

Report 110
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 seek agreement, vote on health care
- Senators resist Obama over projects in health bill
- Obama using 'bounty hunters' to root out fraud
- AP-GfK Poll: Obama more popular than Congress
- For Obama, big agenda and small window for results
- Senate to pass jobless aid, business tax breaks
- Yellen at Fed would likely favor low-rate policy
- Obama calls 'entrepreneurship summit' with Muslims
- US avoids anti-abortion debate at UN meeting
- Calif. test-taking case shows gap in visa security
- Pa. woman's indictment shows evolution of terror
- US Faces Challenges and Weaknesses in Foreign Perceptions
- Biden's West Bank tour clouded by settlement plans
- Hillary Clinton's tough talk with Bibi Netanyahu
- Gates: Some troops could leave Afghanistan early
- Canada Parliament eats seal to defy "ignorant" EU
- Budget fails to boost Conservatives

Western Europe

- EU president Van Rompuy 'pities' Farage for tirade
- Hung Parliament possible as UK polls tighten
- Court bars far-right party from taking new members
- France's Sarkozy faces whipping in regional vote
- Sweden, Turkey jointly denounce "genocide" vote
- Irish police release three over cartoonist plot
- BA employee in court on suicide bombing charge
- Vatican says bid to link pope to abuse issue failed
- Vatican criticizes condom machines in Rome school

Southeast Europe

Oceania

- Shell, PetroChina bid for Australian gas company
- Indonesian president confirms terror man's death
- Australia's reputation damaged by violence: FM

Report Summary

USA/Canada

Political Issue

President Obama remains resilient despite all the hurdles against his prioritised healthcare reform. He appears to have been able to bring on same footing democrats in both Houses towards making his most vital policy a success, which according to him will bring smile to many Americans lacking health insurance.

President Obama might have gotten higher rating than the Congress according to a new Associated Press-GfK poll by 53 to 22 percent for job-performance rating, yet how does this translate to success. Obama is seen to be having more on his plate beyond his ability to chew at a time. The huge projects intended to be accomplished by this administration makes success a big question many have been asking if at all possible.

A federal budget last week did little to boost the fortunes the Conservatives, who still only have a slight lead in public support, according to a poll released by Ekos for the Canadian Broadcasting Corp. put the Conservatives at 31.9 percent support, down from 32.4 percent last week. The Liberals, the biggest opposition party, were at 29.6 percent, up from 29.4 percent. The minority Conservative government promised last Thursday to clamp down on spending to help eliminate a record deficit, caused in part by a multibillion-dollar stimulus programme.

Economic Issue

Reducing the rate of joblessness and provision of job was part of Obama's 2010 intentions, but that intention is yet to be met in view of the huge accomplishments in the hand of the government that are all demanding equally attention. Even though creating jobs is an American demand, but conservative in the Senate are fearful that when the Senate pass the bill for funding job creation, it will put the economy to more debt. Americans have not ceased to cry out that the economic situation continues to itch them, thus the president is making attempt to fill the nation's federal financial controlling institutions with top ranking persons thought to be well enough to walk the economy totally out of recession and reduce tendency of its repetition.

President Obama is leaping further to making the economy not just good for the big businesses but also favourable to small entrepreneurs. The president has called for a summit which includes Muslim entrepreneurs in order to address common challenges while building partnerships that will lead to greater opportunity abroad and at home.

Some sees this as part of the grand plan to remake America's damage image in the Muslim world.

Social/Humanitarian Issue

America had an anti-abortion policy during the Bush administration and attempted making it an integral part of United States foreign policy. But such position has shifted, US Secretary of State Hilary Clinton speaking at the UN failed to talk about abortion rather focused the promotion of global women's rights.

Illegal visa application and immigration processing by certain rings in the United States is causing security tension among immigration officials. Recent unfolding of the activities of the rings involving an American getting money from Asian and helping to process immigration documents came amid security threat the United States faces. Therefore there is high possibility that immigration process of students from Asia in general and Middle East in particular will become more tedious.

Anti-Americanism is said to be declining in the Muslim world since Obama administration, but that notwithstanding has not totally change wrong perception of America before the world. According to recent PEW survey and views of American intellectuals, the US needs to redress its foreign policies particularly in the era of democratization of the media. Atrocities or ill-felt foreign policy of America can no more be kept hidden due to the proliferation of the mass communication.

The apprehension of Colleen R. LaRose, a woman from suburban Philadelphia for terrorist related act makes matter worst for Muslims in America and created security concern for officials that there is growing trend of home-grown extremists. American government is now troubled with this trend as against the threat of foreign terrorist. What is responsible for such attitudinal change of Americans, it is now becoming evident that such trend is simply not an immigration population syndrome but white Americans are also wanting.

The rate of tuberculosis among Canada's 55,000 Arctic Inuit people is catastrophically high and much more must be done to combat the lung disease, activists said on Wednesday. The Inuit Tapiriit Kanatami (ITK) organization, citing official data, said the tuberculosis rate for Inuit in 2008 was 185 times higher than for Canadian-born non-aboriginals. Among the reasons are very poor housing conditions and the high cost of living in the Arctic, an enormous region where providing health care is costly and complicated.

Food, Environment and Energy Issue

Geostrategic Issues

Israel cannot always have it the way it wants was the message sent by US Secretary of State Hilary Clinton to Prime Minister Netanyahu, as a coalition partner of

the latter's government announced the construction of 1600 buildings amid Vice President Joe Biden visit to Israel. Obama administration is on the verge of ensuring peaceful negotiation between Israel and Palestine like every other American administrations have done, but the extent to which Obama can be successful is an open question.

The announcement by US Secretary of Defense Robert Gate that some troops might be leaving Afghanistan early was welcoming to Afghan Defense Minister Abdul Rahim Wardak, who feels embarrassed that foreigners are responsible for defense of his country. Yet does that explain the fear of Republicans that Obama is making attempt to unduly withdraw from an unfinished business. How to reconcile this with recent troop surge would just news of withdrawal make Pakistan happy and what security gap will it create for Afghanistan.

Western Europe

Political Issue

Nigel Farage, the British, member of European Parliament rained insults on the President of the European Council, Herman Van Rompuy, as he called him "damp rag" last month and insulted his being a Belgian. Farage has refused to apologize to the Council. However, the maturity of Rompuy has earned him more popularity within the Council and in Belgium. The public said they are comfortable with politician that can play maturity and restrain from emotion during a tense period.

Having a common European diplomatic service is the aspiration of the newly elected EU Foreign Representative, Catherine Ashton. The European External Action Service, known as the EEAS is part of the Lisbon treaty arrangement geared at giving Europe a common voice in world affairs. But such large structure proposed to be occupied by 6000 diplomats is facing reservation even among member countries, wanting diplomatic dealing to be left with their own sovereign diplomatic service.

According to IPSO-MORI a polling institute that will be monitoring the forthcoming British election, the chance of one party getting the largest vote is slight. Thus resulting to what is called hung parliament. Having two parties making a government is rare in Britain; therefore such a neck to neck battle between the Labour and Conservative indicates that most Britons are yet to settle for who they would like to govern them, years to come.

As the British election draws near, a London court ruled that the British National Party must stop accepting members. The ruling is more a step further that the British society should shun anti-immigration and disintegration messages instead political parties should be more responsible to creating a harmonious, integrative society devoid of hatred of other.

Like Americans, the French are ready to punish the UMP ruling government for failing to address the real problems facing the French. Anti-Islamic sentiments and anti-

immigration prove to be less effective, instead voters are wary of the economic downturn, joblessness and insecurity. According polls, the socialists are more likely to play the comeback game during election hence making the UMP a loser.

Turkey is on its path towards reconciliation with neighbours but the recent Washington and Stockholm's decision voting the Armenia-Turkey war during the First World War as genocide is affecting that path. Istanbul has withdrawn its diplomats from Washington and Stockholm thus damaging ties. Unfortunately, Swedish Foreign Minister Carl Bildt, said the parliament vote is regrettable and Turkey's Ahmet Davutoglu said parliament votes cannot change history.

Economic Issue

Social/Humanitarian Issue

Interference in religion can brew social sentiment, so is the case with symbols of religions. The survival of secularism will be when latter refuses to meddle with religious affairs. The continuous irritation of Muslims by cartoonists will lead freedom of speech to a bad junction and will further flame the tendency of extremism.

Meanwhile, British prosecutor Colin Gibbs alleged that Bangladesh-born Rajib Karim is planning a terrorist activity on the British Airways. The allegation is yet to be confirmed in view of conflicting report coming from BA.

At every stage in life, religious establishment get entangled in embarrassing issues, recently the Catholic Church gets into huge embarrassment over past abuse of children by Catholic priests across Europe. The dignity of the church is put to question and more troubling is the fact that the Holy Father, Pope Benedict has been accused of been aware about the abuse but made it a sweep-under-the-carpet matter. This has angered many; meanwhile such allegation is not getting on well on the Vatican's nerves.

Amid accusation on the Catholic Church over sex abuse of children, the church never compromises getting involved in another social matter which relates to the installation of condom vending machines in school. Both the mayor of Rome and the Vatican rejected the machine saying it is against ethic and it trivializes sex. Meanwhile, the school involves says Rome must face reality of casual sex of youth and such machine will help prevent unwanted pregnancy and sexually transmitted diseases.

Food, Environment and Energy Issue

Geostrategic Issues

Southeast Europe

Political Issue

Economic Issue
Social/Humanitarian Issue

Food, Environment and Energy Issue

Geostrategic Issues

Oceania

Political Issue

Economic Issue

The recent merger between Royal Dutch Shell and PetroChina for a 2.96 billion US dollar bid for Australia's Arrow Energy indicates the openness of the Australian economy on one hand and on the other the growing impact of China in Australia. The energy giants offered 4.45 Australian dollars (4.04 US) per share, or about 3.26 billion Australian dollars, in its booming liquefied natural gas (LNG) sector.

Social/Humanitarian Issue

Indonesian President Susilo Bambang Yudhoyono might have earned more credit to his profile for the killing of Dulmatin tagged as the mastermind behind the Bali bombing that kills numbers of Indonesians and foreign tourists. However, does that insinuate the end of terror minded Indonesians? No doubt his recent visit to Australia will be fruitful as he will formerly deliver the message to PM Kevin Rudd that killer of Australians has been killed.

It started as simply headline news and less response to it, but the government is now waking up to the damage the attack on Indian students in Australia has caused the country. Australian foreign minister acknowledged the damage to the country's reputation and how Indian students are now wary of going to Australia, a situation not good for the 15.5 billion US dollar education sector.

Food, Environment and Energy Issue

Geostrategic Issues

Report Detail

US/Canada

WASHINGTON – Under White House pressure to act swiftly, House and Senate Democratic leaders reached for agreement Friday on President Barack Obama's health care bill, sweetened suddenly by fresh billions for student aid and a sense that breakthroughs are at hand. "It won't be long," before lawmakers vote, predicted Speaker

Nancy Pelosi. She said neither liberals' disappointment over the lack of a government health care option nor a traditional mistrust of the Senate would prevent passage in the House. At the White House, officials worked to maximize Obama's influence over lawmakers who control the fate of legislation that has spawned a yearlong struggle. They said he would delay his departure on an Asian trip for three days — until March 21 — and he will go to Ohio next week for a campaign-style pitch for his health care proposals. The delay gives congressional leaders much-needed breathing room to finish the legislation and nail down support from wavering lawmakers. "I'm delighted that the president will be here for the passage of the bill; it's going to be historic," said Pelosi, D-Calif. — though there's no guarantee the House can act by then. A procedural vote in the House Budget Committee is set for Monday afternoon, but as of late Friday lawmakers still hadn't gotten the final analysis from the Congressional Budget Office that they need to go forward. With Democrats deciding to incorporate changes in student aid into the bill, Republicans suddenly had a new reason to oppose legislation they have long sought to scuttle. "Well of course it's a very bad idea," said Senate Republican leader Mitch McConnell of Kentucky. "We now have the government running banks, insurance companies, car companies, and they do want to take over the student loan business." He said it was symptomatic of Democrats' determination to have "the government expand its tentacles into absolutely everything." At its core, the health care bill is designed to provide health care to tens of millions who lack it and ban insurance companies from denying medical coverage on the basis of pre-existing medical conditions. Obama also wants the measure to begin to slow the rate of growth in medical costs nationwide. Most people would have to get insurance by law, and poor and middle-income Americans — including families of four earning up to \$88,000 — would receive subsidies. Whatever the outcome, there was no doubt the issue would reverberate into this fall's elections, with control of Congress at stake. The health care bill appeared on the cusp of passage in early January, but was derailed when Senate Republicans won a Senate seat in Massachusetts, and with it, the strength needed to sustain a filibuster and block a final vote.

WASHINGTON — President Barack Obama says he wants projects helping specific states yanked from the health care bill Congress is writing. Democratic senators, being senators, beg to differ. The Senate-approved health measure lawmakers hope to send to Obama soon would steer \$600 million over the next decade to Vermont in added federal payments for Medicaid and nearly as much to Massachusetts. Connecticut would get \$100 million to build a hospital. About 800,000 Florida seniors could keep certain Medicare benefits. Asbestos-disease victims in tiny Libby, Mont., and some coal miners with black lung disease or their widows would get help, and there are prizes for Louisiana, the Dakotas and more states. "We're going to do what we have to do to get a bill out of the House and Senate," said James Manley, spokesman for Senate Majority Leader Harry Reid, D-Nev. As for Obama's wish list of deletions: "We'll certainly keep it in mind as we pull together a final bill." That tepid salute underscores the prickliness with which many senators have greeted what they consider Obama's meddling in their business and raises questions about how successful the president will be in erasing the special projects from final legislation. It also highlights a spat between a White House and Senate, dominated by the same party, that the president has ignited just as he needs to garner support to finally push his No. 1 legislative goal to passage over monolithic

Republican opposition and nervous Democrats. Obama's proposal to eliminate state-specific items comes with polls finding heightened public opposition to backroom political deals. Republicans have been happy to fan that discontent. Many Democrats, particularly House moderates facing tight re-election battles this fall, are eager to dissociate themselves from such spending. The president wants votes from House Democrats "who were deeply offended by those provisions in the Senate bill," said Sheryl Skolnick, who analyzes federal health legislation for CRT Capital Group of Stamford, Conn. "Clearly the math was, 'I gain more in the House by taking out those provisions than I lose in the Senate.'" Obama has railed against the "ugly process" of cutting special deals, but the president and his top advisers were prime players in negotiations on the agreements to win votes and push the legislation forward.

Republicans say Obama's push to remove deals for states won't help. Because every Democratic senator voted for that chamber's bill and all its special provisions, even voting later to remove them leaves those Democrats in a pickle, Senate Minority Leader Mitch McConnell, R-Ky., told reporters Friday. "They will have then voted for them before they voted against them," McConnell said of the bill's projects, an echo of the line that 2004 Democratic presidential.

WASHINGTON – President Barack Obama said Tuesday he'll bring in high-tech bounty hunters to help root out health care fraud, grabbing a populist idea with bipartisan backing in his final push to overhaul the system. The White House announcement came as Obama prepared to travel to Missouri on Wednesday, taking his closing argument to the nation's heartland. The trip will be his second public appearance this week to rally support and fire up nervous Democrats. The White House released details of the anti-fraud plan hours after a fresh challenge to the administration from major business groups that unveiled a multimillion-dollar ad campaign arguing that under Obama's plan "health care costs will go even higher, making a bad economy worse." The ad buy, costing between \$4 million and \$10 million, will start Wednesday on national cable TV outlets. Later in the week, the campaign shifts to 17 states home to moderate and conservative Democrats. Their votes are critical to Obama's endgame for passing legislation to expand coverage to millions who now lack it and revamp the health insurance system. On Capitol Hill, White House Chief of Staff Rahm Emanuel and other senior administration officials met with House and Senate Democratic leaders, who have struggled to secure the votes for the stalled health care legislation. The two-step approach now being pursued calls for the House to approve a Senate-passed bill from last year, despite House Democrats' opposition to several of its provisions. Both chambers then would follow by approving a companion measure to make changes in that first bill. "We're going to get it done as soon as possible," Emanuel told reporters after the meeting.

White House press secretary Robert Gibbs has said he expects the House to act by March 18, the day Obama leaves for an overseas trip. That timetable would be tough to meet, and congressional leaders told Emanuel on Tuesday that they don't need deadlines handed down from the White House, according to Rep. Henry Waxman, D-Calif., who chairs the Energy and Commerce Committee and attended Tuesday's meeting.

"He was certainly informed that we don't feel that we want any deadline assigned to us," Waxman said. "We want to pass the bill. We want to make sure it's the way it should be. And as soon as possible." Republicans are playing on House Democrats' suspicions of

their Senate colleagues, arguing that Senate Democrats may not hold up their end of the bargain and the votes will be politically damaging for Democrats in November. "They will be voting, when they pass the Senate bill, to endorse the Cornhusker kickback, the Louisiana Purchase, the Gator-aid, the closed-door deal, the special deal for the unions, which may or may not bother any Democrats, I don't know — but it will be riddled with special deals," Senate Minority Leader Mitch McConnell, R-Ky., said. Obama's anti-fraud announcement was aimed directly at the political middle. Waste and fraud are pervasive problems for Medicare and Medicaid, the giant government health insurance programs for seniors and low-income people. Improper payments — in the wrong amounts, to the wrong person or for the wrong reason — totaled an estimated \$54 billion in 2009. They range from simple errors such as duplicate billing to elaborate schemes operated by fraudsters peddling everything from wheelchairs to hospice care.

UNITED NATIONS – A U.N. meeting to assess progress in advancing the fight for women's equality that ended Friday had a dramatically different slant than a similar session held five years ago: This time, the United States was not trying to make an anti-abortion declaration a crucial theme. Much of the 2005 meeting to take stock of what countries had done to implement the landmark platform of action adopted at the 1995 U.N. women's conference in Beijing was consumed by the Bush administration's demand that the final declaration make clear that women are not guaranteed a right to abortion. By contrast, abortion was a non-issue during the two-week session that concluded Friday with a rousing speech by U.S. Secretary of State Hillary Clinton, who had electrified the 1995 Beijing conference when she was first lady. Her focus was on galvanizing fresh momentum to promote equal opportunities for women in business and education, to end discrimination under law and in practical reality, and to stop the "global pandemic" of violent attacks on women. She made a single reference to the U.S. increasing support for family planning as part of its Global Health Initiative, which also aims to reduce maternal and child deaths and HIV infections. At the 2005 review conference, the Bush administration fought to insert language against abortion in the final declaration. But the U.S. faced strong international opposition and near the end of that meeting it backed down and dropped the demand. In sharp contrast, the final declaration for the 2010 review was adopted with little fanfare during last week's ministerial session. It reaffirmed the Beijing platform, welcomed progress toward implementing it, and pledged more action to overcome the "challenges and obstacles" to achieve gender equality and the empowerment of women. Charlotte Bunch, the founding director of Rutgers University's Center for Women's Global Leadership who attended Beijing and both follow-up meetings, said the biggest difference "is the change in the U.S. government." The Bush administration questioned the reaffirmation of the Beijing platform because of reproductive rights and the abortion issue, which were "hot issues," she said. But the Obama administration strongly backs the platform, as Clinton stressed Friday. The Beijing platform calls for governments to end discrimination against women and close the gender gap in critical areas including health, education, employment, political participation and human rights.

SANTA ANA, Calif. – A ring accused of helping people from the Middle East obtain student visas by taking their proficiency exams and classes has exposed

vulnerability in the nation's security tracking system for foreigners who attend U.S. schools, experts said Tuesday. The bust unsettled immigration authorities and federal lawmakers who implemented the sophisticated Foreign Student and Exchange Visitor Information System after learning one of the Sept. 11 hijackers had entered the U.S. on a student visa. Immigration officials have broken up similar fraud rings in recent months in Miami, Orange County, Calif., Atlanta and the Los Angeles area. Many involved Korean students. The scrutiny of foreign students once they arrive on a U.S. campus is a "serious chink in the armor" of the system, said Janice Kephart, former counsel to the 9/11 Commission and the national security policy director at the Washington, D.C.-based Center for Immigration Studies. "Vulnerability with universities remains a top issue," she said. "It's a clean way to come into the U.S." Federal prosecutors charged a California man Monday with operating a ring of illegal test-takers who helped dozens of Middle Eastern nationals fraudulently obtain and keep U.S. student visas in exchange for tens of thousands of dollars. Authorities allege Eamonn Higgins, 46, and about a dozen associates helped the students stay current on their immigration paperwork by attending classes in their name, writing term papers and taking finals with guaranteed grades of 'B' or above. The case also alarmed Rep. Gus M. Bilirakis, a Florida Republican who became interested in the student visa tracking system after a 2007 case at the University of South Florida. Bilirakis, a ranking member the House homeland security oversight and investigations subcommittee, is sponsoring a bill that would require in-person interviews of foreign students every 30 days during the school year and every 60 days during nonacademic periods. "Obviously this process that we set up is not working and we have to find a better way," he said. "They have to be here for the right reasons, going to school, otherwise they should be deported." Officials with U.S. Immigration and Customs Enforcement have not suggested the California ring was linked to any terrorism. Authorities have not ruled out further arrests in the ongoing investigation, said Virginia Kice, an ICE spokeswoman. Authorities said professional test-takers allegedly used doctored driver's licenses to gain entry to exams, including a language proficiency test that foreign students from non-English speaking countries must pass to qualify for an F-1 student visa. Ten schools — seven community colleges and three California State University campuses — were affected. In one instance, Higgins collected \$34,000 to take a full course load for a Saudi Arabian student named Mohammed Ali Alnuaim and several of his friends then haggled with Alnuaim over payments by e-mail, according to court documents.

PHILADELPHIA — An indictment against a suburban Philadelphia woman accused of recruiting jihadist fighters online and moving to Europe to try to kill a Swedish artist is a rare case of an American woman aiding foreign terrorists, authorities say, and shows the evolution of the threat of terrorism. Colleen R. LaRose agreed to murder the artist, marry a terrorism suspect so he could move to Europe and martyr herself if necessary, the indictment filed Tuesday said. LaRose, who called herself JihadJane online, is "one of only a few such cases nationwide in which females have been charged with terrorism violations," said U.S. Department of Justice spokesman Dean Boyd. LaRose, 46, of Pennsburg, Pa., has been held without bail since her Oct. 15 arrest in Philadelphia. Authorities said the case shows how terror groups are looking to recruit Americans to carry out their goals. "Today's indictment, which alleges that a woman from

suburban America agreed to carry out murder overseas and to provide material support to terrorists, underscores the evolving nature of the threat we face," said David Kris, assistant attorney general for national security. LaRose had targeted Swedish cartoonist Lars Vilks and had online discussions about her plans with at least one of several suspects apprehended over that plot Tuesday in Ireland, according to a U.S. official speaking on condition of anonymity because the official wasn't authorized to discuss details of the investigation. A U.S. Department of Justice spokesman wouldn't confirm the case is related to Vilks, who angered Muslims by depicting the Prophet Muhammad with the body of a dog. The indictment charges that LaRose, who also used the name Fatima LaRose online, agreed to kill the target on orders from the unnamed terrorists she met online, and traveled to Europe in August to do so. Court documents don't say whether the person was killed, but LaRose was not charged with murder. LaRose indicated in her online conversations that she thought her blond hair and blue eyes would help her move freely in Sweden to carry out the attack, the indictment said. LaRose is a convert to Islam who actively recruited others, including at least one unidentified American, and her online messages expressed her willingness to become a martyr and her impatience to take action, according to the indictment and the U.S. official. Killing the target would be her goal "till I achieve it or die trying," she wrote a south Asian suspect in March 2009, according to the indictment.

U.S. scholars and polling experts say improving America's image in the world is crucial for its security, enabling more effective foreign policy, and attracting major investment and influential students. Even though, the American image abroad has gone up since U.S. Senator Barack Obama became president, they say major challenges remain, especially in Muslim countries. Polls released last year, by the U.S. Pew Research Center, showed favorable perceptions of the United States and its government went up substantially around the world with exceptions in Muslim countries, such as in Turkey and Palestinian territories. Pew president Andrew Kohut told a Congressional hearing (International Organizations, Human Rights and Oversight Sub-Committee) Thursday his research indicates this is tied to problems with the historical U.S. ally Israel. "Years of polling that we have done suggests there will be really little progress until most Muslims come to see the United States as being fair minded in its handling of the Israeli-Palestinian situation," said Andrew Kohut. "And, even though, [Mr.] Obama was seen in a much more positive light, few Muslims that we polled last year believe that [Mr.] Obama would be fair-minded with regard to this relationship."

Kohut says having American forces remain on the ground in Iraq and Afghanistan, two Muslim countries, does not help either. He said one area research shows many Muslims are favorable to the United States is in the way it conducts business and commerce. "To my mind that is a nerve and I am hopeful the State Department public diplomacy program is operating in a strategic way, looking for the right buttons to push," he said.

Harvard University professor Joseph Nye said even with a better image outside of mostly Muslim areas, such as in Europe, it remains difficult for the U.S. administration to convince European leaders to help with more troops in Afghanistan or accept the resettlement of terrorism-related detainees from the U.S. Guantanamo Bay military prison. "You could say that yes you can find some positive effects from this increase in

reputation described by the Pew polls but one should not overstate it," said Joseph Nye. "It is a modest effect, not a huge effect." Nye said the United States should promote its world leadership in a category he calls public goods, such as promoting green energy, international development and dealing with climate change, rather than being viewed as a military hyper-power acting unilaterally. "There had been a problem of the past few years, in which we were exporting fear, rather than hope," he said. Nye also said media which is becoming more and more diverse and accessible is very important. He says when there are reports of civilian casualties during U.S. bombings or evidence of U.S. prisoner abuse, this can create more terrorism, rather than reduce it. "The extent to which the United States violates human rights or develops a reputation which is symbolized with photos like Abu Ghraib, we essentially help our enemies to recruit," said Nye. "Somebody said in today's world, it is not just whose army wins, it is whose story wins. And if we are not able to get our story across and we give them fuel for their story, it enhances their recruiting."

A third expert, Michael Waller, from the U.S. Center for Security Policy, said the United States should be more aggressive in pushing negative stories about terrorist enemies and those it is trying to contain. He gave the example of Iran's controversial nuclear program, and perceptions of its Supreme Leader, Ali Khamenei. "He has created himself to be such a super moral figure, a humble man of humble means, but it was in the paper the other day that he is estimated to be worth \$30 billion," said Michael Waller.

WASHINGTON – Americans have come to detest Congress ever more deeply as it nears the end of a nasty fight over health care. But more than half still back President Barack Obama, a bright spot for a Democratic Party counting on its leader to help stave off expected losses in elections this fall. The latest Associated Press-GfK poll found that fewer people approve of Congress than at any point in Obama's presidency. Support has dropped significantly since January to a dismal 22 percent as the health care debate has roiled Capitol Hill. Neither Republicans nor Democrats are safe; half of all people say they want to fire their congressman. Conversely, Obama's job-performance standing is holding fairly steady at 53 percent. And over the past two months, the Democrat has gained ground on national security issues, specifically the subsiding Iraq war and the escalating Afghanistan war, as he has spent most of his time — at least publicly — on domestic matters like the economy and health care. On those issues, he still has the support of about half the people. "I agree with what Obama is trying to do, but nobody is listening to him," said Grace Pope of Waterville, Maine. But this 75-year-old Democrat added, "I don't think that the Congress is doing anything." Such sentiments and the survey's results make clear that Obama remains far more popular than House and Senate members as he leads a Democratic Party facing a volatile election-year environment that, so far, seems to be trending in Republicans' favor. Judging by his standing at this point, Obama seems to be an asset for his rank and file. But, given the fickleness of this electorate, the uncertainty of the health care debate and the stubbornly high unemployment rate, the president could just as quickly turn into a liability. His own clout will be on the line in the first midterm elections of his presidency. And the outcome is certain to shape the remainder of his first term, if not his likely re-election bid in 2012. For now, it's unclear just how much Obama can do to prevent midterm election shellackings. Democrats lost recent statewide elections in Massachusetts, New Jersey and

Virginia even though he campaigned for them. Presidents typically lose House and Senate seats in their first midterm elections. And the party in power usually bears the brunt of voters' ire when the country is in turmoil. Thus, another of the poll's findings may not bode well for Obama and his Democrats: A clear majority of Americans — 56 percent — now say the country is headed in the wrong direction.

WASHINGTON – President Barack Obama's intense juggling of domestic issues reflects all the realities he faces at once: a vast agenda, a smaller window for results this year and a need to keep promises to constituencies that will have a huge say in the fall congressional elections. Promising to put jobs first this year, Obama is also consumed with trying to get a health care overhaul through a deeply divided Congress. This time-consuming blitz, he hopes, will end in a final vote in Congress this month, and House and Senate Democratic leaders drew closer Friday to a deal. Yet Obama's agenda this week alone — with immigration and energy near the top — signals he is trying to move on other matters affecting most every American. The coming months likely amount to his best shot to pass the heavy legislation he wants and that will help drive the midterm elections in November. Trying once again to finish health care, Obama made two outside-of-Washington campaign stops for it this week and plans another in Ohio on Monday. And he just delayed a trip to Asia until later in March to stay focused on health care as that issue reaches a make-or-break moment. The rest of Obama's week, though, has provided a revealing snapshot of his balancing act.

A trade speech took precedence Thursday morning. Then he devoted coveted time to lawmakers and activists involved in immigration reform, a far-reaching and sensitive issue that rose and crashed in the second term of President George W. Bush. Friday he meets with his national security team to assess the war in Afghanistan and Pakistan, then assembles his science and technology advisers. Earlier this week, Obama had 14 senators of both parties to the White House to try to build support for stalled climate and energy legislation. Throw in that twice in recent days Obama promoted his education agenda of boosting standards and graduation rates, with federal money as leverage. The president is also invested in pushing through an overhaul of the rules governing Wall Street. A bipartisan effort on that front appeared to break down Thursday, but the White House hopes that will change as the legislation advances, still optimistic that financial reform will get done this year. "There are lawmakers who care deeply about these other issues. There are constituency groups. There are substantive policy reasons for pursuing them," said Thomas Mann, a congressional scholar at the Brookings Institution. "A president doesn't have time to deal with matters just one at a time." Obama has a key edge in setting the agenda: public approval. His job-performance rating is holding mainly steady at 53 percent, while a new Associated Press-GfK poll finds that fewer people approve of Congress — a mere 22 percent — than at any point in Obama's presidency. Yet polls don't change people's lives. Results do. And ultimately, the search for results is what drives how Obama spends his time.

WASHINGTON – Legislation blending help for the jobless with popular tax breaks for businesses and individuals is slated to pass the Senate Wednesday over protests from conservatives who say it adds too much to the \$12.5 trillion national debt.

But compassion for the jobless and the political power of an annual package of tax breaks is likely to produce a bipartisan vote to pass the measure, even though it would add more than \$130 billion to the budget deficit over the next year and a half. The bill would provide unemployment benefits of up to 99 weeks in many states for people mired in joblessness as the economy slowly recovers from the worst recession in decades. The measure easily cleared a procedural hurdle Tuesday by a 66-34 vote, with eight Republicans voting with Democrats to break a GOP filibuster. The measure illustrates the great extent to which direct help for the jobless and the poor makes up a large portion of Democrats' election-year agenda on jobs — and threatens to squeeze out other items amid concerns about a budget deficit projected at a record \$1.6 trillion this year. The sweeping bill cleans up a host of unfinished congressional business from last year that languished as the Senate focused on health care. It would also prevent doctors from absorbing a 21 percent cut in Medicare payments and extends through December a generous 65 percent subsidy of health insurance premiums for the unemployed under the COBRA program, at a cost of \$10 billion. Democrats also hope to finish work this week on a far smaller job-creation measure blending additional highway spending with new tax breaks for companies that hire the unemployed. The Senate could clear the measure for President Barack Obama's signature by Friday. Wednesday's larger bill also provides the annual extension of \$26 billion worth of tax breaks for businesses and individuals that are popular with senators in both parties. The \$66 billion cost of providing additional months of unemployment checks — the core benefit is 26 weeks — is added directly to a budget deficit expected to hit \$1.6 trillion this year. Federal cash to help states with Medicaid adds about \$25 billion more. "Even though these programs may be good for your state, a senator has an obligation to stand up and say 'no more,'" said freshman GOP Sen. George Lemieux of Florida. "No more spending our kids' future. No more bankrupting the promise of this country." But Democrats said it would be heartless to cut off unemployment benefits to the long-term jobless and contended that the benefits inject demand into the economy, helping to lift it. "This is not just some technical bill," said Sen. Max Baucus, D-Mont. "This bill helps real people. Failure to enact this bill would cause real hardship. Failure to enact this bill would cost jobs." The tax breaks include a property tax deduction for people who don't itemize, lucrative credits that help businesses finance research and development and a sales tax deduction that mainly helps people in the nine states without income taxes.

WASHINGTON – President Barack Obama's likely choice of Janet Yellen to become vice chairman of the Federal Reserve would favor a policy that stresses low interest rates to ease unemployment over higher rates to curb inflation. Obama is also considering filling two other Fed vacancies with officials who would boost its ranks of Ph.D. economists and deepen its expertise over financial regulation. Altogether, the choices would allow Obama to put a bigger stamp on the central bank. If nominated by Obama and confirmed by the Senate, the three would serve at the Fed during a delicate time: Making sure the recovery from the worst and longest recession since the 1930s becomes firmly rooted. High unemployment, rising home foreclosures and hard-to-get credit pose a political headache for Obama and his Democratic Party as they face congressional elections this year. Yellen, the president of the Federal Reserve Bank of San Francisco, is a leading contender to take over as vice chairman of the Fed, Robert

Gibbs, the White House press secretary, said Friday. Yellen, who was a top adviser to President Bill Clinton, is considered a dove on monetary policy. That means she would be expected to be concerned more about high unemployment than about rising inflation. As vice chairman, Yellen would become the second-highest ranking Fed official. Her duties would include helping build support for policy positions staked out by Fed Chairman Ben Bernanke, who has begun a second term. Ken Thomas, a lecturer in finance at the University of Pennsylvania's Wharton School, said he thought Yellen, like Bernanke, would be inclined to keep rates at record lows to foster the recovery. "She'll be more concerned about Main Street and unemployment than about Wall Street and inflation," Thomas said. Yellen would succeed Donald Kohn, who plans to step down at the end of June. The White House is working for a smooth handoff, with Yellen ready to take office once Kohn leaves. She has a long history with the Fed. Yellen has been president of the San Francisco Fed since 2004. She was a member of the Fed's Board of Governors from 1994 to 1997. Yellen, who has written extensively on the causes and consequences of unemployment, has a tendency to address concerns of ordinary Americans. "The fact that the economy is growing again doesn't mean we're where we ought to be," she said in a Feb. 22 speech. "The unemployment rate is unacceptably high, creating real hardship for millions of Americans." Obama is considering filling two other vacancies on the seven-member Fed board with Sarah Raskin, a Harvard-educated lawyer who is the Maryland commissioner of financial regulation, and Peter Diamond, an economist at the Massachusetts Institute of Technology, the official said. The official spoke on condition of anonymity because the president had yet to make the announcement.

WASHINGTON (AFP) – The White House on Friday announced a "summit on entrepreneurship" to build economic ties with the Islamic world, part of President Barack Obama's outreach to Muslims. The White House said it has invited participants from more than 40 countries over five continents for the April 26-27 conference in Washington. "The summit will highlight the role entrepreneurship can play in addressing common challenges while building partnerships that will lead to greater opportunity abroad and at home," White House spokesman Robert Gibbs said. Obama first spoke of the entrepreneurship conference in his signature June 4 speech in Cairo to the Islamic world. In the closely watched address, Obama said the United States was seeking a "new beginning" with the Islamic world to rebuild relations that had sharply deteriorated over the past decade. Obama promised at the time that he would convene a "presidential summit on entrepreneurship" by the end of 2009. He said that the meeting would "identify how we can deepen ties between business leaders, foundations and social entrepreneurs in the United States and Muslim communities around the world."

RAMALLAH, West Bank – Israel's new plan to build 1,600 apartments for Jews in Palestinian-claimed east Jerusalem overshadowed Vice President Joe Biden's visit to the West Bank on Wednesday. Biden was to hold talks with Palestinian President Mahmoud Abbas and Prime Minister Salam Fayyad, in part to ease their doubts about the latest U.S. peace efforts. Israel's Interior Ministry announced late Tuesday that it had approved the new construction, an embarrassing setback for Biden after a day of warm meetings with senior Israeli officials. Fayyad said the Israeli announcement was

"damaging" and posed a "great challenge" to restarting peace talks. Palestinian negotiator Saeb Erekat said the new construction would be the main item on the Abbas-Biden agenda. "I think the Israeli government is making it almost impossible for us, the Americans and the international community, to take a one centimeter step in the direction of reviving the peace process," Erekat said. In an apparent snub, Biden pointedly arrived 90 minutes late to his scheduled dinner with Israeli Prime Minister Netanyahu and he sharply rebuked the Israeli step — which came just after the Palestinians agreed to a new round of indirect peace talks under U.S. mediation after a 14-month lapse. "The substance and timing of the announcement, particularly with the launching of proximity talks, is precisely the kind of step that undermines the trust we need right now," Biden said. "We must build an atmosphere to support negotiations, not complicate them," he added, warning that "unilateral action taken by either party cannot prejudice the outcome of negotiations." Fayyad said the Palestinians appreciated "the strong statement of condemnation" by the U.S. administration. The new construction plan also drew a sharp rebuke from Egypt, Israel's closest ally in the Arab world, and from U.N. Secretary-General Ban Ki-moon. "This is absurd. It is disdainful of the Arab and the Palestinian positions and the American mediation," said Hossam Zaki, a spokesman for the Egyptian Foreign Ministry. Israeli media lambasted the move, calling it an embarrassment. "A slap heard round the world," read the headline of a front-page commentary in Israel's Haaretz daily. Israel's refusal to halt building on war-won land has infuriated the Palestinians and undermined their faith in the U.S. as an effective mediator. President Barack Obama initially called for a complete settlement freeze, but did not take Israel to task when it only agreed to a 10-month moratorium on housing starts in the West Bank. Netanyahu refuses to stop building in east Jerusalem, saying he will never partition the city. The Palestinians want east Jerusalem, captured by Israel in the 1967 Mideast War, as their future capital

Secretary of State Hillary Clinton stepped up U.S. criticism of Israeli Prime Minister Benjamin Netanyahu for his government's announcement during Vice President Joe Biden's goodwill trip to Israel this week that it plans to approve construction of 1,600 more Jewish homes in contested East Jerusalem. Clinton called Netanyahu Friday morning to tell him she considered the announcement "a deeply negative signal" about Israel's relationship with the U.S., State Department spokesman P.J. Crowley said at today's press briefing. She added that she also considered it "counter to the spirit of the vice president's trip" and said it "had undermined trust and confidence in the peace process and in America's interests," according to Crowley. Clinton's call was the latest U.S. rebuke of Netanyahu since his government's announcement about the settlements. Biden first issued a sharp condemnation of the controversial housing plan, saying it "undermines trust" and "runs counter" to just-announced plans for U.S.-mediated proximity talks between the Israelis and Palestinians. He then showed up more than an hour and a half late to dinner Tuesday night at Netanyahu's residence, making no effort to hide that he arrived only after intense consultations with Washington on how to respond. On Thursday he reiterated his criticism during a speech at Tel Aviv University. Netanyahu reportedly apologized for the timing of the announcement by a member of his right-wing governing coalition, the Shas party, and claimed to be in the dark about it.

"The secretary said she could not understand how this happened, particularly in light of the United States' strong commitment to Israel's security," Crowley said at Friday's briefing. "And she made clear that the Israeli government needed to demonstrate not just through words but through specific actions that they are committed to this relationship and to the peace process." Crowley said that Assistant Secretary of State for Near East Policy Jeffrey Feltman and Middle East peace envoy George Mitchell have been working the phones to the region the past couple of days, trying to keep Arab and Palestinian buy-in for the indirect U.S.-mediated Israeli-Palestinian proximity talks, agreement for which was reached by Mitchell only last week, shortly before Biden's arrival.

PUL-E-CHARKHI, Afghanistan – U.S. Defense Secretary Robert Gates raised the possibility Wednesday that some of the U.S. forces involved in the Afghanistan surge could leave the country before President Barack Obama's announced July 2011 date to begin withdrawal. Without giving specifics, Gates said, "It would have to be conditions-based." Gates made the remarks during a visit to a dust-blown training ground in Kabul province where Afghan soldiers come for weeks of training under U.S. and British instruction. British Brigadier Simon Levy told Gates that if NATO countries contribute more trainers, the project to expand the Afghan army will keep pace. In a press conference with Gates, Afghan Defense Minister Abdul Rahim Wardak said his country is ashamed to have foreigners assuming its defense, and eager to take over the job. He referred repeatedly to the goal of some handover of responsibility by the fall of next year. The goal is to expand the Afghan National Army to 171,000 by then, and the police force to 134,000. "I hope by that time we will be able to have the responsibility for the physical security of the country in different regions," Wardak said. "That process will continue as we go further and the numbers increase and our capabilities increase." Gates said, "We will begin that transition no later than July of 2011, but the pace will depend also on conditions on the ground." Still, the Pentagon chief said, "We should not be too impatient." Gates watched as Afghan troops dealt with a simulated roadside bomb explosion. He stood on an embankment above the road as Afghan soldiers leapt out of a convoy, tended to casualties and contained the explosive. He said he was very impressed by what he saw. "Although attention may be focused on operations in the south today, the training that is going on at this facility for the long term is even more important," he said. "At the end of the day, only Afghans will be able to provide long-term security for Afghanistan." U.S. forces are engaged in a major offensive against Taliban fighters in southern Afghanistan. Gates visited some of those troops Tuesday.

OTTAWA (Reuters) – Canadian parliamentarians tucked into a meal of seal meat on Wednesday to defy both animal right activists and the European Union, which has banned imports of seal products. Some two dozen guests, surrounded on all sides by media, crammed into a small room off the main parliamentary restaurant to hear speeches backing the annual hunt off Canada's East Coast, which the EU says is inhumane. "This support begins on the plates of Canadians," said federal Fisheries Minister Gail Shea as she prepared to eat three small medallions of double-smoked bacon-wrapped seal loin in a port reduction. The EU imposed its ban last year after a decades-long fight by what Shea called "misguided and mean-spirited" anti-seal-hunt activists. The seals are either shot or hit over the head with a spiked club called a hakapik, which critics say is cruel.

All of Canada's major political parties say they are in favor of the hunt, which takes place on ice floes in March and April. "The Europeans simply don't know what they're talking about. Since time began human beings have lived with animals and they have culled animals," said Michael Ignatieff, leader of the main opposition Liberal Party. He spoke at an earlier reception where waiters passed through the room carrying platters of seal terrine snacks. Ignatieff ate several for the benefit of photographers. "It tastes delicious, actually. It's a meaty taste, a little gamy," he declared. The meal was arranged by Liberal Senator Celine Hervieux-Payette, who said the hunt provided income for fishing communities in the Atlantic. "We're sending a message to the European parliamentarians ... we want to say something so that opponents do not take to the floor with lies," she told reporters. The EU ban has slashed demand for seal furs, meat and oil. Poor weather conditions and a lack of ice mean this year's hunt could be scrapped.

OTTAWA (Reuters) – The rate of tuberculosis among Canada's 55,000 Arctic Inuit people is catastrophically high and much more must be done to combat the lung disease, activists said on Wednesday. The Inuit Tapiriit Kanatami (ITK) organization, citing official data, said the tuberculosis rate for Inuit in 2008 was 185 times higher than for Canadian-born non-aboriginals. Among the reasons are very poor housing conditions and the high cost of living in the Arctic, an enormous region where providing health care is costly and complicated. The Inuit are part of Canada's 1.2 million native people, or First Nations, many of whom live in poverty. The tuberculosis rate among First Nations as a whole is 31 times that of the Canadian-born non-aboriginal population. "It is unconscionable that these conditions exist in a country that boasts of having one of the lowest tuberculosis rates in the world," said Gail Turner, chair of the ITK's national health committee. Canada's public health agency says 88 cases of tuberculosis were reported among the Inuit in 2008. A total of 1,600 people -- most of them foreign born -- were diagnosed with the disease in 2008 in Canada, which has a population of 33 million.

The squalid living conditions of the First Nations have long been an embarrassment for Canada, a member of the Group of Eight leading industrialized nations. Responsibility for health care is split between the federal government, which provides significant funding, and the 10 provinces and three territories, which administer care. "Tuberculosis will never be eliminated until housing is improved, food security is improved and access to health care for Inuit is closer to what other Canadians take for granted," Turner told a news conference.

Canada, which will host a summit of G8 leaders in June, says it wants to improve the health of women and children in the Third World. "I think they (the G8) will be interested to see that we've got Third World conditions here in Canada. All they'd need to do is fly to one of the remote communities," said Angus Toulouse of the Assembly of First Nations. A spokeswoman for federal Health Minister Leona Aglukkaq said the government is committed to reducing tuberculosis among First Nations people and the Inuit.

OTTAWA (Reuters) – A federal budget last week did little to boost the fortunes the Conservatives, who still only have a slight lead in public support, according to a poll released on Thursday. The weekly Ekos survey for the Canadian Broadcasting Corp. put

the Conservatives at 31.9 percent support, down from 32.4 percent last week. The Liberals, the biggest opposition party, were at 29.6 percent, up from 29.4 percent. The minority Conservative government promised last Thursday to clamp down on spending to help eliminate a record deficit, caused in part by a multibillion-dollar stimulus program. "The budget does not appear to have been any sort of turning point politically," said Ekos pollster Frank Graves, noting Canada was gripped by what he called political lethargy. "What is remarkable is that no party has been able to command the consistent support of even a third of the electorate since the beginning of 2010 ... There is no modern precedent for this level of weakness by the two major parties," he said in a statement. The left-leaning New Democrats were at 16 percent, up from 15.2 percent. Polls show voters are not enthused about either Prime Minister Stephen Harper or Liberal leader Michael Ignatieff, both of whom insist they do not want an election. Under Canada's first-past-the-post electoral system, a party needs at least 36 percent of the popular vote to be sure of winning enough seats in the House of Commons to create a viable minority government. Harper won a strengthened minority in October 2008 and had a 15-point lead at the end of last year. He then moved to have Parliament suspended until March, which opponents said reflected dictatorial tendencies. The Ekos survey of 2,165 adults was conducted between March 3 and 9 and is considered accurate to within 2.1 percentage points, 19 times out of 20.

Western Europe

The President of the European Council, Herman Van Rompuy, has said he pities Nigel Farage, the British MEP who called him a "damp rag" last month. Mr Van Rompuy said his popularity had soared in Belgium, following the tirade from the Eurosceptic Mr Farage. "I found it so ridiculous that I was not even really angry... I feel pity for that kind of behaviour and that kind of man, that's all," he said. Mr Van Rompuy said voters appreciated politicians who kept their cool. Mr Farage, of the UK Independence Party, compared the former Belgian prime minister to a "low-grade bank clerk" and accused him of being a "quiet assassin of European democracy and of European nation states". He also referred to Belgium as a "non-country". Mr Van Rompuy told the BBC he never got angry. "When I was in the Belgian parliament as prime minister, if people said nasty things or insulted me I stayed very calm and that was very well received by the public," he said. "I can assure you that I am now at the height of my popularity in Flanders, after the incident in the European Parliament... A lot of people feel themselves confident when they are governed by people who don't get nervous and angry at every incident." Earlier Mr Van Rompuy told the Flemish broadcaster VRT that he had reacted "like the British at their best, phlegmatically". In his writings, he has quoted the saying "Forgive your enemies, but don't forget their names," adding that it is one he has applied in practice. In the case of Mr Farage's outburst, he said, the question of forgiveness did not arise, because it had not deeply affected him. Mr Farage was reprimanded by the European Parliament president for his "insulting" tirade and was fined just under 3,000 euros (£2,700) after refusing to apologise for it.

The EU's foreign policy chief, Catherine Ashton, says Europe has a "once in a generation opportunity" to build a robust new diplomatic service. Addressing the

European Parliament, Lady Ashton pointed to EU successes in the post-conflict Western Balkans as a model for future action. She said that in the Western Balkans "more than anywhere else" the EU "cannot afford to fail". MEPs are discussing the structure of a new European External Action Service. The service - known as the EEAS - is the focus of intense debate between the EU's institutions, which want to ensure their influence is not diluted. **Ashton under scrutiny**, The BBC's Dominic Hughes in Brussels says Lady Ashton has been criticised as too inexperienced for the new job of EU High Representative - and she must convince MEPs that she can provide the leadership such a complex project needs. Our correspondent says her biggest battle remains with those in the EU's executive arm - the European Commission - who are reluctant to surrender powers that member states want to delegate to the new foreign service. Lady Ashton - who was confirmed in her post only last month - highlighted the EU's role in Kosovo and Bosnia-Herzegovina, calling it "multi-faceted" and "tailor-made" to local conditions. The EU's rapid despatch of a monitoring mission to war-ravaged Georgia also showed "what the EU can do when we fully mobilise our resources". The EU brokered a truce to halt fighting between Georgia and Russia in August 2008. Lady Ashton said the EU needed "stronger structures, more flexibility, if we want Georgia to be the benchmark for our action in future". "Wider international credibility depends on getting our neighbourhood right," she told MEPs. **Lisbon changes**, She has replaced the former EU High Representative - Javier Solana - but her job is also to represent the European Commission abroad, as a Commission vice-president. She will eventually run a diplomatic service with a staff of about 6,000, operating from EU embassies. The Commission's offices abroad will become part of the EEAS. The EEAS is a key part of the structural changes envisaged by the EU's Lisbon Treaty, which is now in force.

LONDON – The latest buzz word in the clubby world of British politics is "hung Parliament." It doesn't mean the current Parliament would be hanged, although some voters in these troubled economic times might relish that idea. It means an election so close that no party receives more than half the seats in the House of Commons, the lower house of Parliament. It's commonplace in most parliamentary democracies, but hasn't happened here for more than three decades — and the very idea has sent financially-battered Britain into a tizzy, causing the pound to tumble. Prime Minister Gordon Brown must call a vote by June 3, with an early May date deemed likely. The widespread assumption that Conservative Party leader David Cameron would win an outright majority in the new Parliament has evaporated. "It's just about 50-50 that we'll have a hung Parliament," said Bob Worcester, founder of the Ipsos MORI polling firm, which will be conducting Election Day exit polls for British news stations. Voters seem tired of Brown and the Labour Party apparatus after 13 years in power, but it is not clear if they have really warmed up to Cameron in sufficient numbers to give him full control of Parliament. If Cameron falls short, is Britain headed for its own hanging chad moment? In the contested U.S. election of 2000, the electoral college rules were clear, but the state of Florida's vote-counting mechanism was subject to all kinds of hiccups. Britain suffers from the opposite problem: the voting process is smooth but constitutional arrangements are fuzzy. The prospect of a hung Parliament might have insiders reaching for their copy of the British constitution — only there isn't one. This proud, time-tested

democracy relies instead on a series of precedents and accepted conventions that comprise its own complex unwritten charter.

No one knows exactly how a hung Parliament would play out. An election in which no party gets an absolute majority raises a number of possibilities:

There may be political horsetrading leading to a coalition government, a rarity in Britain; a weak minority government chronically unable to muster policy support; or a second election, as was the case in 1974, another year in which Britain was going through an economic crisis. The uncertainty has rattled the financial markets. Traders would prefer to see stability and predictability in a country coping with frightening levels of debt.

The postelection period would also raise the profile of Queen Elizabeth II, who is head of state but in reality prohibited from having a direct political role. As monarch she would have to grant one of the party leaders permission to form a new government, and she would also have to OK a second election if needed. Her advisers want to make sure she isn't dragged by events into a partisan role. Among factors experts cite in predicting a hung Parliament are a consistent tightening of all major polls in recent weeks, and the uncertainty about which candidate will gain from Britain's first-ever televised debates.

Worcester said expectations are sky high for the telegenic Cameron, but that Prime Minister Gordon Brown, whose grouchy demeanor makes many forget he was a national debate champion in university, may do unexpectedly well. Another important factor, he said, is that Liberal Democrat leader Nick Clegg will receive unprecedented national attention simply by participating in the debate, giving the third party a solid chance to win more seats, which would make a hung Parliament more likely.

LONDON – A British court has barred a far right, anti-immigrant political party from accepting new members until it stops discriminating against nonwhite people.

The British National Party was ordered last year to scrap its whites-only membership rules to comply with race relations laws. The party voted last month to change its constitution so that black and Asian people could join, but critics said the changes were too vague. A judge at the Central London County Court ruled Friday that the party was "likely to commit unlawful acts of discrimination" and ordered it to close its membership list. The BNP opposes immigration and claims to fight for "indigenous" Britons. Leader Nick Griffin is notorious in Britain for denying the Holocaust in the past.

PARIS – Nicolas Sarkozy is looking politically lonely in his presidential palace. Voters hit by France's worst recession since World War II are fearing for their jobs, and are worried and conflicted about how Islamic veils and immigrant culture fit in their nation today. They get a chance to voice their frustration in an election starting Sunday that is likely to leave opposition Socialists in charge of nearly every regional government in France. The left is even dreaming of a "grand slam": control over all 26 regions.

The usually confident and charismatic Sarkozy, though he's not on the ballot, is likely to emerge the big loser in this vote, halfway through a presidential term he vowed would transform his country into an economic powerhouse. Sarkozy "thought he could do anything at any moment, all the time, and he figured out that it is not true," said Daniel Cohn-Bendit, the leader of Europe Ecologie, a green-minded party shaping up to be the decisive third force in the regional elections. The landscape is already bleak for Sarkozy's conservative UMP party going into the vote. The president's approval ratings are below

40 percent, and Socialists secured a stunning 20 of 22 regions on mainland France in the last elections in 2004. This time, the UMP had been hoping to win a few regions back, but polls and electoral math suggest it will fail.

Voters have used all past regional elections to punish the party in power. Plus, Sarkozy's supporters are showing little interest in the campaign, according to polls. So those voters who do show up are likely to do so to express discontent with what he's doing — or not doing — for France. "Employment is the No. 1 issue," said Jerome Fourquet of the Ifop polling agency. Joblessness is at its highest level in a decade, over 10 percent, and the effects of recession are still pinching industries from car making to hotels. Purchasing power, which Sarkozy promised to boost when he was elected in 2007, "has not been erased from the notebook of grievances of French people," Fourquet said. "We see the multiplication of social conflicts," such as workers locking up managers to protest layoffs. Another big factor may be French voters' awakening concern about global warming. In Sunday's first round voting, polls indicate that candidates from Sarkozy's UMP would take an overall lead nationwide, followed by the Socialists and Europe Ecologie, whose popularity has grown over the past year on its pledges to take better care of the environment. In the decisive runoff March 21, however, the Socialists and Europe Ecologie and smaller leftist parties are expected to join forces in some regions, lifting the left to a major triumph. A celebratory mood infused Europe Ecologie's last major rally Wednesday night. "Without us, the Socialists won't win any region," Cohn-Bendit said. The kingmaker role in past regional elections had fallen to the far right National Front of Jean-Marie Le Pen, now running in what may be his last election. Le Pen's influence has deflated in recent years, and polls predict his anti-immigrant party will come in fourth overall. His dynamic daughter Marine has made waves during the campaign and pollsters say there could be surprises. One of the party's posters shows a woman in a face-concealing Islamic veil — which Sarkozy's government is moving to ban — and minarets made to look like missiles, and reads "No to Islamism!"

SAARISELKA, Finland (Reuters) – The foreign ministers of Turkey and Sweden condemned on Saturday a vote in the Swedish parliament that defined the early 20th-century killing of Armenians by Ottoman Turks as genocide. Swedish Foreign Minister Carl Bildt, who is holding informal talks with foreign ministers including Turkey's Ahmet Davutoglu in northern Finland, said he was upset by the vote and concerned it could affect Turkish-Armenian reconciliation. "It's regrettable because I think the politicization of history serves no useful purpose," he told reporters. "We are interested in the business of reconciliation, and decisions like that tend to raise tensions rather than lower tensions," he said. Sweden's parliament, by a vote of 131-130, backed a resolution on Thursday that branded the killing of up to 1.5 million Christian Armenians by Ottoman Turks as a genocide, a term that Turkey resolutely rejects. The vote followed a decision by a committee of the U.S. House of Representatives the week before approving a nonbinding measure condemning the 1915 killings. In both cases Turkey responded angrily, withdrawing its ambassadors to Washington and Stockholm. The vote in the Swedish parliament was particularly galling for Turkey as Sweden is one of Ankara's strongest backers on issues such as Turkey's desire to join the European Union. Davutoglu said Turkey would not stand by quietly if other nations took similar steps to describe the 1915 killings as a genocide and said it was pointless for

countries to think they could put pressure on Turkey. "We will not be silent and we will not just show the usual attitudes. For each case we will have a different (set of) measures," he said. "What is the purpose of this? If the purpose is to make pressure, nobody can make pressure on Turkey. If the purpose is to get local domestic concerns raised, Turkish historical events should not be misused for these narrow issues."

Davutoglu, the architect of Turkey's foreign policy of re-engaging with its neighbors, including Armenia, said it was wrong for parliaments to think they could define history purely via a vote. He also said he was concerned about the impact the vote could have on efforts by Armenia and Turkey to reconcile their history and find a political common ground at a time when they are making progress toward normalizing relations.

DUBLIN (Reuters) – Irish police have released three of the seven people arrested on Tuesday in connection with an alleged plot to murder a Swedish cartoonist over a drawing depicting the Prophet Mohammad with the body of a dog. The police said a man and two women were released from custody in the southern county of Waterford late on Friday where they had been detained as part of an investigation into a "conspiracy to murder an individual in another jurisdiction." The police declined to give details except to say that the original suspects were four men and three women ranging in age from their mid 20s to late 40s. A security source confirmed to Reuters that the alleged plot under investigation was to murder Lars Vilks, for whose killing an Iraqi group linked to al Qaeda offered a \$100,000 reward in 2007.

The U.S. Justice Department said on Tuesday it had charged a Pennsylvania woman, Colleen LaRose, who went by the pseudonyms "Fatima LaRose" and "JihadJane," with plotting to kill a Swedish man. Vilks, who said he has prepared a secure room in his house with barricades in case of any break-in, told Reuters on Wednesday that he had received more death threats through Internet messages since the arrests were made.

In January, a Somali man was indicted on charges of terrorism and attempted murder for breaking into the home of Danish cartoonist Kurt Westergaard and threatening him with an axe. A cartoon by Westergaard in 2005 which depicted the Prophet Mohammad with a turban shaped like a bomb sparked outrage across the Muslim world, with at least 50 people killed in riots in the Middle East, Africa and Asia. Most Muslims consider any depiction of the founder of Islam as offensive.

LONDON – A British Airways computer expert was charged Thursday with plotting suicide bombings — including one he allegedly planned to carry out himself. Prosecutor Colin Gibbs alleged that Bangladesh-born Rajib Karim deliberately sought a job with the airline in order to further an unspecified terrorist conspiracy. Gibbs told the City of Westminster Magistrates' Court that the 30-year-old plotted with unidentified contacts in his home country, Pakistan, and Yemen over the past four years. He said Karim shared information about his work, including British Airways' security measures. Gibbs also said that Karim had offered to join the airline's cabin crew if a possible strike by BA staff took place. A statement from the airline said there was "no way an individual could have been considered or selected for a cabin crew role if they did not meet the criteria." Karim also is charged with collecting money and sending it to

terrorist associates overseas. Few other details about the alleged plot were made public during the brief procedural hearing Thursday. Karim spoke only to confirm his name and date of birth.

VATICAN CITY (Reuters) – The Vatican rallied around Pope Benedict on Saturday, dismissing suggestions he had tried to cover up priestly child abuse in Germany. "It's rather clear that in recent days there have been people who have searched -- with notable tenacity in Regensburg and Munich -- for elements to personally involve the Holy Father in the question of the abuses," Vatican spokesman Father Federico Lombardi told Vatican Radio. "To any objective observer, it's clear that these attempts have failed." The pope's former diocese in Bavaria said on Friday he was involved in a decision in 1980 to move a priest there who was suspected of child abuse. The pontiff -- then Joseph Ratzinger -- jointly agreed to the priest undergoing therapy at a rectory in the diocese of Munich and Freising, where he was archbishop from 1977 to 1981.

However, rather than sending the priest for therapy as had been agreed, the diocese's then vicar general, Gerhard Gruber, assigned him to a Munich parish without restrictions. Gruber took full responsibility for the decision, the diocese said.

On Friday the head of Germany's Catholic Church briefed journalists about the situation in Germany, where more than 100 reports have emerged of abuse at Catholic institutions, including one linked to the prestigious Regensburg choir run by the pope's brother from 1964 to 1994. With the pope being criticized for not having done more during his career to halt abuse, Irish bookmaker Paddy Power on Friday slashed the odds on him resigning to 3 to 1 -- a 25 percent probability -- from 12 to 1, following a "cascade of bets."

The Vatican defended the pontiff vigorously on Saturday, with Lombardi's comments accompanying a separate interview by the Holy See's official prosecutor, or "promoter of justice." Monsignor Charles. J. Scicluna told the Italian bishops' newspaper *Avvenire* that accusations the pope had helped cover up abuse were "false and calumnious."

Lombardi said Canon (Church) rules for controlling and punishing abuse did not create the conditions for any cover up and were, on the contrary, vigorous and severe.

"It is right to remember that all of this was set up by cardinal Ratzinger when he was prefect of the Congregation," Lombardi said. "His line has always been one of rigor and consistency in tackling even the most difficult situations."

ROME – The decision by a Rome high school to install condom vending machines has set off a storm in Italy, with the Catholic Church charging the move will encourage young people to have sex and Rome's mayor saying it sends the wrong message. But the Keplero high school vowed Thursday to go ahead with its experiment, billed as the first in the capital. While it's a relative novelty for Italy, schools in several other European countries have installed the machines in hopes of curbing teen pregnancy and HIV. "This is not about stimulating the use of condoms or intercourse," Antonio Panaccione, the school headmaster, told *The Associated Press*. "On the contrary, it's about prevention and education."

The school plans to install six vending machines as part of educating students about sexuality and HIV protection. The price: euro2 (US\$2.70) for a pack of three, lower than market prices. Cardinal Agostino Vallini, the pope's vicar for Rome, said the decision

trivialized sex. He said it "cannot be approved by Rome's ecclesiastical community or by Christian families who are seriously concerned with the education of their children."

The newspaper of the Italian Bishops' Conference said Thursday that sex was being reduced to "mere physical exercise." The newspaper, L'Avvenire, lamented that young people these days have no spiritual guidance on sexuality, and that educators are more concerned with "the health and hygiene consequences of sex" than its moral implications. The Vatican opposes artificial contraception. Catholic teaching views sex as a means for procreation within marriage.

Pope Benedict XVI drew criticism from European governments, international organizations and scientists last year when he said distributing condoms was not the answer to Africa's AIDS problem, and could make it worse. He said a moral attitude toward sex — abstinence and marital fidelity — would help fight the virus.

"The scandal is that we do it in Rome, because this is the city of the pope and therefore one can't really talk about sex," Panaccione said in a phone interview. "They can talk about pedophilia, can't they?" he said, referring to a sex abuse scandal rocking the Roman Catholic Church in several European countries. But some criticism came from outside the church, too. A leading association of parents, MOIGE, said the move was "trivial and insufficient." Rome Mayor Gianni Alemanno, a conservative, was quoted by the ANSA news agency as saying that "on the one hand it's childish to think young people need these vending machines, on the other hand it seems like a bad message to them."

The head of Italy's national association of Catholic pharmacists, Piero Uroda, suggested condoms were responsible for increased rapes and violence. "We're giving sugar to the diabetic," he told Radio 24 Il Sole 24 Ore.

Southeast Europe

Oceania

SYDNEY (AFP) – Royal Dutch Shell and PetroChina joined forces for a 2.96 billion US dollar bid for Australia's Arrow Energy on Monday, hoping for a bigger slice of the country's booming liquefied natural gas (LNG) sector. The energy giants offered 4.45 Australian dollars (4.04 US) per share, or about 3.26 billion Australian dollars, sending the coal seam gas firm's shares rocketing some 47 percent to 5.11 dollars.

Shell and PetroChina are also offering shares in a new company made up of Arrow's international business, which is set for an initial public offering. "At this stage the Arrow Board recommends shareholders take no action in relation to their Arrow shares," Arrow said in a statement, adding that it had appointed financial and legal advisers.

News of the bid, which could herald a shake-up in the burgeoning LNG industry, helped send Australia's stock market nearly one percent higher to 4,807.9 as resources companies surged. Arrow claims to have the largest reserves of coal seam gas in Australia's northeastern state of Queensland, in its holdings at the Bowen and Surat Basins. Australia has already signed contracts worth tens of billions of dollars with Asian countries for the clean-burning LNG created from natural gas, which is chilled into liquid form for shipping. Analysts say the country is set to become the "Middle East of gas" and outstrip Qatar as the world's biggest LNG producer as Asian demand surges for the fuel.

They said Shell, which has also teamed up with PetroChina to develop shale gas resources in China, could use Arrow's assets to push forward plans for a Queensland coal seam gas plant producing up to 16 million tonnes of LNG a year. "The market was getting reasonably sceptical of whether Shell was indeed planning to go down that path," said RBS Morgans senior oil and gas analyst Nik Burns. "Obviously the fact they are now moving to potentially acquiring Arrow suggests that they still want to move that path." "If they get to 16 million tonnes, and it is very early days, ultimately it could be (the largest coal seam gas operation in Australia)," he added. PetroChina's chairman Jiang Jiemin confirmed the bid on the sidelines of China's National People's Congress in Beijing, but said it was in its early stages. He did not give further details. Australia's LNG boom has mainly centred on Western Australia, which has three huge gas fields off its northwest coast plus the massive Gorgon development worth hundreds of billions of dollars. Analysts believe Shell and PetroChina plan to use Arrow's LNG to supply China, whose rapid industrialisation and urbanisation have made it a key market for Australian energy and resources. Several companies are currently working towards producing the first LNG from coal seam gas for export.

CANBERRA (AFP) – Indonesian President Susilo Bambang Yudhoyono confirmed Wednesday that suspected terror mastermind Dulmatin had been killed in a police raid in Jakarta. The president, on a three-day visit to Australia, said a raid against militants hiding out on the outskirts of the capital had resulted in the death of the man believed to have been behind the 2002 bombings on the resort island of Bali.

"I have great news to announce to you," Yudhoyono told an official luncheon in Canberra through an interpreter. "After a successful police raid against a terrorist hiding out in Jakarta... we can confirm that one of those killed was Mr Dulmatin, one of the top Southeast Asian terrorists that we've been looking for." Dulmatin, an Al-Qaeda-trained bomber, is the suspected mastermind of some of the region's most notorious attacks and the United States' Rewards for Justice programme had posted a 10 million US dollar bounty on his head. He was wanted for allegedly helping organise and carry out Indonesia's most deadly terror attack -- the suicide bombings of two Bali nightclub in 2002 which resulted in the deaths of 202 people, including 88 Australians.

Australian Prime Minister Kevin Rudd had earlier praised Indonesian counter-terrorism forces for their difficult and dangerous work in fighting extremists. "The breakthroughs which Indonesia has made in undermining various terrorist networks have been significant," Rudd told a joint press conference with the Indonesian leader.

Born in Central Java in 1970, Dulmatin joined a religious boarding school set up by Abu Bakar Bashir, spiritual leader of regional terror network Jemaah Islamiyah, as a young man. He then then joined an underground regional cell and in the course of his career underwent training in Afghanistan and accumulated an array of aliases, including Joko Pitoyo, Joko Pitono, Abdul Matin and Muktarmar. The event for which he is infamous is the 2002 Bali bombings which sent shockwaves around the world, coming after the September 11 attacks in the United States the previous year. Following the bombing of Jakarta's JW Marriott hotel in August 2003 Dulmatin fled to the southern Philippine island of Mindanao, another centre of Islamic militancy in the region. In 2008, Philippine military officials said they believed Dulmatin's body had been exhumed on the southern Philippine island of Tawi-Tawi.

SYDNEY (AFP) – Violence against Indian students has damaged Australia's reputation and will lead to a drop in the number of foreign students, Foreign Minister Stephen Smith said. Smith said late Tuesday that a spate of violent attacks on Indian nationals, mostly in the southern city of Melbourne, had contributed to growing questions over the integrity of Australia's overseas education system. "I've made it clear that I think on the student safety issue, our reputation and standing in India has been damaged."

Unscrupulous educational institutions luring Indian students to Australia with the promise of the chance to remain in the country had also contributed to the damage and would cause a drop in student arrivals, he said. Thousands of students were left stranded after a string of private colleges collapsed in the wake of the global financial crisis and following revelations about dodgy operators. "I think on the collapse of the colleges and the focus on integrity, we will see a drop in the number of Indian students coming to Australia, I think for three reasons," said Smith. "One, the safety issue; two, the general adverse consequences of the global financial crisis, and three, the integrity or quality issues." But Smith said he expected the drop in enrolments to be short-lived.

A damning government review of the 15.5 billion US dollar education sector commissioned after violence against Indians, published on Tuesday, found some colleges catering to foreigners operated more as visa factories than education providers.

The review's chairman, Bruce Baird, recommended a regulatory crackdown on unethical recruitment practices, including fines for deliberately misleading students. Baird also said more needed to be done to help foreign students feel more a part of Australian life, following a spike in violent attacks against Indian students. Foreign student numbers jumped from 228,119 in 2002 to 491,565 by 2009, with international education now Australia's fourth largest export industry.