diplomatic row that began with the 2008 arrest of Moammar Gadhafi's son in Geneva, the Swiss Foreign Ministry said Tuesday. But it said a second Swiss man was still being held in Tripoli, as negotiations continue between Switzerland and Libya. "Rachid Hamdani has left Libya," ministry spokesman Adrian Sollberger said in a statement. Local media reported that the 69-year-old employee of a Swiss construction company was driven to Tunisia on Monday night, and Hamdani said Tuesday that he left the country "very quickly" after receiving authorization from Libyan authorities. "The decision was taken and I was free immediately," Hamdani said by telephone on Swiss television. National broadcaster TSR said he spoke from the Tunisian resort of Djerba. Hamdani and 54-year-old Max Goeldi, an employee of engineering firm ABB, were detained days after Geneva police arrested Hannibal Gadhafi and his wife at a luxury hotel for allegedly beating up their servants. Gadhafi was released after two days, but Libya retaliated by recalling diplomats from Switzerland, taking its money out of Swiss vaults and interrupting oil shipments to the neutral European country.

In 2009, former Swiss President Hans-Rudolf Merz apologized in Libya and agreed to possible compensation claims. But Switzerland backed out of the deal when Goeldi and Hamdani weren't allowed to go home. The dispute took its strangest turn earlier this month when Tripoli responded to a Swiss travel ban on Moammar Gadhafi, his family and ministers by banning citizens of 25 European countries from traveling to Libya. The visa restrictions threatened lucrative work for Europeans in Libya's booming oil and gas industries, but mediation from Italy and Spain has helped relax the constraints. Sollberger said Goeldi was still in Libyan custody. He said Swiss officials were trying to secure the return of Goeldi, who has been sentenced to four months in prison by a Libyan court. Hamdani was allowed to leave after a Libyan appeals court acquitted him earlier this month. Amnesty International and the United Nations have

criticized the detention of both businessmen as political revenge. Switzerland said negotiations "have been going on for several weeks," citing talks last week in Madrid and Berlin. Goeldi's family said it was relieved that the ordeal for their friend Hamdani was finally ending but sad that Goeldi had yet to be released. "We are very optimistic that a solution will soon be found that also allows him to return home to his family," the family said in a statement.

COPENHAGEN – Denmark's prime minister announced a major government shake-up Tuesday, changing more than a dozen Cabinet posts including the ministers of defense, justice and foreign affairs to build his own team 10 months after taking office. The reshuffle — which put women in charge of the defense and foreign ministries for the first time — had been widely expected since Lars Loekke Rasmussen took over as leader of the center-right government in April. He replaced former prime minister and Liberal Party colleague Anders Fogh Rasmussen, who became NATO secretary-general. No major changes were expected in government policy, as the minority Liberal-Conservative Cabinet commands majority support in Parliament with the backing of the anti-immigration Danish People's Party and a smaller centrist group. Analysts say the changes were probably delayed by the U.N. climate conference in Copenhagen in December. Loekke Rasmussen chaired the summit of more than 100 world leaders, and focused much of his energy last year on preparing for it. "This is a totally new team that matches the new times," the 45-year-old leader said after presenting the new Cabinet to Queen Margrethe, Denmark's figurehead monarch. Loekke Rasmussen said the team would steer the country out of recession and win the next election, set before the end of 2011.

With leadership changes in 16 of the 19 ministries, Tuesday's reshuffle was the largest in Denmark since the center-right government took power in 2001. Defense Minister Soeren Gade, replaced by 41-year-old newcomer Gitte Lillelund Bech of the Liberal Party, had said earlier Tuesday he was stepping down after months of pressure. Gade's leadership was called into question after plans to deploy Danish special forces to Iraq in 2007 leaked to the media before Parliament was informed. The source of the leak remains unknown, but critics suspect it came from Gade's staff. The Defense Ministry also was criticized for how it handled the release of a book by a former Danish Army Ranger, including details about covert operations in Iraq and Afghanistan. Foreign Minister Per Stig Moeller left his post after nine years to become culture minister and was replaced by Lene Espersen, who heads the Conservative Party — the junior partner in the Danish two-party government. Espersen previously served as economy minister. Espersen and Lillelund Bech are the first women to take control of Denmark's foreign and defense ministries. Outgoing Transportation Minister Lars Barfoed was appointed the new justice minister and was replaced in his previous job by Hans Christian Schmidt, a former government member.

AMSTERDAM – The Dutch government on Tuesday set June 9 as the date for general elections, nearly one year ahead of schedule, following the collapse of the center-right government in a dispute over the army's engagement in Afghanistan. Queen Beatrix, the ceremonial head of state, accepted the resignation of 12 cabinet officers from the Labor Party who quit the coalition on Saturday when the left-leaning

party refused to comply with a NATO request to keep Dutch troops in the southern Afghan province of Uruzgan. Prime Minister Jan Peter Balkenende will remain in office as head of a minority government until the elections, and can deal with issues that cannot be delayed, the queen's office said in a statement. The announcement from the royal palace followed two days of consultations by the queen, who broke off a skiing holiday in Austria to meet the leaders of all political parties and her political advisers. Although the queen's function is largely ceremonial, she does have some leeway in deciding an election date and the powers of the interim government. "A lot has happened in the last days after the cabinet fell," Balkenende told a news conference. "The parties have made it clear they want elections as soon as possible." He named Jan Kees de Jager as the new finance minister to replace Wouter Bos, the Labor Party leader who resigned.

The government's fall and the withdrawal of Dutch troops this year was a blow to NATO, coming as the United States is pouring 30,000 more troops into Afghanistan and calling on its allies to step up their own contributions.

Without a consensus to extend the Dutch mission, the forces will begin their evacuation in August and pull the last of its 1,600 troops from the province by December. Richard Holbrooke, the U.S. special envoy for Afghanistan and Pakistan, called the Dutch decision a disappointment. "They've done a wonderful job in Uruzgan," Holbrooke told reporters in Berlin, where he was consulting with government officials.

"To be honest, I heard the news with great sadness," he said. "It is disappointing to see such a decision unfold," Holbrooke said. He added, however, that he hoped it could be adjusted. Balkenende had favored keeping a reduced force in Uruzgan to prepare Afghan army and police forces to take over security operations while another NATO country took over its combat operations. Labor argued that a further extension would violate the 2007 coalition agreement among the three governing parties and went against the will of the Dutch electorate. The mission in Afghanistan was deeply unpopular from the start. The troops were sent in 2006 with responsibility for security and reconstruction in Uruzgan, where the Taliban was particularly active. Despite opinion polls, Balkenende's pro-U.S. government responded positively to then-President George W. Bush's appeal to join the NATO effort. In Washington, U.S. Defense Secretary Robert Gates said in a speech to NATO officers Tuesday that Europeans' aversion to fighting wars has become "an impediment to achieving real security and lasting peace" in this century and threatened to be a temptation for aggression.

LONDON – Bank Mellat of Iran on Wednesday won a preliminary court ruling against sanctions imposed by the British government. The government has accused the privately owned bank of providing financial services to companies involved in Iran's nuclear and missile programs. The Treasury acted in October to forbid any U.K. financial companies from doing business with the bank.

High Court Justice John Mitting agreed with the bank's argument that it was entitled to information about allegations against it. The judge granted permission for the government to appeal the ruling. Lawyers for the bank argued that a provision on fair hearings in the European Convention on Human Rights entitled the bank to details of the allegations against it. The government contended that the article did not apply because the order was directed not at the bank but at other financial institutions.

Mitting ruled that the bank was effectively the target of the order, and thus the Convention applied. Mitting noted a decision by the House of Lords last year that an alleged terror suspect whose liberty had been curtailed was entitled to information about the allegation against him.

GENEVA – Spain's prime minister says the European Union wants a halt to all executions by 2015 as a step toward abolishing the death penalty.

Jose Luis Rodriguez Zapatero says Spain will speak with countries that still have capital punishment in the hope of persuading them to eliminate the practice. Spain now holds the rotating EU presidency. The EU issued a 2008 declaration against the death penalty but gave no timeframe for when it hoped to establish a global moratorium.

Zapatero didn't say Wednesday how the EU would persuade countries like the United States, Japan, China and Iran to change their laws. He told a meeting at the U.N. in Geneva that Spain would set up an "international commission against the death penalty."

BONN, Germany – The United Nations says formal negotiations on an international treaty to control global warming will resume in Bonn in April, four months after the failed climate change summit in Copenhagen. U.N. climate chief Yvo de Boer said Tuesday the negotiating schedule is being intensified in order to secure a global climate deal at the end of the year. After the Bonn meeting April 9-11, more talks are scheduled there for May 31-June 11. The next world climate summit is to take place in Cancun, Mexico, from Nov. 29 to Dec. 10. De Boer, who will resign July 1, said that since Copenhagen 100 countries have submitted individual emission cut targets. He said he saw commitment by governments "to move negotiations forward toward success in Cancun."

VIENNA – Iran has formally set out its terms for giving up most of its cache of enriched uranium in a confidential document — and the conditions fall short of what has been demanded by the United States and other world powers. Washington dismissed the document — seen by The Associated Press on Tuesday — as a "red herring" and warned it would consult with its allies on new penalties on Iran to punish it for its nuclear defiance. The document says Tehran is ready to hand over the bulk of its stockpile, as called for under a deal brokered by the International Atomic Energy Agency and endorsed by the five permanent U.N. Security Council members and Germany.

But Iran adds that it must simultaneously receive fuel rods for its research reactor in return, and that such an exchange must take place on Iranian territory.

The Iranian offer was sure to be rejected by the six powers, which have waited for nearly six months for such an official answer. The United States and others fear Iran's nuclear program is geared toward making nuclear weapons, while Tehran claims it is simply to provide more power for its growing population. The United Nations has slapped sanctions on Iran for its defiance on nuclear issues. Ali Asghar Soltanieh, the chief Iranian delegate to the IAEA, told the AP the document — his letter to International Atomic Energy Agency chief Yukiya Amano — was "formally reflecting" his country's position, which has been expressed to the IAEA and to the media in various forms.

The U.S. and its allies have previously said there can be no significant deviation from the original deal, which would commit Iran to shipping out its nuclear material first and then

waiting up to a year for it to be turned into fuel for its reactor, which makes medical isotopes. U.S. State Department spokesman P.J. Crowley told reporters in Washington that Iran's counterproposal was unacceptable. "It doesn't say anything new," Crowley said. "We've heard this before. We think that the arrangement that we put on the table in Geneva is the right one. The Iranian response in essence is, in our view, a red herring." He said Washington would discuss "appropriate next steps, including prospective sanctions," with its allies. Nor was the British Foreign Office impressed by the new document.

Nuclear Dispute

EU Plans Massive Sanctions Against Iran

By Hans-Jürgen Schlamp in Brussels

Source: SPIEGEL ONLINE, February 26, 2010

The EU is preparing tough sanctions against Iran's energy and financial sectors, according to a confidential list of proposals drawn up for EU foreign ministers and obtained by SPIEGEL ONLINE. The measures, aimed at forcing Iran to back down in the nuclear dispute, would have a dramatic impact on the economy. The statement by the EU foreign ministers after their meeting in Brussels on Monday sounded harmless: the EU would stick to its "dual track" approach of threatening economic sanctions and offering negotiations to stop Tehran developing nuclear weapons. So far, however, that strategy hasn't worked. Iranian President Mahmoud Ahmadinejad announced plans on Monday to build two new uranium enrichment plants despite warnings issued by the UN Security Council, the US and Europe. "The world powers should not be worried as all our nuclear activities are strictly supervised by the inspectors of the International Atomic Energy Agency (IAEA)," Foreign Ministry spokesman Ramin Mehmanparast said in a press briefing in Tehran on Tuesday. But such assurances don't wash with the Europeans anymore. The EU wants to massively ratchet up the pressure on Tehran -- and the instruments have already been prepared. Behind the scenes, EU finance and trade experts have worked out a confidential catalogue of possible sanctions. SPIEGEL ONLINE has obtained that catalogue, a 13-page "non-paper on political and economic context of sanctions against Iran."

Energy and Finance Sectors to be Targeted

The proposals aren't just aimed at expanding existing sanctions such as trade embargos for military and nuclear products and travel bans for Tehran's bomb builders. For the first time, the EU is envisaging a program that targets the entire Iranian economy. In order to maximize the impact, the experts are recommending measures to hit the energy and financial sectors, where the regime is particularly vulnerable, the document says. Iran is the second-biggest oil producer in the OPEC cartel and is well endowed with gas reserves. Some 80 percent of its exports come from oil and gas. But the country can't stay in business for long without international help. It needs foreign investments for the urgently needed development of new fields as a replacement for expiring reserves. If that investment isn't forthcoming, output will fall rapidly. And, possibly worse, the oil-rich country is largely dependent on the import of oil products such as gasoline and diesel. Without fuel imports, its transport system would quickly collapse. The regime is trying to build refineries, but it needs foreign know-how and capital for that too.

Financial Sanctions to Choke off Imports

The EU planners regard financial sanctions as even more effective, and have come up with an array of options. The EU could, for example, obstruct Tehran's access to Iranian currency reserves located abroad. And one could banish the Iranian central bank from the international circulation of money and credit. Cross-border money transfers would be made virtually impossible and Iran would have huge problems paying for imports -- that would hurt the supply of products needed for its nuclear program.

A further proposal: if Western insurance companies stop guaranteeing investments in Iran, many investors will prefer to withdraw. If Europe blocks export credit guarantees that are a routine part of international trade, deliveries to Iran would be more risky or at least significantly more expensive. The EU plan also suggests limiting diplomatic and other official contacts with Iran, a move that would be primarily symbolic but significant just the same, it says. The 27 EU members haven't decided on sanctions yet. But European governments are more determined than ever to raise the pressure on Iran, especially after the IAEA said in a report last week that Iran may now be working to develop a nuclear-armed missile. The Europeans need a decision by the UN Security Council as a stable legal foundation for their new sanctions. That will only happen with the support of the veto powers Russia and China. But the West also wants to secure the backing of countries such as Brazil, Turkey and the Gulf states for sanctions. That would make it harder for Iran's leadership to argue that it's being victimized by a "Western conspiracy" or the "vassals of Israel."

Missile defence in Europe

The next salvo

Source: Economist, Economist, Feb. 18, 2010

READ the small print. That would have been good advice for foes and allies alike when America announced in September last year that it would abandon its plans for anti-missile defences in Poland and the Czech Republic, in favour of a new system initially based on ships. Some saw that as a sell-out. Russia was being appeased as part of President Barack Obama's "reset" of relations with the Kremlin, and the ex-communist countries were being punished for supporting the Bush administration. Five months later, that reading of events looks mistaken. The new system, the Obama administration officials said at the time, will be more flexible and will have a land component from 2015. Poland will eventually host one base. And earlier this month Romania—after the briefest of talks—announced that it would be the site for interceptors. American officials are trying to find a consolation prize for Bulgaria, the runner-up, which says it would like a base too. This has annoyed Russia. Its foreign minister, Sergei Lavrov, said the Kremlin had complained to America about the Romanian "surprise" followed by a Bulgarian one. In fact, America itself seems to have been caught unprepared by the enthusiasm of its allies. It had expected protracted negotiations, of the kind it had pursued with Poland. This would have provided a chance to soothe Russian feelings at a time when America is seeking its help to impose sanctions against Iran.

Echoing earlier Russian threats (now rescinded) to deploy nuclear missiles in the Kaliningrad enclave, a Russian-backed separatist enclave in Moldova has offered to host Russian Iskander short-range rockets in response to the planned base in Romania. That

may have more to do with wrong-footing the new pro-western, pro-Romanian government in Moldova than pleasing Russia, which declined the offer.

If American technology develops as expected, by 2018 the new shield would cover almost all of NATO's European members against an Iranian attack—only a small part of Turkey would be exposed. That is a big change from the previous scheme, which was intended mainly to protect America from an intercontinental threat, leaving chunks of Europe unprotected. The new system poses even less of a threat to Russia's nuclear arsenal (the Americans say neither ever did). The SM-3 interceptors now planned have a shorter range and fly less quickly than the rockets proposed by the Bush administration. Moreover, much of the system—the tracking radars and the Romania-based interceptors—will be deployed further south, unable to interfere with Russian missiles heading for America over the Arctic.

The main basis for the Kremlin's complaint is political. Though Russia grudgingly accepted that ex-communist countries could join NATO, it sees the creation of American bases there as a breach of a promise made when the Soviet Union consented to German reunification. (American officials insist no such promise was ever given.) Regardless, America is making other security arrangements. It is placing Patriot anti-aircraft missiles in Poland. More significantly, it has pushed NATO into agreeing to draw up military contingency plans to defend the Baltic states. It will hold drills there later this year. Russia's growling may have brought results—but probably not the ones that Moscow wanted.

PARIS – With economic recovery barely there and talk of austerity spreading, many European workers are pushing back. French air traffic controllers walked off the job Tuesday just as Lufthansa pilots ended a strike and British Airways cabin crews voted to launch one of their own. Greek unions prepared to shut down much of their country Wednesday with wide-ranging strikes. These workers — like those blockading the Athens stock market, and demonstrators angry at proposed delayed retirements in Spain — fear for their hard-earned comforts as European governments and companies tighten belts to stay solvent. The walkouts are the latest signs of a broader unease about jobs and benefits, and what the future holds for a continent struggling to stay competitive on a global scale. From Communist-backed protesters who blocked the Athens stock market Tuesday to labor unions angry at plans to require Spaniards to retire at 67 instead of 65, Europeans face the unsettling prospect of seeing some of the comforts and benefits won over the decades slip away.

Air traffic controllers walked off the job across France as a four-day strike began on Tuesday, testing the patience of would-be travelers and forcing the cancellation of hundreds of flights. Unions called the walkout to protest plans to integrate European air traffic control across six countries — which workers fear will lead to losses of jobs and civil servant benefits. Workers and unions say they are digging in to protect the European social safety net from fraying and to keep austerity measures from sapping consumer demand and thus the economy. "The dangers of pricing oneself out of a job have nowhere been more apparent than they are today," said Howard Wheeldon, a senior strategist at inter-dealer broker BGC Partners in London. "The solution is ... for companies to be even more efficient and that of necessity means employing fewer staff," said Wheeldon. That's what managers at British Airways and Lufthansa are facing, he said.

Thousands of Lufthansa pilots resumed work Tuesday after suspending a strike over concerns that cheaper crews from the German carrier's smaller airlines in other countries could replace them one day. Big European carriers have been pummeled in recent years by high jet-fuel prices, competition from low-cost rivals and falling demand for first- and business-class tickets — where profit margins are higher.

"Cost pressure has always governed airlines," said Per-Ola Hellgren, an analyst at Germany's Landesbank Baden-Wuerttemberg. "The pressure is much greater than in the past. The conditions were never really great and now they're worse than ever."

While airline workers face market pressures, the air traffic controllers are subject to a government push for efficiencies at a time of high state deficits and lackluster economic conditions. Eric Heraud, a spokesman for the French state-run civil aviation agency DGAC, suggested the controllers are acting out of fear.

ATHENS, Greece -- A court in Athens on Saturday (February 20th) ruled that a strike by the country's customs officials is illegal. The strike, which entered its fifth day Saturday, has caused fuel supply problems across the country. Customs officials are protesting a government decision to freeze their wages and cut their bonuses as part of austerity measures to overcome the country's financial crisis. On Friday, the protestors vowed to extend the action through Wednesday, when a nationwide strike is planned. Also Friday, taxi drivers staged a strike, snarling traffic in the capital as hundreds of chanting protestors marched behind a line of cabs to the finance ministry.

LONDON, United Kingdom -- Greek Prime Minister George Papandreou said on Friday (February 19th) that Greece needs support from its EU partners to implement its austerity measures, but is not looking for a loan. Speaking at a conference of socialist leaders in London, Papandreou said that although the country is determined to deal with its financial woes on its own, the crisis affects everyone and the government needs the support of other members of the bloc. In London, Papandreou met with British Prime Minister Gordon Brown and Spain's Jose Luis Rodriguez Zapatero, as well as British Foreign Secretary David Miliband.

Meanwhile, Greek Finance Minister Louka Katseli said in an interview with Xinhua on Friday that there is no need for additional austerity measures and suggested that the Eurozone demonstrate concrete support by preventing speculators from taking advantage of the country's debt crisis. The austerity plan aims to slash Greece's ballooning budget deficit within three years. Athens submitted it to the European Commission about a month ago.

EU Monetary Affairs Commissioner Olli Rehn gave Greece until Friday to provide more details over a currency swap with US investment bank Goldman Sachs dating back to 2001, particularly regarding how it has affected the country's debt and deficit figures. Local media reported on Saturday that authorities are investigating "people and interests" behind what are described as speculative deals that harmed the economy. French Economy, Industry and Labour Minister Christine Lagarde has been quoted as saying that six financial and credit institutions in the US and Britain participated in these harmful speculative operations.

BRUSSELS, Belgium -- The European Commission (EC) on Wednesday (February 24th) decided to take Greece before the EU's Court of Justice for failing to

recover state aid it had illegally granted to hundreds of companies through tax exemptions. "The recovery of illegal aid is about restoring a level playing field. The Commission is determined to take all necessary steps to ensure that member states comply with their recovery obligations," EU Competition Commissioner Joaquin Almunia said. Under Greek law, companies were allowed to deduct up to 35% of their profits from their tax base in 2003 and 2004 if they had implemented projects in several specific sectors. They were to use these exemptions to pay for big ticket items, such as buildings and equipment, vehicles and relocation. But in 2007, the EC ruled Greece's move was illegal and incompatible with EU state aid rules, ordering Greece to immediately recover the grants. Greece, however, has not provided any such information to date.

BERLIN, Germany -- Finance ministry spokesman Martin Kreienbaum on Saturday (February 20th) denied media reports that Berlin is co-ordinating the actions of Eurozone members in providing financial aid to Greece. Kreienbaum said Germany has no specific plan to help Greece overcome its debt crisis. The statement came after the German newspaper Der Spiegel reported on its internet site earlier Saturday that the German government is co-ordinating Eurozone members in providing up to 25 billion euros. The report suggested that Germany would provide about 20% of that. Greek Prime Minister George Papandreou said at the weekend that Athens wants political support for its actions to overcome the crisis, rather than financial assistance.

ATHENS, Greece -- Germany on Wednesday (February 24th) rejected accusations by Greek Deputy Prime Minister Theodoros Pangalos, who said Berlin has failed to compensate Athens properly for the Nazi occupation during World War II. The German Foreign Ministry says Berlin has provided Athens with aid amounting to billions of euros. In an interview with BBC World Service, Pangalos criticised Germany's attitude towards Greece's current financial crisis, saying that Athens has never received adequate compensation for the consequences of the Nazi invasion of 1941. Pangalos added that after the occupation, Greece's gold and foreign currency reserves were seized by troops and never returned. In response, German Foreign Ministry spokesman Andreas Peschke said that raising issues from the past would not help Athens deal with its current problems.

French President Nicolas Sarkozy has acknowledged that France and the international community made "mistakes" during the 1994 Rwandan genocide. But he stopped short of offering a full apology, saying he hoped those responsible would be punished. He made his comments during the first French presidential visit to Rwanda since the mass killings. The visit is intended to symbolise a commitment by both countries to move on after years of acrimony. Rwanda accuses France of training and arming the Hutu extremists who killed some 800,000 ethnic Tutsis and moderate Hutus - a charge denied by Paris.

'A sort of blindness'

During the visit, Mr Sarkozy visited a memorial for the victims of the genocide, accompanied by Rwandan President Paul Kagame. At a joint press conference, Mr Sarkozy spoke of his regrets about the sequence of events that culminated in the genocide. "What happened here is unacceptable, but what happened here compels the

international community, including France, to reflect on the mistakes that stopped it from preventing and halting this abominable crime," he said. Asked by a French journalist if France would offer an apology, as other Western nations have, he said France did acknowledge "serious errors of judgment" but stopped short of saying sorry. He described: "a sort of blindness" preventing the country seeing "the genocidal aspect of the government of the president who was assassinated". He acknowledged too there had also been mistakes in France's eventual UN-mandated intervention in the country, known as Operation Turquoise, which he said was "too late and, probably, too little". The two countries broke off diplomatic relations in 2006 over accusations by a French judge that Mr Kagame was involved in the shooting down of the plane carrying former Rwandan President Juvenal Habyarimana - the incident that triggered the genocide.

Language switch

Mr Kagame led the Tutsi rebels who took power and ended the genocide. He says the plane was shot down by Hutu extremists in order to justify the killings. Ties between France and Rwanda were restored last November, although BBC East Africa correspondent Will Ross says that beneath the surface, the rift is likely to continue. He says it is difficult to patch up such a deep breakdown in relations, which prompted all French institutions in Rwanda to be shut down, including schools and cultural organisations. Some of these are now being reopened, but Rwanda's official language has even been switched from French to English.

Southeast Europe

TIRANA, Albania -- A delegation from the Parliamentary Assembly of the Council of Europe (PACE) arrives in Tirana on Monday (February 22nd) to help end the country's political stalemate. President Bamir Topi is working to mediate talks between the government and the opposition, whose lawmakers have been boycotting parliament until an investigation is opened into the June 2009 general elections. Members of the PACE delegation will meet with Topi, Parliament Speaker Jozefina Topalli, Prime Minister Sali Berisha and other officials.

TIRANA, Albania -- A delegation of the Parliamentary Assembly of the Council of Europe (PACE), which is in Tirana to help end the country's political stalemate, met with Prime Minister Sali Berisha and opposition Socialist Party leader Edi Rama at President Bamir Topi's office Monday (February 22nd). Topi is working to mediate talks between the government and the opposition, whose lawmakers vow to continue boycotting parliament until an investigation is opened into the June 2009 general elections. On Monday, the PACE delegation also met with Parliament Speaker Jozefina Topalli. Topi's office says talks will continue Tuesday, followed by a press conference.

Berisha praised PACE's contribution and said the government is ready to implement the delegation's recommendations, adding he is prepared to establish a commission to look into the transparency of the June elections.

TIRANA, Albania -- The opposition Socialist Party (SP) announced on Wednesday (February 24th) that its members are returning to parliament Thursday after nearly six months of boycott. "This is a step we take to show that we don't aim to prevent reforms, and give the majority a chance to resolve the political crisis," SP leader Edi Rama said. The party decided on the move in order to introduce two measures aimed at

making the conduct of the June 2009 general elections fully transparent. The SP has insisted on a thorough investigation, saying the election was manipulated.

SARAJEVO, Bosnia and Herzegovina (BiH) -- Justice Minister Barisa Colak approved on Wednesday (February 24th) the extradition of Serb Bojan Guduric to Croatia, where he is wanted in connection with the murder of prominent Croatian publisher and journalist Ivo Pukanic. A week ago, the BiH Court decided that Guduric should be handed over to Zagreb. He turned himself in to police in Banja Luka on February 1st. Pukanic, co-owner and editor-in-chief of the weekly Nacional, died in a car bombing in downtown Zagreb on October 23rd 2008, along with the newspaper's marketing director, Niko Franjic. Four other suspects in the case are on trial in Croatia. On a related note, the trial of Serb underworld boss Sreten Jovic and members of his group over Pukanic's murder will start on April 20th at the Belgrade's Special Court for Organised Crime, media reported on Wednesday. Prosecutors say Jovic masterminded the murder, striking a deal with "an unidentified for the time being person" to kill the journalist for 1.5m euros.

SARAJEVO, Bosnia and Herzegovina (BiH) -- The Federation of BiH (FBiH) parliament's House of Representatives passed amendments Wednesday (February 24th) to the law on war veterans, a key condition for the release of the next tranche of a 1.2 billion-euro stand-by arrangement with the IMF and additional funding by the World Bank and the European Commission. The bill aims to reduce spending on war veterans and their families and to introduce a census, to determine how many people truly need state aid. The lawmakers also approved a law on public sector salaries that stipulates wages could be cut later in the year if revenue targets are missed. Parliament's upper house is to debate the measures Thursday

SARAJEVO, Bosnia and Herzegovina (BiH) -- Ambassadors of the Peace Implementation Council (PIC)'s Steering Board say they are concerned by the worsening financial situation in the Federation of BiH (FBiH). In a statement Monday (February 22nd), they described the stand-by arrangement reached between the IMF and BiH authorities as the most viable way to limit the effect of the global economic crisis on BiH. PIC ambassadors urged the FBiH to implement necessary public spending reforms or risk losing the next tranche under the 1.2 billion-euro IMF programme, and budgetary assistance from the European Commission and the World Bank.

BANJA LUKA, Bosnia and Herzegovina (BiH) -- Bosniak representatives in the Republika Srpska (RS) Council of Peoples vetoed on Monday (February 22nd) a law on referendums passed by parliament on February 10th. Edin Ramic, chairman of the Bosniak caucus in the RS parliament, said that Bosniak representatives insist on several amendments. He said the legislation should precisely say that questions to be asked must be in accordance with the RS powers, RS Constitution and BiH's Constitution. Bosniaks also insist on a provision guaranteeing that BiH's territorial integrity, sovereignty and security cannot be subject to referendums. RS Parliament Speaker Igor Radojic said the Bosniaks' move is no surprise, as they threatened to veto the law even before it was drafted.

SOFIA, Bulgaria -- The foreign ministry said in a statement Friday (February 19th) that Bulgaria has held no official talks with Washington on hosting elements of the planned US missile defence shield. The statement came in response to Russia's request on Thursday for an explanation, after Prime Minister Boyko Borisov said last week that preliminary talks with Washington will be held. Foreign Ministry spokesperson Vesela Cherneva said on Friday that Sofia has received no official invitation to such talks, adding that the country will continue to adhere to NATO's joint security and defence decision-making policy.

MOSCOW, Russia -- Bulgaria and Russia have agreed to start building a nuclear power plant in the Bulgarian town of Belene this autumn, Russian Energy Minister Sergei Shmatko said on Saturday (February 20th), after a trip to Sofia for talks with Bulgarian counterpart Traycho Traykov. Shmatko added that a series of details were discussed, particularly Russia's readiness to provide financial assistance until a strategic investor is found. Russia will finance construction of the plant through a project company established for this purpose and is ready to invest 1.9 billion euros over a period of two years. Efforts to build the plant have stalled a number of times

SOFIA, Bulgaria -- Thierry Cretin, director of the European Anti-Fraud Office (OLAF), announced on Wednesday (February 24th) that he is satisfied efforts by local authorities to prevent and recover losses from corruption and embezzlement cases. Following a meeting with Prime Minister Boyko Borisov, Cretin emphasised that recovering losses from such cases protects the interests of both local and EU citizens. He praised the professional measures and reforms Bulgarian authorities have made to run more effective investigations. The meeting came a day after Bulgarian authorities conducted another large-scale operation against an organised crime gang called "The Fakirs". Police made nine arrests.

SARAJEVO, Bosnia and Herzegovina (BiH) -- Croatia's new president, Ivo Josipovic, said in an interview with the Jutarnji List on Friday (February 19th) that any possible referendum on the independence of Bosnian Serbs would not affect the current structure of neighbouring BiH. Republika Srpska (RS) cannot change the current situation unilaterally, Josipovic said, adding that even if Bosnian Serbs hold a referendum, it would have absolutely no legal consequences. Earlier this month, the RS parliament adopted a law that allows citizens to hold referenda on national issues. Separately Friday, RS Prime Minister Milorad Dodik said that a referendum would be held in July at the latest. He has repeatedly threatened to call one on RS's independence.

BRUSSELS, Belgium -- As expected, Croatia opened EU accession talks Friday (February 19th) on the fisheries and environment chapters at an intergovernmental conference in Brussels. Croatia's chief EU negotiator, Vladimir Drobnyak, commented that the openings prove that the country is well on its way to completing negotiations, adding that he expects all chapters to be opened by the time Spain's presidency of the EU ends in late June. In other news, Kosovo opened its embassy in Zagreb on Friday. Croatia recognised Kosovo's independence in March 2008 and established diplomatic relations with Pristina that June.

PRISTINA, Kosovo -- Prime Minister Hashim Thaci on Wednesday (February 24th) appointed Ylber Hysa as oversee implementation of the strategy for northern Kosovo. His task will be to co-ordinate government activities and to co-operate with all relevant international institutions in order to implement the plan. The strategy seeks to put the Serb-dominated north under the control of Kosovo institutions, rather than Belgrade-backed parallel structures

PODGORICA, Montenegro -- The High Court concluded on Monday (February 22nd) that there are no grounds to extradite two Montenegrins wanted by Serbia for drug trafficking. Goran Sokovic and Dejan Secularac are citizens of Montenegro and the constitution does not cover extradition of its citizens, the court ruled. The two were arrested on February 9th for suspected involvement in trafficking more than two tonnes of cocaine from South America. They were released from custody a couple of days later, when local authorities failed to receive documents from Serbia that would permit an investigation.

BUCHAREST, Romania -- Economy Minister Adrian Videanu announced on Friday (February 19th) that Russian gas giant Gazprom has officially invited Romania to join the South Stream gas pipeline project. "We will analyse this initiative with interest," Videanu said, adding that Romania is open to any initiative that would contribute to the energy security of both Romania and the EU. At the same time, he said that Nabucco, a 3,300km pipeline designed to carry Caspian gas to Europe via Turkey and the Balkans in order to limit the EU's dependence on Russian gas, remains a priority for Romania. He added that the Russians have assured him that South Stream poses no competition to Nabucco.

WASHINGTON, United States -- The IMF announced on Friday (February 19th) it would give Romania \$3.32 billion as part of a big loan to help the country recover from its deep recession. The IMF, the World Bank and the EU drafted a \$27.2 billion aid package last May. The latest tranche, which will be disbursed "immediately", will bring the total amount received by Bucharest so far to \$12.6 billion, the IMF said in a statement from its headquarters in Washington. The decision to allocate the money followed a review of Romania's economic performance under the programme.

In other news, Romanian police seized 100kg of heroin Saturday in a Bulgarian truck that was transporting aid to Haiti. The drugs, hidden in the truck travelling to Belgium, were found at the border with Hungary. An investigation is under way. The driver, a Bulgarian national, has been arrested.

BUCHAREST, Romania -- Cristian Diaconescu, the losing candidate for chairman of the Social Democratic Party (PSD), announced on Wednesday (February 24th) that he is resigning from all positions in the party, as well as from the party's caucus in the Senate. He cited differences with the policies of the new leadership, headed by Victor Ponta. It is rumoured however that it may have more to do with recent revelations that he had been under surveillance by his rivals in the PSD. He plans to remain in parliament as an independent. Diaconescu's withdrawal from the PSD has increased

speculation that a new left-wing party is going to be established. Reportedly, fellow former PSD official Gabriel Oprea will lead it. He left the PSD last year.

BUCHAREST, Romania -- Former Foreign Minister Mircea Geoana lost the leadership post of the Social Democratic Party (PSD) at a party congress that ended early Sunday (February 21st). Geoana will be replaced by lawmaker Victor Ponta. The PSD has a new chance to show that it can change and accept a young leader, Ponta, 37, said after the results were announced. He called for unity inside the party, plagued by endured deep divisions since Geoana lost a tight race for president against incumbent Traian Basescu in December. Ion Iliescu, a former president of Romania, announced officially at the congress that he is withdrawing as honorary PSD chairman, but said he would remain a member.

BELGRADE, Serbia – Masked policemen searched the house of genocide suspect Ratko Mladic on Tuesday in an effort to capture the war crimes fugitive as Serbia seeks EU membership. The operation in Belgrade lasted for more than eight hours, during which a few dozen armed special officers blocked off the suburban street where Mladic's family house is located. It was not immediately clear whether the action provided any clues to the whereabouts of the former Bosnian Serb army commander wanted by a U.N. court for the massacre of 8,000 Muslims Srebrenica and other war crimes of the Bosnian war. War crimes prosecutor Vladimir Vukcevic said authorities were working to track Mladic's financial support network, which is crucial to his long evasion of justice. The independent Beta news agency reported that the police found at least euro70,000 (\$95,380) in Mladic's house during Tuesday's search. Svetozar Vujacic, Mladic's family lawyer, confirmed police had found money in the house, but he said it was a "much smaller sum." Vujacic also said police went through documents and measured the walls. "This is the fourth time that they are doing the general search of the house and they won't find anything they haven't found before," he said. Vujacic confirmed that Mladic's wife Bosa and their son Darko were inside. In past searches, police confiscated documents, computer discs and videos from Mladic's house. Mladic was indicted for genocide in 1995 by the tribunal in The Hague, Netherlands, and is believed to be hiding in Serbia under nationalists' protection. He lived freely in his Belgrade house for years, before vanishing in early 2006. Serbia, which recently submitted its candidacy for European Union membership, must arrest Mladic if it wants to move closer to the 27-nation bloc.

BELGRADE, Serbia -- Serbia does not mind Kosovo's participation in regional meetings, as long as it is done in accordance with UN Resolution 1244 and if it is presented as UNMIK-Kosovo, President Boris Tadic's office said on Wednesday (February 24th). The statement was prompted by Kosovo media reports that Tadic could meet up with Kosovo President Fatmir Sejdiu at next month's summit of Western Balkan leaders, in Slovenia. It was initiated by Slovenian Prime Minister Borut Pahor and his Croatian counterpart, Jadranka Kosor. Tadic has maintained that meeting with Sejdiu would imply recognition of Kosovo's independence.

BELGRADE, Serbia -- Justice Minister Snezana Malovic has invited Montenegrin counterpart Miras Radovic to meet Thursday (February 25th) in Belgrade to

discuss problems that are hindering co-operation between their respective judicial institutions. Serbia's Prosecutor for Organised Crime Miljko Radisavljevic and State Prosecutor Zagorka Dolovac will also attend the meeting. The invitation has also been extended to their Montenegrin counterparts. According to a statement Sunday, one topic on the agenda relates to suspects wanted by Serbia who are believed to be in Montenegro. Relations have grown strained recently over the case of suspected cocaine trafficker Darko Saric, who is allegedly hiding in Montenegro.

Australia

Australia has summoned the Israeli ambassador to explain why three new suspects over the Dubai killing of a Hamas leader used Australian passports. Prime Minister Kevin Rudd said Canberra would "not be silent on the matter". Dubai police think Israeli agents were involved in Mahmoud al-Mabhouh's death but Israel says there is no proof. The police say they have identified 15 more suspects - using British, French, Irish and Australian documents - taking the total to 26.

'No minor matter'

Mr Rudd said Canberra would retaliate against any country found to be involved in forging its passports. He said that Australia would first try to establish the facts, but that this was not "a minor matter". "It is not something you just push to one side. It is of the deepest concern," he added. Stephen Smith, Australian Foreign Minister: Situation "made crystal clear" to Israel

According to a preliminary investigation by the Australian federal police, the three - two men and one woman - have been victims of identity fraud. One passport is alleged to have belonged to Adam Marcus Korman, a 34-year-old Australian living in Tel Aviv, where he sells musical instruments. "I am shocked, it's identity theft - simply unbelievable," he told Israel's Yedioth Ahronoth newspaper, adding that although he had travelled all over the world, he had never visited Dubai or any of the other emirates in the UAE. On Tuesday, Israeli opposition leader Tzipi Livni applauded the killing, which Dubai believes was organised by Israel's intelligence service, Mossad. Israel has been widely blamed for the murder, but has refused to confirm or deny any involvement. One of the founders of Hamas's military wing, the Izz al-Din Qassam Brigades, Mr Mabhouh was found dead in a hotel room in the Gulf emirate on 20 January. A post-mortem examination report said he had been electrocuted and then suffocated.

Travel chart

Earlier this month Dubai authorities released the names and passport photographs of 11 "agents with European passports" - six from the UK, three Irish, one French and one German. All four countries have since said the documents were fraudulent. On Wednesday, the police released a new list of suspects who allegedly offered "logistical support" in the months before the January killing.

The police also produced a chart tracing the travel routes of both the new and old suspects before and after Mr Mabhouh's death. "The suspects gathered in Dubai and dispersed to various locations before pairing up again in different teams and heading off to other destinations," they said. The police said two of the Australian passport holders had allegedly travelled by boat to Iran during a reconnaissance mission last August.

Investigators have also discovered that 14 of the suspects had used credit cards issued by MetaBank - a small bank based in the US state of Iowa - to book hotel rooms and pay for air travel. A MetaBank spokeswoman told the Associated Press news agency that the bank was trying to confirm the reports.