

Report 117
PROJECT ON BUSINESS AND POLITICS IN THE
MUSLIM WORLD

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By: Bakare Najimdeen

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

- Republicans Allow Debate on Financial Overhaul
- Crist relies on the people, not GOP, in Senate bid
- Crist's defection could be gift to Democrats
- Dem chairman lays out voters' choice for fall
- A containable accident, then suddenly a crisis
- Oil rig spill off Louisiana could threaten coastline
- Is Arizona's new immigration law unconstitutional?
- Sarah Palin: President Obama pushing racial 'myth'
- Obama: Congress may not tackle immigration soon
- Legal questions raised over CIA drone strikes
- U.S. Begins Inquiry on Spy Network in Pakistan
- Levin asks Goldman: Was it just hedging, or something worse?
- American Muslims and Protestants, Can we talk?
- Clinton: Iran will fail to disrupt nuke meeting
- Clinton warns Iran, Syria on threats to Israel
- Conservatives see support sag
- Speaker sets deadline in political standoff
- Bank of Canada says timing of hike not preordained
- Canada ups 2010 growth view, says budget on track
- Canadian oil sands producers pump out higher profit
- Many Canadians carry debt into retirement: survey

Western Europe

- Thousands join May Day protests in Europe
- As Greek Drama Plays Out, Where Is Europe?
- IMF chief Strauss-Kahn tries to ease Greece fears
- European debt crisis looms over meeting
- Greek financial crisis sends markets plunging
- Euro Rises After I.M.F. Increases Aid Pledge to Greece
- BP shares dip, recover ground amid oil disaster

- Belgian leader steps aside, early election ahead
- Berlusconi defiant despite gov't infighting
- Britain's odd election: Where third equals first?
- British PM fails to re-ignite fading poll hopes
- Fresh poll blow to Brown as papers turn against him
- Britain's third party leader grabs spotlight
- Germany gets female Muslim minister
- Belgium bans burqa-type dress in public
- French legislator wants full veil banned in Sept.
- Pilot cleared of 9/11 accusations

Southeast Europe

- Presidents of Turkey, Serbia, BiH meet in Istanbul
- Watchdog group assesses press freedoms in Balkans

Albania

- EC says Albania not ready for visa liberalisation
- Decision on Albania, BiH visa liberalisation due in October
- Albanian opposition to stage protest against government
- EU wants Albanian political crisis resolved by May 10th
- NATO's Rasmussen calls for unity in Albania

Bosnia and Herzegovina

- BiH welcomes NATO's decision on MAP
- Rapporteur says BiH meets most visa liberalisation conditions

Bulgaria

- EC to launch excessive deficit procedure against Bulgaria
- Syria to repay part of debt to Bulgaria

Croatia

- Croatia abolishes crisis tax
- Croatian cabinet submits constitutional amendments to parliament
- Croatia-Serbia border committee meets after seven years

Kosovo

- Kosovo authorities disable more Serbian cell phone networks
- Second mobile network transmitter destroyed in northern Kosovo
- Kosovo police take control over border with Albania
- ICO's Feith predicts progress in Kosovo's anti-corruption efforts
- Kosovo prepared to formally consider Montenegrins minorities
- Brussels backs EULEX's actions in Kosovo

Macedonia

- Macedonia's Gruevski weighs in on name dispute
- UN's Ban briefed on Macedonian-Greek name dispute
- International representatives worry about Macedonia

Montenegro

Romania

- UDMR agrees to support constitutional changes in Romania

Serbia

- Nikolic re-elected as leader of Serbia's SNS
- Krkobabic re-elected as leader of Serbia's PUPS
- Serbia mulls giving more power to regions
- Frattini predicts EU candidate status for Serbia next year
- Djelic says Serbia's EU candidacy assessment may be delayed

Slovenia

- Slovenian lawmakers request referendum on Croatian agreement

Oceania

- Australia delays carbon trading scheme

Report Summary

USA/Canada

Political Issue

The U.S Senate is moving towards passing an overhaul bill on financial regulation. The bill faces serious opposition from Senate republicans but trend seems going against the republicans, thus compromising their stance by supporting, otherwise would be seen as being comfortable with financial indiscipline by the Wall Street financial institutions.

The defection of Gov. Charlie Crist from the Republican Party, standing as an independent for the midterm election is seen as good omen for democrat party. Crist has always hold dissimilar views with his former party and believes his Senate ambition can be achieved through populist votes as he calls himself the 'people's senator'.

According to the Canadian Harris-Decima survey, support for the conservative ruling party is sagging yet that has not be taking advantage of by the Liberal to gain more support. Both parties stand at 29 and 27 respectively. The ruling party is facing public resentment due to political scandal.

Economic Issue

The Bank of Canada Governor Mark Carney is of the view that time for government to withdrawal its hand from the economy can only be plausible should the economy recovers to a speaker growth. Thus, explains why the government has raised 2010 economic growth based on the performance of the private sector. Canada like every other country stimulated the economy out of recession.

According to the Royal Bank of Canada survey inflation and taxes were among the biggest concerns for retired Canadians. The survey also shows that many retired Canadian entered retirement with some forms of debt and still incur debt during retirement, though with the strong feeling that they will get over it.

Social/Humanitarian Issue

The constitutionality of the new Arizona immigration law is being contested. Supporters of the law say it shows how a state can make effective immigration law when federal law appears ineffective. Meanwhile, critics are of the view that it will lead to racial profiling. Professor Kobach who helped draft the bill says Arizona law is supportive of federal immigration laws rather than seeking to supplant them and believes it will stand any legal perspective. Former Alaska GOP Gov. Sarah Palin blamed the Obama administration for playing a racial card on the Arizona law. According to her, Obama is trying to incite his base as election is around the corner.

Meanwhile, President Obama said he believes the Congress has been troubled by controversial issue all through this year thus appetite to tackle the issue of immigration will be wanting.

American law experts were engaged in debate whether or not Washington's drone attack in foreign countries is legitimate. The debate bore a divided views some experts believe such drone attacks violates international law and could make foreign country sue CIA officials for murder, other reject such assertion that it is traditionally acceptable that US can violate others sovereignty by going after terrorists if other country is unwilling to do similar task.

Similarly, Defense Secretary Robert M. Gates has opened an inquiry into whether a top Defense Department official violated Pentagon rules by setting up a network of private contractors to gather intelligence in Pakistan and Afghanistan.

Hesham A. Hassaballa is a physician and writer living in Chicago, she writes on the sharp and dividing line between American Muslims and the American Protestant Pastors, whose view of Islam always carry negative connotation. According to a poll, both protestant pastors and Islamic preachers are wary of their folks being converted to either side. This might be one strong reason for enmity, even though Muslim do not share similar hatred for protestants rather the latter believes the Muslim God is different and Islam a wicked religion.

Food, Environment and Energy Issue

The oil spillage in the Gulf of Mexico is another troubling issue for the Americans but more exigent for the government to take control of. It appears this might be Obama's Katrina, but the extent to which quick action will be taken to reduce more damage is yet to be understood. Protecting further spillage and damage to livelihood of the people on whose shoulder must it be is question ringing in the media, the federal authority or the Louisiana government. Yet as the matter becomes more serious BP Oil Company involved in the spillage is facing acute accusation.

Geostrategic Issues

Mending and patching the loops between U.S and Israel, appears to be the intention of the Obama administration when top officials made speeches before the American Jewish Committee. It can otherwise be a way of shifting attention away from US-Israeli rift. The American government is sending strong signal to Iran, Syria and their

associate Hezbollah that threat against Israel will not be condone and there is no compromise for Israeli security. Would such statement soften the brawl between Israel and Washington and would it dispel Iran and allies from their stance.

Western Europe

Political Issue

Linguistic and economic barriers between the French (4million) and the Dutch speaking (6.5 million) Belgian has been a perennial issue in the country. Premier Yves Leterme's government collapsed last week for failing to resolve Brussels-area voting district crisis, which the constitutional court ruled illegal in 2003. The exit of Leterme will pave way for Marianne Thyssen to be the first woman who could become Belgium's next prime minister.

Yes there is political infighting within the coalition government led of Italian Prime Minister Silvio Berlusconi, but that will not stop the government from serving out the remaining three years in office. Berlusconi claims his government has done more for the country amid criticism and scandal that continues to haunt the PM.

Despite the political drama unfolding on the British political landscape, the May 6 election will obviously be decided by the people. The run-up to the election was characterised by American style election and more media attention, amid political blunders coming from the ruling labour party. The latter continues to rank low in polls and top British newspapers are backing away from the party known as the party of the people (labour). The run-up saw the growing image of Nick Clegg, leader of the Liberal party, whose popularity is akin to Obama during the last American election. But would he be able to translate the Cleggmania to real votes of becoming next British PM.

Ayguel Oezkan a member of Chancellor Angela Merkel's conservative Christian Democratic Union (CDU) was appointed as first female Muslim minister in Germany. She will be overseeing the ministry of social affairs for the northern state. Of course her appointment is a progressive step for Muslim immigrant community in Germany. She promised using her position to facilitate the issue of integration.

Economic Issue

The EU's bid to showcase itself as a big power through the Lisbon Treaty is not playing out as expected. The failure of the bloc to swiftly seek a solution to the Greek financial trauma speaks more on this, thus paving way for IMF to sway its influence in the bloc. EU powerful members dislike the interference of IMF, their inability to devise a constructive solution is hampered by national interest. Meanwhile, Greeks are nurturing fear that their economy might turn worst with the involvement of IMF's 45 billion euro aid package and 120 billion euros over three years. The fear is allayed as European stocks rose modestly and the euro halted its decline.

BP appears to be reaping the economic fallout from its oil spillage in the Gulf of Mexico. The company is feeling the impact as shares run down. BP shares were down 2 percent at 571 pence in early trading on the London Stock Exchange

Social/Humanitarian Issue

The question whether or not the Belgian ban on burka (niqab) will have a neighbourhood event is a matter of time. The lower Belgian parliament house unanimously bans the veil yet requires Senate final approval. Will such law give more mementos to the drum of ban in France, where the conservative ruling party wants the veil out of the public by September or in Denmark and elsewhere in Europe?

Lotfi Raissi, an Algerian-born commercial airline pilot who was trained in the US and living in Britain was arrested soon after 9/11 on ground that he trained the 9/11 hijackers. After a long legal battle, he was exonerated from the accusation and thus eligible for up to £2m for the nine years of hell he went through.

Food, Environment and Energy Issue

Geostrategic Issues

Southeast Europe

Political Issue

Effort of Albania and Bosnia towards EU visa liberalisation scheme has been applauded after Tirana completed one out of four sections of the processes. Meanwhile, European Parliament (EP) Rapporteur for Albania Tanja Fajon says the EP will make a final decision on Albania's and Bosnia and Herzegovina's (BiH) EU visa liberalisation process in October.

Albania political stalemate is far from being over, the opposition parties led by the Socialist Party (SP) keeps demanding the ruling party to investigate and review the last June 2009 election which according to SP was replete with irregularities. The deadlock has been a source of setback for domestic politics as well as Albania-EU integration.

Meanwhile, NATO Secretary-General Anders Fogh Rasmussen has joined in urging the country to resolve its crisis, while the EU is asking the government to close the chapter of the crisis by May 10th.

Croatian ruling party has submitted constitutional amendments bill to the parliament. The amendments touch all contentious issues facing the country, among which there is divided opinion between the ruling and opposition parties.

Kosovo government has resolved to recognize and include Montenegrin minority as an integral of the country. On a separate development, International Civilian Office

(ICO) head Pieter Feith said he is convinced that there will soon be results in Kosovo's anti-corruption effort because that is part of its EU prerequisites.

It was a ruminating process before the Romanian Democratic Alliance of Hungarians (UDMR), consented to the proposal of President Traian Basescu, of turning Romanian bicameral parliament into a unicameral one, and reducing the number of lawmakers from 471 to 300. The proposal has been a serious political issue in the country for months.

In Serbia, Tomislav Nikolic and Jovan Krkobabic were re-elected as the leaders of the opposition Serbian Progressive Party (SNS) and Party of United Pensioners of Serbia (PUPS) respectively. Both leaders promise to forge ahead Serbia-EU integration.

According to the Italian foreign minister effort is on to unblock the Stabilisation and Association Agreement that will facilitate and help Serbia get EU candidate status in the first half of 2011.

The Slovenian parliament is due to ratify the referendum due for June 6, which will arbitrate the border dispute between Slovenia and Croatia. Both countries have been at loggerhead over border and Slovenia has used that against Croatia-EU accession.

Economic Issue

The European Commission (EC) will launch an excessive deficit procedure against Bulgaria because Sofia missed the stability and growth pact benchmark deficit of 3% of GDP. Its deficit was 3.9% of GDP for the first time since joining the EU in 2007.

The relation between Sofia and Damascus is likely to be strengthened due to the intention of Syria to pay its debt to Bulgaria. The latter is expected to be paid 24% (\$17m) of \$75m Syria owes it. Meanwhile, as both strikes agreement on debt payment, they also agreed to restore air traffic between Sofia and Damascus and Varna and Latakia and to boost co-operation in the fields of textile and food production, education, tourism and medicine.

Kosovo Telecommunications Regulatory Authority (TRA) has taken a drastic step disabling all Serbia telecommunication operators in Kosovo accused to be operating without permission and failing tax payment. The action irked the Serbian government and has accused Kosovo of trying to put thousands of Serbs without telephone service. Meanwhile, two machines of Kosovo telephone operators were damaged in response to the step taken by the government.

Social/Humanitarian Issue

According to the US-based Freedom House report, press freedom declined in almost every region of the world last year, while the Balkan region ranks around 70s, 80s and 100s among countries in the world with press freedom. It is understandable that this region needed to boost the image of media in the region because that will keep them abreast with the EU conditionality.

Croatian parliament has recently abolished the crisis tax on income ahead of schedule, at the government's request. The additional 2% levied on taxable income of between 415 and 820 euros will be removed as of July 1st, while the 4% tax on incomes higher than 820 euros will be scrapped as of November 1st.

Food, Environment and Energy Issue

Geostrategic Issues

Turkey's regional role and influence remains visible as Ankara extends its influence into the Balkan, the former Ottoman Empire's sphere. The recent meeting of Bosnia, Serbia and Turkey president which focused on regional cooperation and understanding throws elucidate that Turkey can bridge gap between foes as being done between Syria and Israel.

NATO has offered Bosnia and Herzegovina (BiH) its Membership Action Plan (MAP), a path towards NATO membership. But such plan will not be fully implemented unless BiH resolves the military property issue in the country.

Croatia and Serbia returned to the negotiation table to demarcate the border that links them after a seven years stall.

KFOR authority handed over to Kosovo border police to controlling the country's border with Albania. This is an expression of capability and responsibility of the Kosovo government to man its own security.

According to survey by the Institute for Democracy "Societas Civilis" which suggests that 65% of Macedonians oppose a name change for the sake of joining NATO. Macedonia and Greece has been at loggerhead over name, the latter wants Macedonia to be renamed as "Republic of Northern Macedonia" but Macedonian Prime Minister Nikola Gruevski said he will personally vote against it even though if that will be the solution it must go through referendum.

Oceania

Political Issue

Economic Issue

Social/Humanitarian Issue

Food, Environment and Energy Issue

Australian Labour party has failed to secure the consent of the parliament for carbon trading scheme to cut greenhouse gas emissions until at least 2013. PM Rudd has

been interested to make Australia the pacesetter on such scheme but the opposition conservative party refused on the ground that global action to gas cut has been very slow.

However the Australian Green slammed the parliamentary delay, saying the government lacked political will to address the issue.

Geostrategic Issues

Report Details

US/Canada

WASHINGTON — With political pressure mounting, Senate Republicans relented on Wednesday and agreed to let Democrats open debate on legislation that would impose the most far-reaching overhaul of the nation's financial regulatory system since the aftermath of the Depression. The decision by Republicans to allow floor deliberations came after they voted three days in a row to block the bill, and it suggested that they saw political peril in being depicted as impeding tougher rules for Wall Street. But Republicans still oppose many aspects of the bill, and a rough floor fight lies ahead. Senate Republicans still control enough votes to filibuster and prevent the bill from being adopted. President Obama praised the shift in the Senate at a rally in Quincy, Ill., and later in a rare chat with reporters on the plane back to Washington. "I want to work with anyone, Republican or Democrat, to move this legislation," Mr. Obama said at the rally, adding, "What I don't want is a deal made that is written by financial industry lobbyists." Before the logjam broke, Democrats on Wednesday threatened to keep the Senate in session overnight to dramatize the Republican opposition. Republicans said they decided to move forward after talks broke down between leaders of the Banking Committee and it was clear they would win no further changes before debate. At about 6:15 p.m., the majority leader, Harry Reid of Nevada, requested the unanimous consent of the Senate to begin debate, and there was no objection from the Republican side. "Now let's get to work," Mr. Reid said. "And let's do the utmost to make the American people proud of our efforts." He added, "Wall Street needs reforming." While the Republicans can still filibuster, they are at a disadvantage during floor debate given the Democrats' 59 to 41 majority. And the decision to allow floor debate appeared to be a significant retreat by the minority, reflecting a calculation that further delay was politically untenable. Among the challenges for Republicans was explaining how they could participate in an oversight hearing on Tuesday criticizing Goldman Sachs executives and proclaiming the need to tighten regulation of Wall Street, but then go to the Senate chamber and vote to block debate of the financial regulatory bill.

ST. PETERSBURG, Fla. — Charlie Crist dubbed himself "The People's Governor" as he brought a bipartisan spirit to Tallahassee. Now that partisanship is at a peak, he wants to be "The People's Senator," vowing to change his registration to no party affiliation and abandon the Republican primary for a populist run for Senate. In a short speech before hundreds of supporters in a park near his apartment, Crist on Thursday repeatedly referred to "the people" in explaining his decision to run on his own after falling far behind Republican Marco Rubio in a race most a year ago said was Crist's to

win. "The easy thing for me would have been to run for re-election as governor, but for me it's never been about doing what's easy, it's been about doing what's right for the people first," Crist said to chants of "Char-lie".

Crist, though, has to wage a war on two fronts against Rubio and Democratic front-runner U.S. Rep. Kendrick Meek. And he'll have to do it without his fundraising base, with a new staff and with the party that put him in power doing all it can to stop him.

That didn't seem to matter Thursday. Crist looked relaxed, even happy, as he signed autographs and posed for pictures as he slowly left the stage through a mob to repeated shouts of "We love you, Charlie!" and repeated replies of "I love you more."

WASHINGTON – The Republican infighting over Florida's Senate seat that drove Gov. Charlie Crist to ditch the GOP is giving an underdog Democrat a realistic shot at pulling off an upset in the fall. Democratic Rep. Kendrick Meek, who appeared headed to a lopsided loss in November, suddenly looks like a plausible contender to snatch away victory as Crist's decision to run as an independent sets up a three-way race that could split Republicans between the governor and Republican favorite Marco Rubio. Democrats welcomed Crist's announcement as the fallout from a "corrosive civil war" in the Republican Party. Meek, a 43-year-old congressman from Miami and a former state trooper, said his campaign is in a "commanding position" and offers voters a clear alternative to two "bickering" Republicans. "The governor and Marco Rubio have spent hundreds of thousands of dollars talking about back-waxing and things of that nature," Meek said, referring to barbs that Crist and Rubio traded recently, including Crist's suggestion that Rubio used Republican Party funds to have his back waxed. "We haven't even taken a 15-second ad on radio."

Meek could win with just over a third of the vote, instead of the 50 percent-plus majority he would have needed in a head-to-head matchup against Crist or Rubio. Meek would be Florida's first black senator and the first black senator from the South since Reconstruction. "I think it's a jump ball," said Steve Schale, a Democratic consultant who ran President Barack Obama's Florida campaign in 2008. "Meek probably did have an uphill battle in a two-way race ... but now people are looking at it and saying, 'Wait, this is doable.' You're already seeing some of the institutional supporters of the Democratic Party getting excited." The shifted dynamic in the nation's largest swing state is a rare point of hope for Democrats in an otherwise gloomy electoral climate in which the party is expected to see significant erosion of its congressional majorities.

The mood was far different in January 2009 when Meek decided to risk his promising congressional career by running for the Senate. Just a few months earlier, Obama had won Florida with 51 percent of the vote and Republicans were searching for an identity. Meek, who has had a charmed political career after winning his first election to the state House at age 27 and handily winning four congressional terms, hoped to ride a wave of Democratic momentum into the Senate.

WASHINGTON – Democratic Party Chairman Tim Kaine says voters will have this choice come the fall elections: Republicans who have practiced what Kaine calls "politically motivated obstruction" and Democrats who have delivered for Americans.

The Democratic chief is laying out the strategy later Wednesday. Prepared remarks show that Democrats are trying not to make the 2010 elections a referendum on President Barack Obama and the Democratic majority on Capitol Hill.

Rather, Kaine says Democrats will point to their accomplishments — saying "we have shown that we are the Results Party." And they will contrast that with the supposed lack of accomplishments by Republicans. He says the GOP has obstructed Obama because of political calculation and connections to special interests.

WASHINGTON – Suddenly, everything changed. For days, as an oil spill spread in the Gulf of Mexico, BP assured the government the plume was manageable, not catastrophic. Federal authorities were content to let the company handle the mess while keeping an eye on the operation. But then government scientists realized the leak was five times larger than they had been led to believe, and days of lulling statistics and reassuring words gave way Thursday to an all-hands-on-deck emergency response. Now questions are sure to be raised about a self-policing system that trusted a commercial operator to take care of its own mishap even as it grew into a menace imperiling Gulf Coast nature and livelihoods from Florida to Texas. The pivot point had come Wednesday night, at a news conference at an oil research center in the tiny community of Robert, La. That's when the nation learned the earlier estimates were way off, and an additional leak had been found.

On Thursday, President Barack Obama set in motion a larger federal mobilization, pledging to deploy "every single available resource" to the area and ordering his disaster and environmental leaders to get down there in person. Only a few days after the Coast Guard assured the country there was "ample time" to protect the coast if oil came ashore, warnings from the government were newly alarming. "I am frightened for the country, for the environment," David Kennedy, assistant chief of the National Ocean Service at the National Oceanic and Atmospheric Administration, told The Associated Press. "This is a very, very big thing, and the efforts that are going to be required to do anything about it, especially if it continues on, are just mind-boggling." The political subtext of the crisis was clear and increasingly on people's minds, whether from a federal office deploying oil-containment booms or from a Louisiana parish awaiting yet another sucker punch from the sea.

Will this be Obama's Katrina? Should the federal and state governments have done more, and earlier? Did they learn the lessons of the devastating hurricane? Political calculations vied with the increasingly scary Gulf reality — hundreds of thousands of gallons of oil and its progression to landfall Thursday night. Florida Gov. Charlie Crist, who also is in a hot campaign for the Senate, flew over the slick and commended the federal actions to date but wondered if anyone, really, could be doing enough in this situation. "It appeared to me," he said, "that this is probably much bigger than we can fathom."

There are fears of an environmental disaster in the Gulf of Mexico, as efforts to clear up an oil spill have been suspended because of bad weather. A drilling rig leased by the oil company BP exploded and sank off the Louisiana coast last week. Some 1,000 barrels of oil a day are leaking into the sea from the damaged well, officials say. They say the oil leak has the potential to damage beaches, barrier islands and

wetlands across the coastline. Eleven workers are still missing and presumed to have been killed in the accident. The search for them has been called off.

More than 100 other workers were rescued. The Deepwater Horizon had been burning for 36 hours when it sank on Thursday in 5,000 ft (1,500m) of water, despite efforts to control the flames. It was carrying out exploratory drilling 84km (52 miles) south-east of Venice, Louisiana when the blast occurred. **'Highly complex task'** Bad weather caused cleanup efforts to be suspended over the weekend, allowing the slick to grow to about 580 sq miles (1,500 sq km), officials say. BP has been using a robot submarine to try to activate a blowout preventer - a series of pipes and valves that could stop the leak.

However, this was a "highly complex task" and "it may not be successful", chief operating officer of BP's exploration and production unit Doug Suttles was quoted as saying by Reuters. The company has also brought in more than 30 cleanup vessels and several aircraft to spray dispersant on the floating oil. At the moment, the weather conditions are keeping the oil away from the coastline and it is hoped the waves will break up the heavy crude oil, allowing it to harden and sink back to the ocean floor.

Washington – As the Obama administration considers a potential legal challenge to Arizona's tough new immigration law, a professor who helped draft the bill is defending the state measure as supportive of existing federal statutes. "I think the critics who are claiming the bill will not withstand legal challenge need to read the bill," said Kris Kobach, a law professor at the University of Missouri-Kansas City. "The bill will withstand any preemptive challenge," he said, because it reinforces existing federal immigration laws and creates no new immigration crimes.

US Attorney General Eric Holder told reporters on Tuesday that he has assembled a group of lawyers from the Justice Department and the Department of Homeland Security to weigh a possible federal lawsuit. The measure was signed on Friday by Arizona Governor Jan Brewer. It is slated to take effect this summer, unless challenged in court. Will the law lead to racial profiling? Critics, like the American Civil Liberties Union, say the law will lead to racial profiling against Latinos and anyone who might appear to be an immigrant. Supporters say it is a necessary get-tough measure by Arizona officials in the face of ineffective federal enforcement efforts along the violent and lawless border with Mexico. They deny it will lead to civil liberties violations.

Last week, President Obama called the Arizona law "misguided," and instructed administration lawyers to "examine the civil rights and other implications."

Holder voiced similar concerns. He said the measure was "unfortunate" in that it might give rise to potential "abuse" by law enforcement officials. He declined to offer a more detailed legal analysis of the law's ability to survive a constitutional lawsuit.

"We are reviewing the law right now," the attorney general said. "We have a group that has been together over the past few days to examine exactly what our reaction is going to be." Sen. Lindsey Graham says it's unconstitutional Senator Lindsey Graham (R) of South Carolina said during a Senate Judiciary Committee hearing that he believes the Arizona law is unconstitutional. He did not say why. "What happened in Arizona is that good people are so afraid of an out-of-control border that they had to resort to a law that I think is unconstitutional," he said during a hearing with Homeland Security chief and former Arizona Governor Janet Napolitano.

WASHINGTON – Is the CIA's secret program of drone strikes against terrorists in Pakistan and Yemen a case of illegal assassinations or legitimate self defense?

That was a central question Wednesday as the program came under fire from several legal scholars who called for greater oversight by Congress, arguing the attacks may violate international law and put intelligence officers at risk of prosecution for murder in foreign countries. Four law professors offered conflicting views, underscoring the murky legal nature of America's nine-year-old war against extremists. The conflict has spread from wars in Iraq and Afghanistan to a complex campaign against al-Qaida, the Taliban and other insurgents worldwide. Both the Bush and Obama administrations have defended the use of attacks from unmanned aircraft. But they have also tiptoed around the issue because the CIA program — which has escalated in Pakistan over the past year — is classified and has not yet been acknowledged publicly by the government.

The CIA strikes are "a clear violation of international law," said Mary Ellen O'Connell, law professor at the University of Notre Dame Law School, who added that going after terrorists should be a law enforcement activity.

She said the rest of the world does not recognize American authority to carry out attacks in Yemen and Pakistan, countries where the U.S. is not involved in direct armed conflict. CIA officers who operate the drones could be arrested and charged with murder in other countries, O'Connell warned, likening it to having the Mexican police or military bomb hotels in Arizona in order to target drug lords who may be hiding there.

Others on the panel disagreed, saying enemy forces are legitimate targets, particularly when they operate out of countries that won't take action themselves.

The U.S. has long declared the legal view that as important as sovereignty is, "it is lawful to go and strike a person where a country is unable or unwilling" to control its own territory, said Kenneth Anderson, a professor at American University's Washington College of Law. CIA spokesman George Little would only say Wednesday that the CIA's counterterrorism operations are conducted in strict accord with the law.

Anderson's comments echoed remarks last month by State Department legal adviser Harold Koh. In a carefully worded speech, Koh said the Obama administration is committed to following the law in its operations against terrorists. And, while noting that there were limits to what he could say on the matter, Koh added that "U.S. targeting practices, including lethal operations conducted with the use of unmanned aerial vehicles, comply with all applicable law, including the laws of war."

Anderson said the secrecy around the program — which is written about extensively in the media — has become counterproductive for the CIA. He said it's difficult for the administration to give a legal blessing to something the agency doesn't admit takes place. An open discussion about the legal and policy issues would be more helpful, he said, and also would provide better legal protection for the CIA and the employees involved in the strikes. Lawmakers and the professors were also divided on the administration's move to put Anwar al-Awlaki, a U.S. born Muslim cleric who has been linked to the recent attacks against America, on the CIA's list of terrorists to be killed or captured. O'Connell said the idea that the U.S. can go after anyone it wants is "a fiction created by lawyers."

WASHINGTON — Defense Secretary Robert M. Gates has opened an inquiry into whether a top Defense Department official violated Pentagon rules by setting up a

network of private contractors to gather intelligence in Pakistan and Afghanistan. A Pentagon spokesman said Tuesday that Mr. Gates was also demanding greater oversight over the millions of dollars the Defense Department spent annually to carry out “information operations,” to ensure that such missions did not “stray off course” into secret intelligence collection. At the center of the Pentagon inquiry is Michael D. Furlong, a civilian official working for the Air Force who last year used a web of private contractors to clandestinely gather intelligence in Pakistan and Afghanistan. According to current and former government officials, some of that information was turned over to Special Operations troops to help fight militants. Some American officials think that Mr. Furlong may have financed the secret network by improperly diverting money from an overt program to gather information about the tribal structures and political dynamics in Afghanistan. The Pentagon’s inspector general is already conducting a criminal investigation into the matter. One focus of that investigation is whether Mr. Furlong engaged in contract fraud by channeling contracts to International Media Ventures, a media technology firm that American officials say Mr. Furlong used in the intelligence-gathering effort. But even if no laws were broken, officials said, the inquiry announced on Tuesday will more clearly define the Pentagon’s boundaries in intelligence operations, and determine whether Mr. Furlong’s outsourcing of intelligence collection violated Pentagon rules. The inquiry will be led by Mr. Gates’s senior aide in charge of intelligence oversight. Geoff Morrell, the Pentagon press secretary, said that a Pentagon team set up to do a quick study of Defense Department information operations — the area of warfare where information is used to achieve military ends — had found that the programs were well managed and had unearthed no evidence of operations similar to the one set up by Mr. Furlong.

Former Alaska GOP Gov. Sarah Palin on Tuesday night declared that there is “no ability or opportunity” for the new Arizona immigration law to encourage racial profiling, and blamed Barack Obama for “perpetuating this myth.” The new law allows police offices to stop anyone they suspect of being an illegal immigrant and ask to see documents proving their legal status. If the person cannot provide the documents, Arizona police now have the right to detain them until the federal government can prove they are legal. Civil rights activists have decried the new law as “racist,” but Palin dismissed the attacks during an interview with Fox News’ Sean Hannity. “There is no ability or opportunity in there for the racial profiling,” she said. “Shame on the lame stream media again for turning this into something that it is not.” Palin then blamed the president for allowing the “myth” that the law allows racial profiling to take hold. “It’s shameful, too, that the Obama administration has allowed...this to become more of a racial issue by perpetuating this myth that racial profiling is a part of this law,” she said. “I think that President Obama is playing to his base on this one. And I think that’s quite unfortunate because this isn’t fair to the legal immigrants. It’s not fair to illegal immigrants either...many of them want to come here and find that pathway to citizenship.”

Asked for her reaction to some on the left who have compared the new law to Nazi Germany, Palin said “it is over-the-top.” “It’s really to incite and energize some of Obama’s base, hoping that they’ll show up at the polls in the midterm elections in November,” Palin said of criticism of the law. The former Alaska governor also

applauded Arizona GOP Gov. Jan Brewer for signing the law amidst protests at the state capital. "Governor Jan Brewer did what she had to do as the CEO of that state," Palin said. "To help protect the citizens of her state she had to do what the federal government has refused to do, and that is help secure the border."

ABOARD AIR FORCE ONE – President Barack Obama said Wednesday that there "may not be an appetite" in Congress to deal with immigration immediately after going through a tough legislative year. With energy legislation on the table and midterm elections approaching, Obama said he didn't want to force an immigration bill through Congress "just for the sake of politics." Still, he said discussions on the issue must move forward in a way that can garner the support of the American people.

"We've gone through a very tough year and I've been working Congress very hard, so I know there may not be an appetite immediately to dive into another controversial issue," the president told reporters aboard Air Force One returning with him to Washington from a Midwest trip. The issue of immigration bubbled to the surface in recent weeks after Arizona Gov. Jan Brewer signed a controversial bill into law requiring local and state law enforcement to question people about their immigration status if there's reason to suspect they're in the country illegally. The law also makes it a state crime to be in the U.S. illegally. Obama has sharply criticized the law, asking the Justice Department to look into whether it violates civil rights. On Wednesday, he said he understands the frustrations of people in Arizona who are faced with thousands of immigrants coming into their state illegally, but he said the state's new immigration law would only end up polarizing the debate over reform.

WASHINGTON — A Senate investigations panel confronted Goldman Sachs executives Tuesday with evidence that the firm peddled subprime mortgage securities its traders considered to be "crap" as they secretly made huge bets on a housing downturn. Sen. Carl Levin, a Michigan Democrat, culminated more than 10 hours of often-contentious testimony by telling Goldman's top officer, chief executive Lloyd Blankfein, that the firm had "a fundamental conflict" with its clients' interests as it exited the home mortgage market in 2006 and 2007. "And it raises a real ethical issue," said Levin, the chairman of the Senate Permanent Investigations Subcommittee.

Blankfein, whose company is facing civil fraud charges from the Securities and Exchange Commission over one of its subprime deals, declined to give ground. He denied that Goldman made massive "short," or negative, bets on subprime mortgage securities. Further, he said, Goldman had no obligation to divulge its short bets in its role as a market maker for sophisticated institutional investors.

"The investors we're dealing with ... know what they want to acquire," Blankfein said. If they raise questions about a deal, he said, "then the salesman owes them an honest answer." The subcommittee reviewed 2 million subpoenaed Goldman documents during an 18-month investigation of the world's most prestigious investment bank, which has become a poster child for Wall Street's role in fueling the housing bubble that burst the global economy.

Levin and his subcommittee colleagues spent much of the day questioning four current and former Goldman traders and the company's chief financial and risk officers about more than 170 company e-mails and documents describing how the firm escaped

the subprime market. Levin contended that Goldman racked up billions of dollars in profits in 2007 by making exotic, insurance-like bets on a housing collapse — sometimes wagering against securities in offshore deals that Goldman actually designed. In one deal, which Levin raised again and again, a Goldman executive labeled the mortgage securities "shitty." Levin recounted for Blankfein a litany of failed deals from 2006 and 2007 that totaled \$3.5 billion in which he said that "clients lost, Goldman profited."

Last week, the Pentagon rescinded their invitation to speak at a National Day of Prayer event for Pastor Franklin Graham, son of Rev. Billy Graham, because of his past and current sentiments about Islam. Speaking about the decision, Army spokesman Col. Tom Collins said, "This Army honors all faiths and tries to inculcate our soldiers and work force with an appreciation of all faiths and his past comments just were not appropriate for this venue." In 2001, Franklin Graham said, "We're not attacking Islam but Islam has attacked us. The God of Islam is not the same God. He's not the son of God of the Christian or Judeo-Christian faith. It's a different God, and I believe it is a very evil and wicked religion." In 2006, he didn't back down saying, "I know about Islam. I don't need an education from Islam. If people think Islam is such a wonderful religion, just go to Saudi Arabia and make it your home. Just live there. If you think Islam is such a wonderful religion, I mean, go and live under the Taliban somewhere. I mean, you're free to do that." Then, in a Wall Street Journal piece, Graham wrote: "the persecution or elimination of non-Muslims has been a cornerstone of Islamic conquests and rule for centuries. Graham also said the Quran "provides ample evidence that Islam encourages violence in order to win converts and to reach the ultimate goal of an Islamic world." Pretty tough talk from a major Christian pastor. It also seems that a majority of Protestant ministers agree with Franklin Graham. Nashville-based LifeWay Research conducted a poll of 1,000 Protestant ministers and read them a negative statement about Islam from Franklin Graham and then read them a statement by George W. Bush that Islam is a religion of peace and charity. Forty-seven percent agreed with Graham's statement, twelve percent agreed with both Graham and Bush, and about twenty-five percent agreed with Bush alone. "This means a majority of Protestant pastors chose statements that agree with Franklin Graham's statement," said Ed Stetzer, president of LifeWay Research, to the Tennessean newspaper. Stetzer also said, "This should not surprise us -- Protestant Christianity is, in a sense, a competing faith, and that comes through in the survey." Most ministers also said Muslims and Christians do not pray to the same God.

WASHINGTON – Secretary of State Hillary Rodham Clinton says any attempt by Iranian President Mahmoud Ahmadinejad (ah-muh-DEE'-neh-zahd) to undermine what the U.S. sees as the central purpose of next month's nuclear conference at the United Nations will meet with failure. Clinton said Thursday she does not know what the Iranian leader intends to tell the conference, which opens Monday. She said the conference is meant to review, revise and reinvigorate the Nuclear Non-Proliferation Treaty. The conference could provide Ahmadinejad a platform for lobbying against a new round of U.N. sanctions. Iran is under international pressure to accept tighter restrictions on its nuclear program.

WASHINGTON – The Obama administration Thursday warned Iran and Syria that America's commitment to Israel's security is unshakable and that they should understand the consequences of threats to the Jewish state.

In a speech, Secretary of State Hillary Rodham Clinton said Syrian transfers of increasingly sophisticated weaponry including rockets to militants in southern Lebanon and Gaza could spark new conflict in the Middle East. And she said a nuclear-armed Iran would profoundly destabilize the region. "These threats to Israel's security are real, they are growing and they must be addressed," she said in the speech to the American Jewish Committee. The speech was the administration's latest effort to reassure Israel that its ties to the United States remain strong despite tensions that flared last month.

Clinton told the group that Israel is "confronting some of the toughest challenges in her history," particularly from Iran, Syria and groups they support like Hezbollah in Lebanon and Hamas in the Gaza Strip, and reaffirmed U.S. determination to get them to change course. "Transferring weapons to these terrorists — especially longer-range missiles — would pose a serious threat to the security of Israel," she said.

Israel has accused Syria of providing Hezbollah with Scud missiles, weapons that would dramatically increase the group's ability to strike targets in Israel. Syria has denied the charges.

U.S. officials have not confirmed Hezbollah's possession of Scuds, but say they are concerned about its growing arsenal of rockets and missiles. Israeli Defense Minister Ehud Barak, addressing the same group later, made the same points as Clinton and said Israel was watching closely the situation with Hezbollah and Iran. He said Israel would hold the Lebanese and Syrian governments responsible for the introduction of any "balance-breaking weapons" to Hezbollah. Getting Syrian President Bashar al-Assad to stop supplying these weapons, Clinton said, is one of the administration's prime goals in returning an ambassador to Damascus. The U.S. has been without an ambassador in Syria for five years. The nominee, career diplomat Robert Ford, is still awaiting Senate confirmation. Some lawmakers have questioned the wisdom of sending an envoy to Syria now, saying it would reward the country for bad behavior. But Clinton argued it would not be "a reward or concession," but rather "a tool that can give us added leverage and insight and a greater ability to convey strong and unmistakably clear messages aimed at changing Syria's behavior." "President Assad is making decisions that could mean war or peace for the region," she said. "We know he's hearing from Iran, Hezbollah and Hamas. It is crucial that he also hear directly from us, so that the potential consequences of his actions are clear."

OTTAWA (Reuters) – Public support for the Conservatives is dropping amid a political scandal but the Liberal Party is also having trouble attracting voters, according to a poll released on Monday. The Harris-Decima survey for the Canadian Press put the Conservatives at 29 percent popular support -- down three points from a poll by the same firm earlier this month -- while the Liberals were at 27 percent, down two points. The New Democrats were up three points at 20 percent.

The last time the Conservatives dipped below 30 percent support was in a Harris-Decima poll released in May 2009. The latest survey indicates an election now would result in political deadlock. Under the 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. To win a majority a party needs more than 40 percent. Support for the Conservatives has been sliding since Prime Minister Stephen Harper forced out junior minister Helena Guergis from government on April 9 after receiving what he said were serious allegations about her.

Guergis's husband, former Conservative legislator Rahim Jaffer, has also been at the center of a political scandal over possible improper conduct.

The Harris-Decima survey of 2,014 voters was conducted between April 15 and 25 and is considered accurate to within 2.2 percentage points, 19 times out of 20.

OTTAWA (Reuters) –The speaker of the House of Commons, charged with settling a power struggle between opposition legislators and the Conservative government, gave both sides two weeks on Tuesday to sort out their differences. Peter Milliken announced his decision after opposition parties asked him to find government ministers guilty of contempt for refusing to hand over uncensored files on people detained by the Canadian military in Afghanistan. The House of Commons, where the Conservatives have only a minority of members, ordered the government to turn over the files in December. The government refused, citing national security. Milliken said that while the government had been in contempt of the House by not handing over the documents, a way should be found to ensure sensitive information did not leak out once the papers had been given to legislators. "The House and the government have essentially an unbroken record of some 140 years of collaboration and accommodation in cases of this kind. It seems to me it would be a signal failure for us to see that record shattered (now)," Milliken said in his 40-minute ruling, which he read out in the Commons. Milliken said that if the two sides failed to agree to a compromise in the next two weeks, he would then announce the wording of a resolution that legislators would vote on to settle the matter. This might be a motion finding the government in contempt, which could trigger an election if adopted by the House. It seems unlikely, however, that either side would accept that result. Polls show neither the minority Conservative government -- which must have the support of at least one other party to stay in power -- nor the main opposition Liberals stand a chance of a clear election victory now. There was no immediate reaction from the government. Opposition legislators hailed the ruling, which they said had established primacy of the House of Commons.

OTTAWA (Reuters) – Bank of Canada Governor Mark Carney said on Tuesday that the timing of upcoming interest rate hikes has not been set and will depend on the strength of the economy and how quickly prices rise. "Nothing is preordained. The extent and timing of any additional withdrawal of monetary stimulus will depend on the outlook for economic activity and inflation, and will be consistent with achieving the 2 per cent inflation target," he said in a statement before an appearance in Ottawa. The Bank of Canada laid the groundwork this month for hikes to record low interest rates, saying it was time to start withdrawing some of the unprecedented monetary stimulus that helped pull Canada out of recession. A poll following its most recent rate-setting decision showed most of Canada's primary securities dealers think the bank will raise interest rates in June.

The Canadian government raised its 2010 economic growth outlook on Monday, based on forecasts from private sector economists, bringing its view closer in line to that of the Bank of Canada. The average of 15 forecasts is for real growth in gross domestic product of 3.1 percent in 2010, up from 2.6 percent in the survey taken in December and used as the basis of the federal budget released in March. Growth for 2011 is seen at 3.1 percent, down from 3.2 percent in the December survey. "Overall, the March survey results suggest that the near-term outlook has improved since the December survey was conducted," the Department of Finance said.

The government has used the average of private sector forecasts as the base for its fiscal planning since 1994, a method that aims to ensure independence in its estimates. The Bank of Canada last week estimated 3.7 percent growth this year, slowing to 3.1 percent in 2011, after economic activity rebounded faster than expected in the fourth quarter of last year and early this year. Nominal GDP, the broadest measure of the tax base, is seen growing 6 percent this year, up from 4.9 percent previously, and by 5.2 percent in 2011. The poll suggests the unemployment rate will ease to 8.1 percent from the 8.5 percent seen in December, and to 7.7 percent next year.

The outlook is good news for the Conservative government, which is under pressure to show how it plans to balance the federal budget after it fell into deficit during the recession for the first time in a decade. It is relying largely on economic growth to generate more tax revenue, but has said it is ready to pare down government spending if necessary. "Over the medium term, the private sector average growth outlook remains broadly the same as in budget 2010," the Finance statement said, referring to the government's 2010-11 budget documents. "The level of nominal GDP is expected to be about C\$14 billion (\$14 billion) higher in 2014 than projected in the budget. This suggests that the medium-term fiscal forecast presented in budget 2010 remains on track." The government will provide an updated medium-term fiscal forecast this fall.

CALGARY, Alberta (Reuters) – Profit at Canada's big oil sands producers climbed in the first quarter as prices surged for oil, especially the heavier grades, allowing the industry to shake off the effects of economic meltdown.

Cenovus Energy Inc, in its first full quarter after being spun off by EnCana Corp, generated better-than-expected earnings, partly on a surge in output at Foster Creek, its biggest steam-driven oil sands project. Imperial Oil Ltd, the country's No. 2 oil producer and refiner, reported a 65 percent jump in net income, as production from such oil sands projects as Cold Lake and Syncrude Canada Ltd held steady amid the stronger oil prices. Canadian Oil Sands Trust, which has the largest interest in Syncrude, reported a fourfold jump in earnings and lifted its cash distribution by 43 percent.

In the past several months, Cenovus, Imperial and other developers have launched new projects and expanded existing ones, after the recession halted most investments.

That has begun to lift costs in Alberta, site of the vast oil sand resources. Still, costs are well below levels through mid-2008, when the rush to move projects forward stretched the labor supply thin and led to massive overruns, Versant Partners analyst Mark Friesen said. "Are there pockets of single-digit inflation? Sure. Is that something companies need to manage around? Sure. Is it manageable? Yes," Friesen said.

Executives said cost increases vary depending on the activity in different regions. Double-digit inflation has hit the red-hot Bakken unconventional oil play in southern

Saskatchewan and the northern United States, for example. Oil sands inflation has yet to hit that level. In the quarter, Cenovus earned C\$525 million (\$516 million), or 70 Canadian cents a share, up from year-earlier C\$515 million, or 69 Canadian cents. Operating profit fell 15 percent to C\$353 million, or 47 Canadian cents a share. Imperial, 69.6 percent owned by Exxon Mobil Corp, earned C\$476 million, or 56 Canadian cents per share, up from C\$289 million, or 33 Canadian cents per share. The company, which is developing the C\$8 billion Kearl oil sands project in northern Alberta, also raised its dividend by 10 percent to 11 Canadian cents a share.

TORONTO (Reuters) – One in four Canadians over the age of 50, who have at least C\$100,000 (\$100,000) in assets, retired with some form of debt, according to a Royal Bank of Canada survey released on Monday. Nearly one-quarter of the 2,143 respondents had a mortgage on their main residence when they retired, the poll found. While the majority of respondents said they feel saving is important, 28 percent said they took on more debt after retirement. "More and more, Canadians are carrying debt into retirement, which is not necessarily a bad thing," Lee Anne Davies, head of retirement strategies at RBC, said in a release. "Having access to credit in retirement can be beneficial to managing income and cash flow, and provide additional flexibility."

Davies said RBC advises starting retirement planning early with a focus on paying down debt, saving, and budgeting for pre- and post-retirement years. A separate survey released on Monday by Canada Mortgage and Housing Corp found that 81 percent of home buyers are comfortable with their current level of mortgage debt.

More than two-thirds of recent home buyers among the federal housing agency's survey of 2,503 active mortgage users said they feel there is a strong chance they will pay off their mortgage sooner than required.

In the RBC poll, inflation and taxes were among the biggest concerns for retired Canadians. More than one-third of retirees were worried about the impact of inflation on their retirement income, RBC said. That number jumped to 43 percent among those who had not yet retired. Six out of 10 retirees also said they were worried about the effect taxes would have on their income, with two-thirds believing their taxes would go up in the next 10 years. The retirees polled said they were living on 56 percent of their pre-retirement income, pointing to a sharp drop in spending in retirement, RBC said.

The RBC survey was conducted by Ipsos Reid March 10-19. The CMHC poll was conducted February 11-28.

Western Europe

ATHENS/MOSCOW (Reuters) – Hundreds of thousands of people joined May Day rallies across Europe on Saturday, many protesting against government austerity policies in the wake of the global financial crisis. In Greece, where the debt-stricken government has pledged budget cuts to secure a European Union and IMF rescue, protesters burned garbage cans and set a TV van on fire. Shops were closed and ships docked while the streets of the capital were unusually empty but for various protest marches heading toward parliament, meters away from the Finance Ministry where EU and IMF officials have been meeting for days to agree a new set of austerity measures.

"No to the IMF's junta!" protesters chanted, referring to the military dictatorship which ruled Greece from 1967 to 1974. The aid package is aimed at pulling Greece out of a severe debt crisis, which has hit the euro and shaken markets worldwide, and avoid contagion to other euro zone countries. "Hands off our rights! IMF and EU Commission out!," the protesters shouted as they marched to parliament.

In France, an estimated 300,000 people had taken to the streets in various cities by midday as part of the traditional May Day demonstrations held by trade unions in many countries. At the forefront of protesters' minds were President Nicolas Sarkozy's plans to reform the country's costly pension system, as well as general fears over job security due to the financial crisis. Marchers in Paris shouted "You had to experience the crisis in 2009, are you now going to have to pay for it in 2010?"

Moscow saw a traditional May Day gathering by the Communist Party, Russia's second biggest -- as well as a rare, officially-sanctioned opposition demonstration. While some 3,000 communists held bright red banners and large portraits of Soviet dictator Josef Stalin, hundreds of opposition demonstrators compared Prime Minister Vladimir Putin to Stalin. "Putin is Stalin! Putin is Brezhnev! Russia without Putin," chanted the opposition crowd, including former chess master Garry Kasparov, who has become one of the Kremlin's harshest critics and co-heads the pro-western Solidarity movement. The opposition says Putin stifled media freedom and democratic rights when he was president between 2000 and 2008.

In Sofia, more than 5,000 Bulgarians protested against high unemployment and what they called an inadequate response to the economic crisis of the center-right government. Supporters of the opposition Bulgarian Socialist Party (BSP) waved red and national flags and chanted "Resignation." "Every day this government causes damages to Bulgaria and it must go," said BSP's leader and former premier Sergei Stanishev. Bulgaria's government, led by former Sofia mayor Boiko Borisov, came to power only last July after winning general elections. But the country has been hard hit by the global economic crisis as foreign investors fled and firms cut back. Not all of the May Day rallies were marked by anger.

In Turkey, more than 100,000 workers thronged a central Istanbul square on Saturday for May Day celebrations, held there for the first time since the late 1970s, when unknown gunmen massacred dozens of people. Unions and political parties poured into Taksim Square, singing and chanting slogans such as "long live May Day."

WASHINGTON — With new European Union leaders practically invisible and some national leaders acting largely for domestic political reasons, the burden of shaping a rapid and credible restructuring program for Greece has fallen primarily to the International Monetary Fund — exactly where proud European Union leaders had insisted it should not be. On ce again — as during the 2008 financial crisis and the more recent halt in European air traffic due to volcanic ash — European leaders have failed to surmount national interests and cobble together a coherent policy quickly enough to address a problem. In the process, they may have done permanent damage to the credibility of the European Union. “There is no doubt that the European project has suffered structural damage from this,” said Jacob Kirkegaard, a research fellow in European affairs and structural reform at the Peterson Institute for International Economics here. “It’s clear that the I.M.F. is the last man standing and is structuring the

program.” Criticism is rising about the competence of European leaders, which has worsened the plight of all the countries in the euro zone. Senior United States officials, while not wanting to interfere in a European problem, have nonetheless expressed their anxiety to European counterparts and to the monetary fund itself. President Obama called Chancellor Angela Merkel of Germany on Wednesday to lend his support and encouragement for her willingness to take a bolder position to try to calm the markets. Mrs. Merkel has been the central figure in the debt crisis, as she has tried to respond to German voters’ displeasure at having to bail out Greece, after years of bailing out eastern Germany. She delayed action on the problem for months, hoping to put it off until after critical regional elections on May 9.

Ultimately, that proved impossible. But her foot-dragging, combined with her insistence that Greece pay a severe long-term price for its profligacy and that the German Parliament approve any bailout, gave the markets both reason and room to run up the price of Greek debt to unsustainable levels. That forced the International Monetary Fund and the Europeans on Wednesday to practically quadruple the commitment to Greece, to try to calm the markets and not turn their attention to Portugal, another weak reed. “The fact that a German regional election can play such a disproportionate role in messing up efforts to contain what was a much smaller crisis several months ago is astonishing,” Mr. Kirkegaard said. And the fact that there will be no European Union summit meeting until May 10, after the German elections, “is so blatantly political,” he said. “This is no way for an E.U. that has to contain an accelerating crisis and market panic to behave,” Mr. Kirkegaard said. The European monetary union was simply “not ready for bad weather,” said Janis A. Emmanouilidis, a senior policy analyst at the European Policy Center in Brussels, saying it had no mechanisms in place to deal with issues of debt or the potential default of a member state. “In the absence of such clear mechanisms, you need political leadership,” he said. “But the past months have seen a lack of leadership.” The same problem was raised earlier this month by the ban on European air travel because of the ash spewed by an Icelandic volcano. With no European Union agreement governing European airspace, national leaders struggled, with astounding delays, to coordinate a policy while both airlines and passengers suffered.

Dominique Strauss-Kahn, the managing director of the International Monetary Fund, says the Greek people should not fear the IMF. He was responding to a Greek journalist who said Greeks are demonising the IMF and fear the country's economic crisis will be worse with its involvement. He replied that the IMF was there to help Greece, but deflected questions about negotiations with its government. On Friday, Greece asked for an EU-IMF bailout of its debt-ridden economy. Mr Strauss-Kahn was speaking after the agency's main ministerial steering committee met in Washington.

The agency has a reputation for requiring borrowing countries to make deep cuts in popular government spending programmes, says the BBC's economic correspondent, Andrew Walker, from the IMF headquarters in Washington. But Mr Strauss-Kahn said the Greek people should think of the IMF as a "cooperative organisation" where the countries of the world work together to help those in trouble by providing resources and advice on behalf of the international community. "Greek citizens should not fear the IMF," he said. "We are there to try to help them."

Meanwhile, politicians from Greece's fellow Eurozone members, France and Germany, have warned Greece it must be far more prudent in future. The French economy minister, Christine Lagarde, told the French newspaper Journal du Dimanche that the EU would come down hard on Greece if it failed to act responsibly: "In the case of default on repayment, we will immediately put the foot on the brake." Germany's finance minister, Wolfgang Schaeuble, also said aid should not be taken for granted, but was conditional on prudent behaviour. He told the mass-selling Bild newspaper no firm decision had been taken and any loan depended "entirely on whether Greece continues in the coming years with the strict savings course it has launched". Opposition to aid for Greece runs deep in Germany. Bild recently wrote a so-called open letter to Greece asking whether Germans went to work such long hours and for so many years simply to let Greeks retire in their 50s.

BERLIN – Financial markets reacted violently Wednesday to a growing government debt crisis in Europe — and awaited clear word from Germany that it would come to the aid of heavily indebted Greece to keep its financial troubles from spreading to other countries. Markets looked for reassurance from a meeting Wednesday in Berlin by Chancellor Angela Merkel, the International Monetary Fund chief Dominique Strauss-Kahn and European Central Bank President Jean-Claude Trichet.

Greece has said it can't pay debts coming due May 19 without euro45 billion (\$59.8 billion) in bailout loans from the countries that use the euro as well as the International Monetary Fund. But Germany, which would be the biggest single contributor with some euro8.4 billion, has insisted that Greece agree to a lasting austerity plan before it will approve its share of support.

That has been interpreted as reluctance and raised fears Greece might not get the money it needs to stave off collapse. A default would be a serious blow to the shared euro currency and could undermine confidence in other country's finances. Finance Minister Wolfgang Schaeuble insisted that legislation to free up the German contribution could get through both houses of parliament within a week — as early as May 7 — if Athens wraps up its talks with the International Monetary Fund and the European Union quickly enough.

Foreign Minister Guido Westerwelle echoed that commitment, insisting that Germany is ready to act quickly in order to protect the euro — as soon as Greece has made it clear it will do its part. "We will protect our currency and this is in the deepest interest of every European citizen," Westerwelle told reporters.

LONDON (AFP) – Greece's deepening financial crisis sent stock markets and the euro reeling again on Wednesday after its debt was slashed to junk status, fanning fears of a default. A fierce global equities sell-off was sparked on Tuesday after ratings agency Standard & Poor's cut Greek debt to junk status, while a downgrade to Portugal also stoked concerns about a widening eurozone crisis.

As the European Union announced that it would hold an emergency summit on Greece, the Frankfurt stock market plummeted 1.93 percent and Paris plunged 2.16 percent in late morning deals. London fell 0.98 percent, one day after suffering its biggest one-day loss since November. Lisbon tumbled 5.56 percent and Madrid fell by 2.72 percent, while Athens was down 1.69 percent after massive losses in recent days.

"Any hope that the Greek issue was finally coming under control took a huge blow yesterday with the country's sovereign debt being downgraded to junk," said IG Markets analyst Ben Potter. The news sparked "a quick run of selling on equity markets across the globe that was reminiscent of the chaos of 2008," he added.

The debt drama also rattled Asian markets, with Tokyo slumping 2.57 percent and Hong Kong diving 1.26 percent in value. Wall Street shed 1.90 percent overnight, with the Dow Jones Industrial Average finishing under the symbolic level of 11,000 points, as Greece and Portugal downgrades reverberated across the globe.

"The downgrading of Portuguese and Greek debt has spooked investors, as there is a very real fear that other European countries could be downgraded too," said analyst Owen Ireland at ODL Securities. In the foreign exchange market on Wednesday, the European single currency hit a new one-year dollar low

European stocks rose modestly and the euro halted its decline Thursday, a day after the International Monetary Fund promised to increase the 45 billion euro aid package for Greece to as much as 120 billion euros over three years to quell the I.M.F.'s biggest crisis since the Asian woes of 1997. A newspaper kiosk in Athens on Wednesday. In many ways, the current troubles in Europe go to the heart of the I.M.F.'s new mission to serve as a firewall in the financial crisis. The fund is racing to conclude an agreement for more painful austerity measures from Greece by Monday, clearing the way for the government in Athens to receive funding and to reassure investors worldwide that European debt is safe. On Wednesday, Dominique Strauss-Kahn, the I.M.F.'s forceful managing director, pledged the additional aid in a private meeting with German legislators. The package would be the equivalent of up to \$160 billion and would come from both the I.M.F. and from Germany and other countries using the euro. But as has frequently been the case during Europe's debt crisis, the promise of help was overshadowed by more disturbing news — in this case, a cut in the debt rating of Spain by a major agency just a day after downgrades for Portugal and Greece. The growing fear is that the fallout from Greece and even Portugal, which together compose just 5 percent of European economic activity, could be a mere sideshow if Spain, with its much larger economy, has difficulty repaying its debt. By Thursday afternoon the euro was at \$1.3254, up from \$1.3220 late Wednesday in New York. The Euro Stoxx 50 index, a barometer of euro-zone blue chips, rose 1.4 percent, and the FTSE-100 index in London rose 0.6 percent. Shares in the United States were higher as market attention on Wall Street shifted toward the stronger results from corporate earnings reports. Most major Asian markets fell, with both the Hang Seng index in Hong Kong and the S.&P./ASX 200 index in Sydney dropping 0.8 percent. Tokyo markets were closed for a holiday. In many ways, the current troubles in Europe go to the heart of the monetary fund's new mission to serve as a firewall in the financial crisis — an objective bolstered by \$750 billion in fresh capital from the Group of 20 countries last year.

LONDON – BP shares continued falling early Friday as the company feels the impact of the massive oil spill from an exploratory well in the Gulf of Mexico, but there were signs that some investors thought the reaction was overdone. BP shares were down 2 percent at 571 pence in early trading on the London Stock Exchange, a day after dropping 7 percent in London. But by late morning the price had bounced back to trade

down only 0.8 percent. With oil still pouring from the sunken Deepwater Horizon platform and now encroaching on shorelines in Louisiana, some investors apparently saw an opportunity to get the shares cheap. "This morning I think there's been a couple of U.S. investment banks have rushed out buy notes," said Tony Shephard, who tracks the oil industry for Charles Stanley & Co. in London.

Jonathan Jackson, analyst at Killik & Co. in London, cited Merrill Lynch's analysis that a six-month cleanup effort could cost around \$3 billion for a company which had a \$5 billion profit in the first quarter. "We are inclined to see this as a buying opportunity," Jackson said in a research note. Whether it is depends on spiraling costs which are far from being totaled up. BP confirmed Friday that it is self-insured for any costs related to the spill, so the company will have to absorb its full share of spending currently running about \$6 million a day plus \$100 million which it expects will be spent bringing in another rig to drill a relief well. "It is too early to quantify other potential costs and liabilities associated with the incident," BP said in a statement released in London on Friday. Shares have dropped from 655.4 pence on April 20, the day the Deepwater Horizon oil rig was torn by an explosion, to 584.2 pence at the close on Thursday. In the first 15 minutes of trading on Friday, the price fell as low as 571 pence but rebounded later to nearly 580 pence.

BRUSSELS – Premier Yves Leterme, whose government collapsed last week, stepped aside Wednesday, paving the way for the first woman who could become Belgium's next prime minister. Marianne Thyssen, 53, will replace Leterme and lead Belgium's long-dominant Dutch-speaking Christian Democrats into early elections, likely in June. Until then Leterme's five-party alliance of Christian Democrats, Liberals and Socialists from both sides of Belgium's linguistic divide stays on a caretaker role. If Thyssen's party remains Belgium's largest in elections, she will likely form the next government and become prime minister. "We do not support the end of Belgium, but a reform of the country," she told reporters. "We are not for chaos, but for responsibility. Not for extremism but ... serenity." Under Leterme, Belgium has known little of the latter.

Linguistic disputes — rooted in history and economic differences — have long dominated national politics in this country of 6.5 million Dutch-speakers and 4 million Francophones in recent years. On April 22, Leterme's government collapsed in a dispute between Dutch- and French-speaking politicians over a bilingual voting district. Dutch-speaking coalition parties accused their Francophone partners of refusing to break up a Brussels-area voting district that the constitutional court ruled illegal in 2003. The collapse of Leterme's government was remarkable as it was Leterme who said all that was needed to resolve the voting district dispute was "five minutes of political courage." That was in 2004. Belgium is made up of three regions: Dutch-speaking Flanders in the north, economically lagging Francophone Wallonia in the south, and officially bilingual — but largely French-speaking — Brussels in the middle. The areas have some autonomy but that has not ended linguistic spats between politicians.

ROME – Italian Prime Minister Silvio Berlusconi insisted Friday that his government would serve out the remaining three years of its term, despite mounting infighting and trouble within his coalition. In a defiant and defensive statement on his

party's website, Berlusconi said his government was hard at work modernizing the country, fighting cancer, bailing out Greece, nabbing mobsters and reforming the justice system. "I believe that there should be no doubts about the stability of our government for the next three years," he wrote. "We will proceed on the path of reforms without any delays caused by counterproductive in-house discussions."

His statement came after a Cabinet minister faced calls to resign after he became implicated in a judicial probe and another party member quit a high-profile job in parliament, accusing Berlusconi of seeking to silence dissent.

This came a week after Berlusconi publicly feuded with his one-time political ally, Gianfranco Fini, a popular politician who co-founded the People of Freedom party with Berlusconi. During a party convention last week, Fini and Berlusconi got into an unprecedented public spat in front of their supporters and TV cameras. They pointed fingers at one another, made venomous remarks, interrupting one another in an outburst that has been replayed countless on Italian television. At the heart of the dispute is Fini's claim that his demands and proposals are overlooked and that Berlusconi is more sensitive to the demands of another government ally, the Northern League.

While the stability of Berlusconi's 2-year-old government is not at immediate risk, the infighting has exposed rifts and raised the possibility of an early election in 2011 — which would be two years ahead of schedule. "The majority party lives in a climate of mutual suspicion," Stefano Folli, a leading Italian analyst, wrote in Friday's editions of *Il Sole 24 Ore*. "The legislature is worn out," he said, and "certainly the increasing deterioration of political relations favors its dissolution. Not immediately, but in the not-so-distant future."

LONDON – In Britain's wildly unpredictable election, Prime Minister Gordon Brown's faltering Labour Party could finish third — but still end up running the country. The surging Liberal Democrats could get a third of the vote and a small fraction of the seats. Britain's complex — and some say bizarrely unfair — electoral system is emerging as a central issue in a ballot which, if no clear winner emerges, could induce a country steeped in tradition to finally move toward serious electoral reform. The system has long given Brown's party a head start on its rivals, allowing it to win more House of Commons seats with far fewer votes. It's chiefly because Labour's support is more evenly distributed across the constituencies, and because the party tends to capture districts where there are fewer voters. In recent elections, the main opposition Conservatives have needed not just more votes but a large margin of victory for a chance at seizing power. Usually the winning party takes far fewer than half the votes, but emerges with a solid absolute majority anyway. This time, the math suggests that the close-fought contest on May 6 is likely to deny all major parties an outright majority. Although that is standard in many parliamentary democracies like Germany, it's so rare in Britain — where the last time it happened was 1974 — that Britons use a special term fraught with the suggestion of crisis: "a hung Parliament."

LONDON (AFP) – Embattled British Prime Minister Gordon Brown failed to reignite his re-election hopes in a crunch TV debate, which boosted his rival David Cameron's hopes of winning power next week, polls showed on Friday. Less than a week away from next Thursday's ballot, Brown battled to move on from a gaffe in which he

branded a pensioner as a "bigoted woman" -- but his performance on the last of three TV debates failed to inspire. In a sign of his ruling Labour Party upping the campaign tempo, ex-premier Tony Blair made a new appearance, backing the party's battle to cling on to power after 13 years in office. Instant polls taken after the final US-style TV showdown Thursday night showed Brown trailing Cameron -- leader of the opposition Conservatives, by more than 10 percent, while the Liberal Democrats' Nick Clegg came second. Newspapers polls on voting intention also confirmed the Conservatives' lead -- a YouGov survey for the Sun had the Tories on 34 percent, Lib Dems on 28 percent and Labour on 27 percent, while an ICM poll in the Guardian had them on 35 percent, 29 percent and 27 percent respectively.

Unveiling a new campaign poster, Brown acknowledged that, if opinion polls remain as they are, he could be out of power by next Friday.

"If things stay the same way, then the Conservatives and possibly the Liberals could be in a government in a coalition together," he told reporters in Birmingham, central England, where the last debate was held. But he said: "We will continue to fight for the future of this country until the very last second of this election campaign," adding: "The time for debate has finished. The time for decision has begun." Commentators agreed that Cameron had clearly won Thursday's debate. "Mr. Clegg no longer looked like the new kid on the block, and Mr Brown was weighed down by the baggage of 13 years in office," said the right-wing newspaper the Daily Telegraph.

LONDON (AFP) – Gordon Brown vowed to "never give up" after his slim re-election hopes took a fresh blow when two top newspapers turned against him on Saturday, days before crucial May 6 polls. As party leaders entered the last days of campaigning for the knife-edge general election, long-time Labour supporters The Times and The Guardian both announced they were switching away from Brown's party this time around. The Times will support the Conservatives for the first time in 18 years because David Cameron "has shown the fortitude, judgement and character to lead this country back to a healthier, stronger future," it said. And The Guardian said it backed the Liberal Democrats, adding in an editorial that it was "hard to feel enthusiasm" at a possible five more years of Brown.

The Sun is already supporting the Conservatives, as is influential current affairs magazine the Economist. "I'm fighting not just for my life but I'm fighting for what I believe is important for the future of the country," Brown said after the news emerged on the final weekend of campaigning. "I never give up and I will never give up."

Along with falling opinion polls, the loss of support is the latest blow to the prime minister, who only took over from Tony Blair in 2007 and has never led Labour to victory in a national election to parliament.

On Wednesday Brown was caught offguard calling an elderly widow a "bigoted woman" after meeting her on the campaign trail, and the next day he struggled to make an impact in the final televised leaders' debate. "Sometimes you say things you greatly regret. And I have paid a very high price for it," Brown told the Daily Telegraph on Saturday, referring to the incident dubbed "bigotgate" by the media.

OXFORD, England – Fans compare him to Barack Obama. Young people greet him like a rock star. In a measure of his success, some newspapers are now on a mission

to drag him down — so far to no avail. Nick Clegg, the fresh-faced leader of the nation's perennial political also-rans, has rocketed from obscurity to become the man of the moment in the British elections — surging to second in polls and likely holding the balance of power. Until three weeks ago, the 43-year-old was simply the leader of what has long been Britain's somewhat harmless third-place party. But after the country's first-ever televised political debate, he became a magnet for voter anger and those seeking change. With a demand that Britain rethink the way it elects its leadership, he may also alter the character of British politics forever. This is his moment — and he seems ready to seize the chance. "The Liberal Democrats want to give you hope," he told a group of students here Thursday.

While he may lack the soaring rhetoric of the American president, his relaxed but forthright style in the first debate made a particular impression with Britons.

While Prime Minister Gordon Brown and opposition leader David Cameron seemed stiff and focused on attacking each other, Clegg looked at the camera and connected with the audience. He appeared to ad-lib everything, standing with his hand in his pocket — more the affable guy-next-door than a former member of the European parliament, a party leader since 2007, and a fixture in the political Establishment.

Britain went Clegg-crazy.

A photomontage of the famous Obama "Hope" poster emerged — with Clegg's image in shades of red and blue. Tall and angular, he's no supermodel. But his suits fit and he's telegenic in a boyish and reassuring kind of way.

Image counting for much in this campaign, it took just two broadcasts — seen by millions — to upend all political expectations and make Clegg a credible alternative to the heavyweights. Words like kingmaker, Cleggstacy and Cleggmania surfaced among the chattering classes. Britain's newspapers started digging into his background and finances. Newspapers seized upon an Associated Press-distributed picture of him as a teenager standing with other privileged young men on a tennis court — and compared it with a picture of Cameron in tails with members of an exclusive club at Oxford University. Clegg suddenly mattered. He was a comet that no one had predicted would burn so bright. The only question is whether he will become a political supernova — interesting at first, but soon flaming out.

The state parliament of Lower Saxony has sworn in Ayguel Oezkan as minister of social affairs for the northern state, making her the first female Muslim minister in Germany. The 38-year-old, who is a member of Chancellor Angela Merkel's conservative Christian Democratic Union (CDU), was born in Hamburg to Turkish immigrants. She was the party's economic policy spokeswoman for the regional parliamentary group in Hamburg before being appointed as the first Muslim woman in Germany to be elected to a ministerial post on the state level, Deutsche Welle reported.

Earlier this month, Christian Wulff called her appointment "a good signal for children and young people with immigrant backgrounds." Oezkan however quickly made clear that she did not want to be regarded as a "token immigrant."

Oezkan has said she intends to dedicate her efforts to furthering integration in Lower Saxony as social minister. "I have made it clear that I intend to take over the area of integration. Up to now, integration has been more and more part of the interior ministry, but this is an area where I would like to make an impact," she told the *Focus Magazine*.

BRUSSELS – Belgium's lower house of parliament on Thursday banned burqa-type Islamic dress in public, but the measure faces a challenge in the Senate which will delay early enactment of the law. Christian Democrats and Liberals in the Senate questioned the phrasing of the law, which holds no one can appear in public "with the face fully or partly covered so as to render them no longer recognizable."

Following the fall of Premier Yves Leterme's government April 22, Belgium faces early elections that may delay passage of the Belgian anti-burqa ban — Europe's first — by several months. Both houses of parliament must approve the bill.

Approval in the lower house was almost unanimous.

Like elsewhere in Europe, Belgium struggles with anxieties that visible signs of Islam erode national identity and that women in traditional conservative Islamic dress, such as the burqa, the chador and the niqab, signal a refusal to assimilate in western society. The law's author, Daniel Bacquellaine, a Liberal, said a burqa is incompatible with basic security as everyone in public must be recognizable and clashes with the principles of an emancipated society that respects the rights of all.

Burqa-type Islamic dress that fully covers a woman and most or all of her face is not common in Europe. Last year, the city of Brussels fined only 29 women — down from 33 in 2008 — for wearing a burqa-type dress. In Belgium, local rules ban the burqa, but enforcement is spotty and the new law would outlaw it on a national level.

PARIS – A leading lawmaker in President Nicolas Sarkozy's conservative party says he hopes a bill forbidding Islamic veils is passed in September. Jean-Francois Cope says parliament will begin debating a bill by early July and "ideally" it would be definitively adopted mid-September. That is the clearest timeline so far for the controversial legislation that would ban burqa-like garments everywhere, including in the streets. The rival Socialists said Wednesday that they'll vote against the bill, which wouldn't stop it from passing. The issue has been debated for nearly a year but made headlines last week after a veiled woman contested a traffic citation for driving with garments that hindered vision. Her husband is accused of polygamy.

An airline pilot wrongfully imprisoned and accused of training hijackers in the 9/11 terrorist attacks finally won his battle for compensation this week. Lotfi Raissi, and Algerian-born commercial airline pilot who was trained in the US and living in Britain, was the first person to be arrested after the 9/11 terrorist attacks. He was held for five months at the Belmarsh High Security Prison in London, but later released due to lack of evidence. An extradition request by the FBI led to his re-arrest for four and a half months, still without any formal charges. Meanwhile, the media were naming him as the flight instructor who had trained the 9/11 hijackers.

A district judge residing over the case eventually released Raissi in 2002 on the grounds that "the court has received no evidence at all." Four years after his unlawful detention, Raissi was still seeking compensation, as the government failed to act. Raissi's legal team had to threaten the government with contempt proceedings until last week the justice secretary, Jack Straw, finally admitted Raissi was "completely exonerated." However, according to Raissi's lawyer, Jules Carey, the decision to compensate Raissi on the grounds of exoneration rather than a serious default means that mistakes made by the CPS and Metropolitan police in the case would not be investigated. But after "nine years

of hell," he is eligible for up to Â£2m. "I have suffered such a great injustice, I'm grateful for this verdict. They took almost 10 years of my life and now I'm starting to breathe again," he said.

Southeast Europe

ISTANBUL, Turkey -- President Abdullah Gul, his Serbian counterpart Boris Tadic and Bosnia and Herzegovina (BiH) Presidency Chairman Haris Silajdzic met on Saturday (April 24th), vowing to work for lasting peace, stability and neighbourly relations. In a declaration issued after their meeting in Istanbul, they said that regional politics should be based on guaranteeing security, political dialogue and preserving the multiethnic, multicultural and multi-religious characteristics of the region. According to the document, the three BiH presidency members will visit Belgrade soon, while Tadic and Turkish Prime Minister Recep Tayyip Erdogan will visit Srebrenica in July to mark the 15th anniversary of the war crimes committed there.

WASHINGTON, United States -- Press freedom declined in almost every region of the world last year, according to a study by the US-based watchdog Freedom House. The study, released on Thursday (April 29th), revealed a decline in press freedom for the eighth year in a row. In the Balkans, there are only two countries in the group of "free" states in terms of media -- Cyprus and Greece -- ranked 19th and 23rd respectively. All other states are in the partly free category -- Bulgaria at 76th, Serbia -- at 78th, Montenegro -- at 80th, Croatia -- at 85th, Romania -- at 88th, Macedonia -- at 94th, Bosnia and Herzegovina (BiH) -- at 97th, Albania -- at 102nd, Turkey -- at 106th, and Kosovo -- at 108th. The report studied 196 countries worldwide, based on 23 questions. The survey was conducted between January 1st 2009 and December 31st 2009.

TIRANA, Albania -- The European Commission (EC) says Albania has completed just one of four sections of its EU visa liberalisation questionnaire, local media reported on Sunday (April 25th). Government and local integration officials had assured the public that Tirana has met all technical criteria in the process. The section praised by Brussels deals with securing documents. The other three sections -- deemed incomplete -- involve repatriation policies, fighting crime and corruption and dealing with the finances of criminal gangs. Albania began working on visa liberalisation in 2008 and expects to complete the process by the end of this year.

TIRANA, Albania -- European Parliament (EP) Rapporteur for Albania Tanja Fajon says the EP will make a final decision on Albania's and Bosnia and Herzegovina's (BiH) EU visa liberalisation process in October, four months after the European Commission delivers the legislative proposal. Fajon discussed the timeframe during consultations in Brussels Tuesday (April 27th), regarding the progress of the two countries. She added that the pace of the process will be determined by authorities in aspiring countries, especially in terms of legislative reforms and security.

TIRANA, Albania -- Opposition parties led by the Socialist Party (SP) will stage a protest late Friday (April 30th) against the government, which according to them is pushing the country into a crisis. SP lawmakers are asking the cabinet to honour their

request to investigate the transparency of the June 2009 elections. "The protest will be the biggest the country has ever seen, but there will be no violence," SP official Namik Dokle said on Thursday, leading his colleagues out of parliament.

TIRANA, Albania -- The EU wants Albania to resolve its political stalemate by May 10th, for the good of the country's integration processes. The ruling Democratic Party and the opposition Socialist Party have been at odds for months over the June 2009 general elections. The EU needs facts not promises, Spain's Ambassador to Tirana -- Manuel Montobio -- said on Tuesday (April 27th), prior to sending his quarterly report on the country. Spain holds the rotating EU presidency. May 10th is the date of the meeting between EU and Albanian officials, on the country's Stabilisation and Association Agreement.

TIRANA, Albania -- NATO Secretary-General Anders Fogh Rasmussen on Thursday (April 29th) urged Albanian political parties to end their ongoing stalemate. In his first official visit to Tirana, Rasmussen praised Albania's role in the region, its deployment in Afghanistan, as well as its work as a NATO member. Rasmussen visits Zagreb on Friday where he meets with President Ivo Josipovic, Prime Minister Jadranka Kosor and Defence Minister Branko Vukelic. This is Rasmussen's first visit to Croatia since he was appointed head of the Alliance in August.

SARAJEVO, Bosnia and Herzegovina (BiH) -- Bosnian officials on Friday (April 23rd) hailed NATO's decision to offer BiH a Membership Action Plan (MAP). Foreign Minister Sven Alkalaj, who addressed a meeting of Alliance foreign ministers in Tallinn, Estonia, said that granting BiH the MAP would boost reforms and contribute to increased stability and security. In Sarajevo, High Representative Valentin Inzko welcomed the NATO foreign ministers' decision and again called on Bosnian authorities to resolve the military property issue -- a condition cited by NATO for implementation of the MAP. NATO said that BiH's first Annual National Programme would be accepted only when all defence facilities -- anything immovable -- are officially registered as the state property of BiH for use by the Defence Ministry. Republika Srpska Prime Minister Milorad Dodik insists the two entities participate in that process.

SARAJEVO, Bosnia and Herzegovina (BiH) -- European Parliament (EP) rapporteur on visa liberalisation for the Western Balkans, Tanja Fajon, believes that BiH has met most criteria for EU visa liberalisation. In an interview with the Nezavisne Novine daily published on Saturday (April 24th), she indicated that the European Commission will submit a proposal to scrap visas for BiH in late May or early June. She did not mention any concrete date when visa liberalisation would take effect, only that it would likely occur before the October general elections. She reiterated it will depend on the EU's political will and Sarajevo's level of readiness.

SOFIA, Bulgaria -- The European Commission (EC) will launch an excessive deficit procedure against Bulgaria, Amadeu Altafaj, spokesman for the EC's economic and financial affairs directorate-general, confirmed on Thursday (April 22nd). He added that the process is triggered automatically and follows notification by Eurostat that Bulgaria missed the stability and growth pact benchmark deficit of 3% of GDP. Its deficit was 3.9% of GDP for the first time since joining the EU in 2007.

DAMASCUS, Syria -- Syria will repay \$17m of its debt to Bulgaria within 30 days, Prime Minister Boyko Borisov announced on Sunday (April 25th) after meeting with Syrian counterpart Muhammad Naji al-Otari and President Bashar al-Assad in Damascus. Syria's total debt to Bulgaria amounts to \$75m. Bulgaria will receive 24% of the amount or \$17m after the finance ministries of the two countries strike an agreement. They have already agreed to restore air traffic between Sofia and Damascus and Varna and Latakia. The officials also agreed to boost co-operation in the fields of textile and food production, education, tourism and medicine.

On Monday, Borisov visits Belgrade for talks with Serbian counterpart Mirko Cvetkovic and other officials. On the sidelines of the visit, Serbian Interior Minister Ivica Dacic and his Bulgarian counterpart Tsvetan Tsvetanov will sign an agreement to establish a joint contact centre for police and customs offices co-operation. This will be Borisov's first visit to Serbia since he took office in July.

ZAGREB, Croatia -- As expected, parliament on Friday (April 23rd) abolished the crisis tax on income ahead of schedule, at the government's request. The additional 2% levied on taxable income of between 415 and 820 euros will be removed as of July 1st, while the 4% tax on incomes higher than 820 euros will be scrapped as of November 1st. The government introduced the tax in August to boost revenues. It was originally intended to remain in force until the end of this year.

ZAGREB, Croatia -- During a closed session Tuesday (April 27th), the government approved amendments to the constitution and forwarded them to parliament for passage. Debate is to begin on Wednesday. The amendments, approved by the parliamentary constitutional committee last week, involve issues related to minorities, fighting crime and completing Croatia's EU accession negotiations. Changes related to the expatriate vote, something the ruling coalition and the opposition could not agree on during their negotiations, were left out. Passage of any amendment requires a two-thirds parliamentary majority.

ZAGREB, Croatia -- The inter-state diplomatic committee working to identify and mark the border between Serbia and Croatia met in Zagreb on Thursday (April 29th) to continue talks on the issue after a seven-year break. Both sides expressed satisfaction with resuming work, which is expected to end with an agreement on the border.

PRISTINA, Kosovo -- Authorities on Saturday (April 24th) continued removing transmitters of Belgrade-based mobile operators in Kosovo, dismantling operations in Strpce and Kamenica. Serbian media reported that a transmitter of the local TV and Radio station Herc in Strpce was also removed. The Telecommunications Regulatory Authority of Kosovo explained they are thwarting Serbian operators who have no permission to operate in Kosovo and pay no taxes. On Friday, authorities shut down 14 base stations of Serbian mobile operators in central Kosovo, leaving thousands of Serbs without service. Serbian Prime Minister Mirko Cvetkovic describes the move as an attempt to put Kosovo Serbs in isolation, while Serbian State Secretary for Kosovo Oliver Ivanovic warned of potential tension over the situation. According to Belgrade, Serbian mobile operators were granted open-ended licences for transmission in Kosovo long

before 1999. On Saturday, a transmitter owned by Kosovo mobile operator IPKO was damaged in the village of Rudare, in Zvecan municipality, triggering condemnations from both KFOR and the Kosovo government

PRISTINA, Kosovo -- Another transmitter owned by the Kosovo mobile telephony provider IPKO was blown up on Sunday (April 25th), this one in the village of Bistrica, in Leposaviq municipality. On Saturday, a similar attack occurred in Zvecan municipality's village of Rudare, where the same type of explosive is believed to have been used. IPKO is working closely with police to protect its assets. A transmitter owned by the operator VALA was also damaged in Leposaviq. The attacks on Kosovo mobile telephony operators are in response to the Telecommunications Regulatory Authority (TRA) decision to disconnect illegal Serbian operators in Kosovo. The TRA says these firms have no permission to operate in Kosovo and pay no taxes. But Belgrade says Serbian mobile operators were granted open-ended licences for transmission in Kosovo long before 1999. Left without communication, 2,000 Serbs in Gracanica are now using services of the VALA, which has been issuing free SIM cards to local Serbs.

PRISTINA, Kosovo -- Kosovo Border Police on Wednesday (April 28th) took over control of the country's border with Albania from KFOR. The handover ceremony was held in Gjakova/Djakovica in the presence of representative of the international forces, Kosovo and Albanian officials. Speaking at the ceremony, Colonel Vincenzo Grasso, commander of the Multinational Battle Group West, described the transition as "an important moment for the future of the region". He praised the professionalism of the local police and reassured them that KFOR will remain in Kosovo to assist and help if needed. EULEX staff, who attended the ceremony, also promised their support

PRISTINA, Kosovo -- International Civilian Office (ICO) head Pieter Feith is convinced that there will soon be results in Kosovo's anti-corruption efforts. Speaking to the American University in Pristina on Tuesday (April 27th), he added that Kosovo must fight corruption if it wants a future in the EU. As for economic development, Feith noted international investors are largely avoiding Kosovo, opting for other countries in the region. He supports privatising the international airport, as well as holdings in the telecommunications and the energy sectors.

PRISTINA, Kosovo -- The Montenegrin community will be added to the list of minority communities in Kosovo and will be legally recognised and equal to other minorities there, Prime Minister Hashim Thaci confirmed on Wednesday (April 28th), during a regular cabinet meeting. President Fatmir Sejdiu has requested the government start the necessary amendment to the law on community rights. Including the Montenegrin community in Kosovo's Constitution is supported by all ministers except for Serb Minister for Labour and Social Welfare Nenad Rasic, who says no more than 100 Montenegrins live in Kosovo.

PRISTINA, Kosovo -- Investigations led by EULEX into a possible misuse of state money in Kosovo has the support of Brussels. Local media reported on Friday (April 30th) that Robert Cooper, director general for External and Politico-Military Affairs at the Council of the EU, contacted officials in Pristina to voice the bloc's support

for EULEX's actions to fight crime. The mission confirmed that investigations are under way into several tenders held over the past few years to award road construction contracts, and announced Wednesday's raids of the offices of the Transport and Telecommunication Ministry was aimed at gathering evidence.

SKOPJE, Macedonia -- Prime Minister Nikola Gruevski said on Sunday (April 25th) that if "Republic of Northern Macedonia" is officially proposed as the name his country will use internationally -- to resolve its long-standing dispute with Greece -- it will be submitted to a referendum. He also said he personally would vote against it. Greek officials say the name would be acceptable to Athens. Gruevski said he expects UN mediator Matthew Nimetz to come up with a concrete suggestion for resolving the row in May, one acceptable to both Macedonia and Greece.

Meanwhile, a survey by the Institute for Democracy "Societas Civilis" suggests that 65% of Macedonians oppose a name change for the sake of joining NATO. Just over 80% of the respondents say they would vote for accession if a referendum were organised, compared to nearly 11% who would vote against.

NEW YORK, United States -- UN mediator Matthew Nimetz briefed Secretary-General Ban Ki-moon on Thursday (April 29th), regarding talks he held Wednesday with Macedonia's Zoran Jolevski and Greece's Adamantios Vassilakis. While the EU has urged Athens and Skopje to resolve their name dispute by June, the UN will not insist on any timeframe for an agreement, UN spokesman Martin Nesirky told Deutsche Welle. He added the important thing is reaching an agreement that involves compromise and is acceptable to both sides.

SKOPJE, Macedonia -- International representatives voiced concern Tuesday (April 27th) about recent statements by political leaders who mention separatism, conflicts, and abandonment of the Ohrid Framework Agreement. In a joint statement, the heads of missions of the EU, NATO, the OSCE and the US in Skopje said they are worried too about the lack of political dialogue. The ambassadors called on all party leaders to stick to the Ohrid Agreement and remain committed to Euro-Atlantic integration.

BUCHAREST, Romania -- The Democratic Alliance of Hungarians (UDMR), a ruling coalition partner, officially agreed on Saturday (April 24th) to back the constitutional changes being initiated by President Traian Basescu. Thus far, only the ruling Liberal Democratic Party (PDL) had given unconditional support to the bill, while the UDMR has had serious misgivings about turning the bicameral parliament into a unicameral one, and reducing the number of lawmakers from 471 to 300. Basescu also insists on increasing the electoral threshold from 5% to 10%, which will make smaller parties able to win seats only in coalition with larger ones. The UDMR's support is far from enough, as a majority of two-thirds is required to amend the constitution.

BELGRADE, Serbia -- Tomislav Nikolic was re-elected on Saturday (April 24th) as the leader of the opposition Serbian Progressive Party (SNS) at the party's congress in Belgrade. More than 3,000 delegates attended. Nikolic says the SNS supports Serbia's EU integration and will work to fight corruption and crime. He also reiterated that Kosovo is

part of Serbia but voiced his party's willingness to hold talks with Albanian representatives.

BELGRADE, Serbia -- Jovan Krkobabic was unanimously re-elected on Sunday (April 25th) as leader of the Party of United Pensioners of Serbia (PUPS). At a congress in Belgrade, he vowed to continue working for Serbia's EU integration. President Boris Tadic, who attended the congress, rejected calls by the opposition for early elections, saying they would only lead to destabilisation.

When Slobodan Milosevic was in charge, power in Serbia was concentrated in Belgrade. The late dictator favoured a strongly centralised system of territorial organisation, arguing this was necessary to keep the country together. Today's Serbia has inherited this approach. Experts warn it is hindering progress and must be reconsidered as the country moves towards EU accession. "Apart from Belgrade, there is only one other somewhat autonomous and recognisable region in Serbia -- the province of Vojvodina," Aleksandar Popov, head of the NGO Centre for Regionalism, told SETimes. "The situation in which Belgrade distributes funds to local self-governments throughout Serbia is not good for regional development," he said.

According to Popov, a new model should be chosen through public debate. "It is certain that decentralisation will result in the better economic development of different regions, as they will have their own bodies to decide on the money earned by those regions." Uneven development has caused an influx of people into the major cities -- Belgrade, Novi Sad and Nis -- while remote areas of the country are rapidly losing population. Novi Sad, for example, had about 200,000 residents 20 years ago. It has since grown to 320,000 with an infrastructure system totally unprepared for the increase. Unemployment and salary data spotlights the imbalance. The unemployment rate in

Belgrade's central district of Stari Grad is around 2.5%, while in Lebane, a municipality in southern Serbia, it is about 60%. The average salary in the capital's New Belgrade district is about 520 euros a month, whereas in the southern Serbian town of Vladicin Han it amounts to just 140 euros. Two-thirds of state funds are invested in northern Serbia, while the rest goes to the south. Serbia is a "highly inefficient, centralised and highly corruptible state, which is a consequence of Milosevic's time", Nenad Canak, chairman of the Serbian Decentralisation Council, told SETimes.

BELGRADE, Serbia -- Italian Foreign Minister Franco Frattini met with President Boris Tadic on Tuesday (April 27th) to begin a two-day visit to Belgrade. Ahead of the trip, Frattini told the daily Blic that he is convinced Serbia will receive formal EU candidate status by mid-2011 at the latest. He said Italian diplomats are working to unblock the Stabilisation and Association Agreement, a key precondition to candidate status. Frattini also reiterated the EU's expectation that both Serbia and Kosovo will attend a June summit in Sarajevo, at which the bloc will confirm the region's EU prospects. Tadic declined to attend a summit meeting of regional leaders last month, due to Kosovo's attendance.

BELGRADE, Serbia -- Deputy Prime Minister for European Integration Bozidar Djelic conceded on Thursday (April 29th) it is not certain whether the EU Council will ask the European Commission to start assessing Serbia's membership application in June. Speaking to Belgrade-based radio station B92, Djelic explained the EU now seems

preoccupied with other issues such as Greece's debt crisis and early elections in Belgium and The Netherlands. Those countries, he acknowledged, may want to leave the decision regarding Serbia's candidacy to their new cabinets. Serbia hopes to get candidate status in the first half of 2011.

LJUBLJANA, Slovenia -- An official request to hold a referendum on the arbitration border agreement with Croatia was submitted to parliament Monday (April 26th), backed by almost all lawmakers. Parliament has now seven days to decide on the motion and to pick a date for the referendum, most likely on June 6th. The Slovenian parliament ratified the document a week ago, months after Croatian lawmakers did. Under the agreement, the maritime border dispute will be subject to international arbitration.

Oceania

SYDNEY (AFP) – Australia on Tuesday shelved plans for a carbon trading scheme to cut greenhouse gas emissions until at least 2013, blaming the slow pace of global action and an obstructive opposition. Prime Minister Kevin Rudd, who has described climate change as "the great moral challenge of our generation", said plans for a Carbon Pollution Reduction Scheme (CPRS) were on hold after they failed to pass through parliament. "The opposition decided to back-flip on its historical commitment to bring in a CPRS and there has been slow progress in the realisation of global action on climate change," Rudd told reporters in Sydney. "These two factors together inevitably mean that the implementation of a Carbon Pollution Reduction Scheme in Australia will be delayed." The carbon trading legislation was rejected for the second time in December when it failed to pass through the Senate, the upper house of Australia's parliament, where several independent members hold the balance of power.

Rudd, who is expected to call an election this year, said Australia would still meet its commitments to reduce greenhouse gas emissions, which are blamed for global warming, by at least five percent of 2000 levels by 2020. "Climate change remains a fundamental economic and environmental and moral challenge for all Australians, and for all peoples of the world. That just doesn't go away," he said. But the government's plans to introduce an emissions trading scheme, which would have been phased in from July 2011, were thwarted when the conservative opposition reneged on its agreement to back the deal, he said. Rudd said he still believed an emission trading scheme was the most effective and least expensive way of acting on climate change, but he would wait until the end of the Kyoto Protocol commitment period in late 2012.

The Greens slammed the delay, saying the government lacked political will. "Climate change is real. It is stalking Australia. It is threatening the Great Barrier Reef," Greens Senator Bob Brown said.

The conservative opposition, which has described the carbon trading scheme as "a great big new tax on everything", said it was sceptical of the government's new position.