

**Report 118**  
**PROJECT ON BUSINESS AND POLITICS IN THE**  
**MUSLIM WORLD**

**Weekly Presentation: May 12, 2010**

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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

- Origin of Wall Street's Plunge Continues to Elude Officials
- 2 Arizona city councils vote to sue over new law
- Ahmadinejad: Iran sanctions effort will undermine Obama
- New UN sanctions would doom US-Iran ties: Ahmadinejad
- Ahmadinejad 'backs Brazil plan for nuclear fuel swap'
- U.S. Is Pushing to Deter a Mideast Nuclear Race
- US says it has 5,113 nuclear warheads
- Dome to contain Gulf oil the next best solution
- Gulf spill reminds America: The era of 'easy oil' is over
- Canada posts record jobs gain in April
- Flaherty says G7 watching Europe closely
- Canada media cannot always protect sources: court
- Nazia Quazi case encourages Canadian Muslims to speak out
- Canada soldier wrong to allege Afghan abuse: panel

#### Western Europe

- Results in British elections
- Big parties woo kingmaker in Britain's election
- Tories talk power sharing with Lib Dems
- UK's Lib Dems consider Conservative government offer
- Hung parliament 'a risk to the economy'
- Merkel risks reverse in key German vote
- Swiss question need for army defense capability
- French opposition presents softened anti-veil bill
- UK court rules bars secret evidence in Gitmo suit
- Child labor drops but not fast enough: UN report
- EU, IMF agree on bailout package for Greece
- Greek government approves EU/IMF bailout
- Greece gripped by nationwide strike
- Merkel asks for quick clearance of Greek aid

- Fuele says Turkey should join EU
- US Vice President Biden visits Spain
- Nuclear agency set to focus on Israel
- UN: No comprehensive climate deal this year

## Southeast Europe

### Albania

- Opposition holds huge rally in Tirana
- SP's Rama says protests represent all Albanians
- Albania's Berisha sticks to stance despite hunger strike
- Albania's Meta asks opposition to end hunger strike
- European Parliament tries to end Albania's political stalemate
- Survey indicates growing corruption in Albania
- Italy links co-operation to visa-free travel for Albanians

### Bosnia and Herzegovina

- EP members discuss draft resolution on BiH
- EC to propose scrapping visas for BiH this month
- BiH to hold general elections on October 3rd
- Bosnia Serbs to commemorate attack on JNA

### Bulgaria

- Bulgaria's Borisov: Tsvetanov will run for president
- Bulgaria plans to establish special "mafia tribunal"

### Croatia

- Zagreb marks anniversary of Operation Flash

### Kosovo

- Phone service in central Kosovo still out
- Kosovo reportedly negotiating to license Serb virtual mobile operator
- Beqaj: Serbia cannot stop Kosovo's EU integration
- Hyseni: Kosovo to participate in summit only as equal
- EC will help to conduct census in Kosovo
- EULEX says it has evidence of misused funds in Kosovo

### Macedonia

- Dental diplomacy links Balkan neighbours
- DUI's Ahmeti rejects partition of Macedonia

### Montenegro

- Montenegro becomes associate EU member
- Montenegrin opposition coalition launches campaign

### Romania

- Romanians move closer to visa-free US travel
- Opposition: Romanian government should resign
- Romanian opposition parties to submit no-confidence motion
- Romanian president predicts public sector cuts

### Serbia

- Serbian parliament to discuss another draft condemnation
- Serbian parliament to discuss war crimes against Serbs in June

- Opposition SNS wins local election in Arandjelovac, Serbia
- Serbia denies reports of negotiations on Kosovo's partition

#### Slovenia

- Slovenia sets date for border agreement referendum

#### Oceania

- Australia PM lags in poll after carbon plan halted
- Mining firms push against Australian "super tax"

## Report Summary

### USA/Canada

#### Political Issue

#### Economic Issue

The U.S Securities and Exchange Commission setup to investigate the financial irresponsible of the Wall Street institutions is yet to figure out clues and untangle electronic trading records from the nation's increasingly high-tech exchanges.

Canadian Finance Minister Jim Flaherty said during the Group of Seven finance ministers that the group is watching the Greek debt crisis with concern and that several Euro zone countries need to exercise fiscal restraint. Greek financial crisis has become a big concern not just for Athens but the world market.

Canadians have right to put smile on their faces as the economy get stronger even as the Greek economy woes affects developed economies. Canadian private sectors open the door of employment to many Canadians during April and the month also saw a soar in the Canadian dollars.

#### Social/Humanitarian Issue

City Councils in Arizona are demanding the state government to repeal its recent immigration law. The law was received with mixed feeling across the United States, with supporters arguing the law tackles the immigration laxity in the federal law, while opponents believe it is a witch hunt on immigrants.

Canadian Supreme Court has struck the demand by journalist to keep source of their information confidential from prosecutor. The court ruled that source confidentiality has to be weighed in comparison with public interest. Canadian journalists opined that the ruling was "a significant blow to every journalist's ability to protect whistle-blowers".

Canadian Muslim organisations are urging the immigrant Muslim community to rather get engaged with their new community than simply being concerned over the issue of mosque building. Social justice and civic responsibility are part of Islam and Muslims are expected to be part of the trend that speaks on such issues. The demand for such

engagement came amid the issue of women's right among Canadian Muslim as it appears they are still under the grip of men's security.

## Food, Environment and Energy Issue

The ongoing NPT summit in New York has been quite dramatic as members wrestle over the increasing proliferation of nuclear weapons around the world. The Iranian nuclear issue was obvious at the summit, Ahmadinejad reiterated his opposition against the US and western-led sanction, claiming that any further sanction will damage Obama's call for change and would further widen the gulf between Iran and the United States. Iran nevertheless got the audience and support of members from developing countries, consolidated by Iran's consent to swap its nuclear substance with Brazil.

The U.S government is pushing to make the Middle East a nuclear free zone by urging the regional government to shun the intention of seeking nuclear technology for reactor instead to get their processed nuclear substance from international organization. This measure is hoped to reduce the propensity of transforming nuclear substances into weapon and to reduce the tendency of turning the region into a nuclear zone. With the Egyptian patronage, Arab leaders are demanding that Israel nuclear programme must be investigated before such international regime can work out for them.

The oil spill in the Gulf of Mexico has created great concern for the American government as the spillage affects livelihood and sealife. However, the American government has made it clear to BP Oil Company responsible for the spill to take serious responsibility of cleansing the sea. Hence, the company has built a giant concrete-and-steel box designed with the hope of siphoning the oil away.

In a display of transparency and to project a good image of the United States on non-proliferation of nuclear weapons. The U.S disclosed the number of its nuclear warheads around 5,113, while some officials believe U.S houses more weapons than announced. The Obama administration was said to have debated the strategic importance before such disclosure, so as not to lay U.S military capability to bare.

## Geostrategic Issues

### Western Europe

### Political Issue

The British inconclusive election has left the Liberal Democrat party as the king maker, whom bigger parties (Labour and Conservative) are wooing to constitute a government. Lobbying the Liberal Democrat is of course the only avenue for both parties to get substantive majority in the parliament, even though alliance of Labour and Liberal will still fall short of majority. The possibility of Liberal-Conservative coalition is plausible. Even though these parties are dissimilar in many respects yet they are geared to cooperate on areas of common interest as in the case of economy.

German Chancellor Angela Merkel's government mulls over election in North Rhine-Westphalia, where the center-right coalition is likely to win. Merkel's government has been perturbed on how to retain voters support and aiding Greek debt crisis.

Switzerland hasn't taken part in a foreign war since 1815, but has one of Europe's largest armies in part because of long-standing fear of foreign invasion after the neutral nation was surrounded by fascist armies during World War II. Meanwhile, according to a leaked memo from the defence ministry, the small European country is considering cutting funds for new weapons systems and reducing the size of the army and reducing chances of Swiss army getting involve in foreign mission.

Debate over ban of veil in France remains contentious in the parliament. President Sarkozy and his conservative party are demanding a total ban, but a softer proposal was submitted by the opposition Socialist party arguing that total ban will be difficult, the ban should nevertheless include government buildings, hospitals, public transport and banks.

#### Economic Issue

The political atmosphere in Britain has a great deal to tell about the British economy. The economy was one of the latecomers from the last financial recession. Economists are of the view that a hung parliament will further harden the economic problem amid the deficit economy. The hung parliament where coalition government will rule might be slow in taking fast decision in solving the deficit problem.

After a protracted debate on plausible way to solving the Greek crisis, the EU and IMF finally resolved to bail Athens with 110 billion-euro aid package. The EU will provide 80 billion euros of it, while the rest will come from the IMF. Germany is expected to give euro22.4 billion (\$29.3 billion) in aid for debt-ridden Greece. It is said that failure to act exigently will further dampen the Eurozone economies. Meanwhile, in return for the aid, Greece must implement sweeping austerity measures, that have already caused huge nationwide protests.

#### Social/Humanitarian Issue

Recent UN report shows that child labour has fallen across the world by 3%. The report states that Asia and Latin America showed certain degree of improvement while sub-Saharan is still relatively slow.

A British court has ruled against the position of the government to keep secret evidence of Gitmo former prisoners. The court ruled that former inmates have the right to know what they have been arrested for and their lawyers said such ruling supports open justice of the British system.

#### Food, Environment and Energy Issue

As the NPT concludes its New York summit, members of the international nuclear watchdog (IAEA) are also geared at tabling the Israeli nuclear issue for discussion in its forthcoming meeting. The discussion is said to be remarkable as it would show the sway of Arab countries demanding that Iran should not be singled out while Israel controversial nuclear capability is kept uninvestigated.

Outgoing U.N. climate chief Yvo de Boer said the world will fall short of producing a climate treaty the year even after the hype Copenhagen climate summit that failed to draft a treaty. Meanwhile, the world is looking forward for the Mexico summit later this year with the hope that that might be an operational architecture on climate change

## Geostrategic Issues

EU Enlargement Commissioner Stefan Fuele made a clear statement that value and not religion should be the yardstick to becoming EU member. The statement was directed to Turkey-EU member that has been at stake. Fuele however notes that Cyprus will remain the big elephant for Turkey.

U.S. Vice President Joe Biden was in Spain to reiterate U.S intention of installing anti-missile system in Europe and to strength U.S-Spain relations. Biden is expected to talk on the current Greek financial trouble.

## **Southeast Europe**

### Political Issue

Amid the political impasses between the Albania ruling party and opposition Socialist party recently punctuated by a massive protest and hunger strike outside the building, Institute for Research and Development Alternatives reports in its survey that 91% of citizens believe that corruption is rampant in the public sector, with the health sector viewed as most corrupt. The political tussle is linked to the June 2009 election which the opposition said was rigged. Meanwhile, speaker of Italy's Lower House of Parliament, Gianfranco Fini has said that Albania's road towards the EU visa liberalization scheme will be conditioned on fighting crime and illegal trafficking.

Conditionality has always been the rule of the EU to all aspiring Balkan countries. As in the case of Albania where fight against corruption and crime is the prerequisite for EU visa liberalization, Bosnia which is also seeking the visa liberalization but asked to amend its constitution. The European Court of Human Rights demands of Bosnia to amend its Constitution by removing the aspects that are constitutionally discriminatory against minorities.

The Bosnian Central Election Commission (CEC) has announced that parliamentary and presidential elections will be held on October 3rd.

Bulgarian Prime Minister Boyko Borisov said he will stay in office till his mandate expires in 2013 and he does not wish to be a presidential candidate in the 2011 general election. Interior Minister and Deputy Prime Minister Tsvetan Tsvetanov will be the ruling Citizens for the European Development of Bulgaria (GERB) party.

As Croats marked the 15th anniversary of Operation Bljesak (Flash), in which Croatian forces removed Serb forces from the self-proclaimed Republic of Serbian Krajina. President Ivo Josipovic described it as a "milestone in the Homeland War.

Kosovo Minister for Integrations Besim Beqaj said that despite Serbia's efforts, Belgrade will not hinder Kosovo's EU integration. He affirmed that Kosovo is a functional state recognised by 65 countries and 22 of EU members and hopes to receiving roadmap of EU visa liberalization scheme. In a separate development, Kosovo Foreign Minister Skender Hyseni told EU Enlargement Commissioner Stefan Fuele that Kosovo will participate in the EU-Western Balkans summit in Sarajevo only as an equal partner with other participants. A similar meeting was hosted by Slovenia in March in which Serbia conditioned its attendance only if Kosovo is not represented as a state, the meeting of course was held without Serbia. Will Serbia avoid the forthcoming Sarajevo summit after getting the message that without Belgrade, summit will still hold?

Meanwhile, European Commission (EC) Liaison Office in Pristina, Renzo Daviddi discussed with Kosovo Minister of Public Administration Edita Tahiri that the commission will support the government in conducting a national census.

In Macedonia, Ali Ahmeti, leader of ethnic Albanian junior coalition partner Democratic Union for Integration (DUI), opposes any scenario that could lead to the partition of Macedonia after a border skirmishes with Kosovo.

Montenegro moved a step forward on its road for the EU membership. The bloc has officially offered Podgorica its associate membership. Meanwhile, leaders of the opposition coalition "A Better Montenegro" kicked off their campaign for the upcoming local elections.

As Romanian prepare for the next parliamentary elections scheduled for 2012, Crin Antonescu, leader of the opposition National Liberal Party, wants Prime Minister Emil Boc to resign, and said President Traian Basescu should either step down or find an actual solution to the economic crisis. Meanwhile, two other opposition parties have drafted a no-confidence motion against the government of Prime Minister Emil Boc, criticizing the government's economic policy, particularly spending cuts.

Serbia does not only have right to condemn crime against other ethnic but also have right to condemn crime committed against Serbs during the 1990s Balkan war. Parliament Speaker Slavica Djukic-Dejanovic said lawmakers will be discussing a declaration condemning war crimes committed against Serbs.

## Economic Issue

Romanian President Traian Basescu predicted that authorities will have to cut public sector wages by 25% and reduce pensions by 15% to prevent substantial tax hikes. The cuts will take effect as of June 1<sup>st</sup>.

## Social/Humanitarian Issue

Greece-Macedonia name dispute is one of the troubling issues in the neighbourhood. But such issue has not stopped Greeks from crossing border into Macedonia for recreational and health services. It is believed that many Greeks are seeking dental health care in Macedonia despite the tussle between the two governments. The extent to which the dental diplomacy can help in resolving the name dispute is yet to be known.

In Bosnia, Serbs are marking the 18th anniversary of an attack against a Yugoslav National Army (JNA) convoy that left more than 40 soldiers dead.

Fighting organised crime is one of the state duties and the Bulgarian government is ready to reduce crimes as it establishes a special anti-mafia court by this summer. The court will handle organised crime and corruption case and that will lessen the workload on courts around the country.

Telephone connections in Serb dominated parts of Kosovo are still blank. Last week Kosovo government dismantled Serbian telephone companies on the grounds that they evade tax and are not legitimate. Meanwhile, through Brussels, negotiation is reported ongoing between Kosovo and Serbia that will allow a Serb virtual mobile operator in Kosovo.

## Food, Environment and Energy Issue

## Geostrategic Issues

As the Balkan countries strive for EU visa liberalisation scheme, Romania inks an agreement with Washington on visa free regime that will allow Romanian citizens to stay for 90 days in the U.S without visa.

Foreign Minister Vuk Jeremic dismisses media reports in Pristina about secret negotiations on the partition of Kosovo. He said Belgrade stands with the UN Security Council Resolution 1244, the only framework within which Kosovo's status could be discussed.

Lawmakers voted unanimously Monday to hold a referendum on the arbitration border agreement with Croatia on June 6th. Slovenians will be asked whether they back the law on ratification of the arbitration agreement between the two neighbours.

## **Oceania**

### Political Issue

The inability of the Rudd's government to make the parliament pass gas cut emission law has affected his Labour party in recent poll. The poll showed the opposition Liberal party was leading Labor by 51 to 49 percent in a two party race. Australians are soon going for election and it is less likely that gas emission will turn out a political issue during the election.

### Economic Issue

### Social/Humanitarian Issue

### Food, Environment and Energy Issue

### Geostrategic Issues

## **Report Detail**

### US/Canada

A day after a harrowing plunge in the stock market, federal regulators were still unable on Friday to answer the one question on every investor's mind: What caused that near panic on Wall Street?

Through the day and into the evening, officials from the Securities and Exchange Commission and other federal agencies hunted for clues amid a tangle of electronic trading records from the nation's increasingly high-tech exchanges.

But, maddeningly, the cause or causes of the market's wild swing remained elusive, leaving what amounts to a \$1 trillion question mark hanging over the world's largest, and most celebrated, stock market.

The initial focus of the investigations appeared to center on the way a growing number of high-speed trading networks interact with one another and with venerable exchanges like the New York Stock Exchange. Most investors are unaware that these competing systems have fractured the traditional marketplace and have displaced exchanges like the Big Board as the dominant force in stock trading.

The silence from Washington cast a pall over Wall Street, where shaken traders returned to their desks Friday morning hoping for quick answers. The markets remained on edge, as the uncertainty over what caused Thursday's wild swings added to the worries over the running debt crisis in Greece.

In a joint statement issued after the close of trading, the S.E.C. and the Commodity Futures Trading Commission said they were continuing their review. And the two agencies indicated they were looking particularly closely at how different trading rules on different exchanges, which temporarily halted trading on some markets while

activity in the same stocks continued on other markets, might have contributed to the problem.

FLAGSTAFF, Ariz. – Another city council in Arizona has voted to sue over the new state immigration law. The Flagstaff City Council voted unanimously Tuesday night in favor of the resolution before a crowd that initially numbered in the hundreds but dwindled significantly as the night wore on. Earlier Tuesday, the Tucson City Council voted to sue Arizona in an effort to overturn the law.

The state law requires local and state law enforcement officers to question people about their immigration status if there's reason to suspect they're in the country illegally. The Flagstaff resolution says it's an unfunded mandate to carry out the responsibilities of the federal government. The council's vote directs the city attorney to retain legal counsel.

NEW YORK — Iranian President Mahmoud Ahmadinejad Tuesday brushed off the threat of new United Nations sanctions against Iran , saying they'd have little impact and would end up undermining President Barack Obama's standing at home and abroad. "The failure of the motto of change is really not going to harm Iran . It will harm mainly the U.S. administration," Ahmadinejad asserted, referring to Obama's 2008 presidential campaign slogan, "Change you can believe in."

"While we do not welcome sanctions, we do not fear them either," he said, warning that the approval of new measures "will mean relations between Iran and the U.S. will never be improved again." The U.S. and Iran haven't had diplomatic relations in three decades.

Ahmadinejad, who began his second term as president last year amid election fraud charges that led to bloody clashes between his regime and the opposition, made his comments at a wide-ranging news conference one day after he addressed an international arms control conference at the U.N. Sitting before an Iranian flag and flanked by top aides, he used many of the questions to continue the attacks he launched against the U.S. from the U.N. General Assembly podium, questioning whether the only nation ever to have used nuclear weapons has the standing to accuse Iran of seeking nuclear arms.

Speaking through a translator, he also warned that Iran would defend Lebanon and Syria if they're attacked by Israel over alleged missile shipments to Lebanese militants, and he claimed that Iranian women enjoy better rights and treatment than their European counterparts, an assertion at odds with numerous human rights reports.

Ahmadinejad's speech to the Non-Proliferation Treaty Review Conference was part of an intense Iranian diplomatic campaign to head off or dilute a fourth round of sanctions for defying U.N. orders to suspend its uranium enrichment program.

Enrichment is the process that produces low-enriched uranium for power plants — Iran's professed intention — and highly enriched uranium for nuclear weapons, which is what U.S. and European officials charge is the country's real goal.

The nearly month-long conference coincides with deliberations between U.S., Russian, Chinese, British, French and German diplomats over the new U.N. sanctions resolution, which is expected to target senior Iranian officials and companies involved in the nuclear program. Earlier Tuesday, Russian Deputy Foreign Minister Sergei Ryabkov , Moscow's chief negotiator on Iran , told reporters that the talks on the sanctions "are slowly moving forward." Ahmadinejad insisted that Iran has been unaffected by U.S. sanctions imposed

after the 1979 Islamic Revolution or by the existing U.N. nuclear sanctions, an assertion that U.S. officials and independent experts dispute, citing the worsening state of Iran's economy.

NEW YORK (AFP) – Iranian President Mahmoud Ahmadinejad warned that a new round of UN sanctions against Tehran would close the door on diplomatic engagement with the United States. "The path to that (improved ties) will be shut," Ahmadinejad told reporters, adding that it would mean a "reversal to the (former US president George W.) Bush era" of confrontation rather than the engagement US President Barack Obama seeks.

Ahmadinejad, who was to leave for Iran later in the day, was clearly in a combative mood after on Monday blasting the United States, at a UN conference on the Non-Proliferation Treaty (NPT), for blocking other nations' access to peaceful nuclear energy.

Obama came to office last year saying he wanted to talk with Iran over US concerns that the Islamic Republic is using a civilian nuclear program to hide the development of atomic weapons. But the US president also advocates increasing pressure on Iran with UN sanctions if Tehran turns down offers to negotiate. Washington has led the drive for three rounds of UN Security Council economic sanctions on Iran since December 2006 to get it to stop enriching uranium, which can be used to make atomic bombs. If the Council were to adopt a fourth round, "the relationship between Iran and the United States will never improve again," Ahmadinejad told a press conference on the sidelines of the NPT meeting.

The opening Monday of a monthlong United Nations conference to strengthen the main treaty meant to halt the spread of nuclear arms is likely to be dominated by Iran's president denouncing the West and Secretary of State Hillary Rodham Clinton warning that if Tehran gets the bomb, the rest of the Middle East will soon follow. But far less visibly, the Obama administration has been mounting a country-by-country campaign to go beyond the treaty and ensure that Iran's push toward atomic mastery does not ignite a regional nuclear arms race. In recent months, diplomats have been holding meetings in Washington and shuttling to the Middle East in pursuit of agreements that will let countries develop nuclear power while relinquishing the right to make atomic fuel that could be turned into bombs.

Since the 189 signatories of the Nuclear Nonproliferation Treaty last gathered in New York five years ago, many of the world's oil-rich nations have begun thinking about or ordering nuclear power plants, arguing that the reserves that made them rich will not last forever. But the United States worries that their fear of an Iranian bomb could lead them to use the same nuclear-fuel technology to develop weapons of their own.

The American strategy, begun during the Bush administration, is to pre-empt that possibility. "We think that's the right formula for the Middle East," Ellen Tauscher, undersecretary of state for arms control and international security, said in an interview on Friday. Late last year, the Obama administration closed the first deal, with the United Arab Emirates, which is preparing to build a \$20 billion reactor complex on its Persian Gulf coast. Diplomats are negotiating similar agreements with Jordan and Bahrain and have the outlines of a deal with Saudi Arabia.

Most everyone, including President Obama's aides, agrees that the United Nations conference will not fix the glaring weaknesses in the nonproliferation treaty, which have let Iran move to the edge of a nuclear-weapons capability. Rewriting the treaty is "harder than changing the U.S. Constitution," Gary Samore, Mr. Obama's top adviser on nuclear arms, said last week. Instead, the administration is trying to entice Middle Eastern states out of enriching uranium for reactor fuel and later scavenging spent fuel for plutonium, a step known as reprocessing. Both are allowed by the treaty, and both can become clandestine means of making atom-bomb fuel. Instead, the countries would buy the fuel from international suppliers, reducing the chance of conversion to bomb-grade material.

TEHRAN (AFP) – Iran's President Mahmoud Ahmadinejad has approved a Brazilian plan aimed at breaking the impasse over a UN-drafted nuclear fuel swap deal for Tehran, his website said on Wednesday. World powers and Iran have been at loggerheads for months over the deal, which envisages supplying nuclear fuel for a Tehran research reactor in exchange for low-enriched uranium from Iran.

The deal stalled after Iran insisted the two materials be exchanged simultaneously within its borders -- a condition rejected by world powers who accuse Iran of masking a weapons drive under the guise of what Tehran says is a purely civilian atomic programme. In April Brazilian Foreign Minister Celso Amorim said during a visit to Tehran that his country could "examine" hosting the fuel swap if requested by Iran.

He also said that Brazil could act as a "political guarantor" for the deal.

According to the website president.ir, Ahmadinejad discussed a Brazilian proposal in a telephone conversation with Venezuelan President Hugo Chavez on Tuesday.

"The main issue of talks between Ahmadinejad and Chavez was the Brazilian president's proposal regarding the nuclear fuel swap and Ahmadinejad declared his basic approval to this proposal." The website did not give details about what the Brazilian proposal was but Amorim told Iran's official news agency IRNA on April 27 that Brazil could host a fuel swap deal if asked by Tehran. "As of now there is no proposal, but if we receive such a proposal, it could be examined," he said.

Before insisting on the condition that the fuel be exchanged in Iran, Tehran had previously said that it could consider whether the fuel could be swapped in Japan, Brazil, Turkey or on the Iranian Kish island. Amorim had also said in Tehran that Brazil was "interested in having a role in settling Iran's nuclear issue." He had taken a serious exception to the presence of Western countries in the P5+1 group negotiating with Iran. The group consists of permanent Security Council members Britain, China, France, Russia and the United States, plus Germany. He said Brazil and Turkey could be possible "political guarantors" to help resolve the issue, adding that Ankara could also be the host to exchange nuclear fuel.

WASHINGTON – The United States has 5,113 nuclear warheads in its stockpile and "several thousand" more retired warheads awaiting the junkpile, the Pentagon said Monday in an unprecedented accounting of a secretive arsenal born in the Cold War and now shrinking rapidly. The Obama administration disclosed the size of its atomic stockpile going back to 1962 as part of a campaign to get other nuclear nations to be more forthcoming, and to improve its bargaining position against the prospect of a nuclear Iran. "We think it is in our national security interest to be as transparent as we can

be about the nuclear program of the United States," Secretary of State Hillary Rodham Clinton told reporters at the United Nations, where she addressed a conference on containing the spread of atomic weapons. The U.S. has previously regarded such details as top secret. The figure includes both "strategic," or long-range weapons, and those intended for use at shorter range. The Pentagon said the stockpile of 5,113 as of September 2009 represents a 75 percent reduction since 1989. A rough count of deployed and reserve warheads has been known for years, so the Pentagon figures do not tell nuclear experts much they don't already know.

Hans Kristensen, director of Nuclear Information Project, Federation of American Scientists in Washington, said his organization had already put the number at around 5,100 by reviewing budget estimates and other documents. The import of the announcement is the precedent it sets, Kristensen said. "The important part is that the U.S. is no longer going to keep other countries in the dark," he said. Clinton said the disclosure of numbers the general public has never seen "builds confidence" that the Obama administration is serious about stopping the spread of atomic weapons and reducing their numbers. But the administration is not revealing everything.

The Pentagon figure released Monday includes deployed weapons, which are those more or less ready to launch, and reserve weapons. It does not include thousands of warheads that have been disabled or all but dismantled. Those weapons could, in theory, be reconstituted, or their nuclear material repurposed. Estimates of the total U.S. arsenal range from slightly more than 8,000 to above 9,000, but the Pentagon will not give a precise number. Whether to reveal the full total, including those thousands of nearly dead warheads, was debated within the Obama administration. Keeping those weapons out of the figure released Monday represented a partial concession to intelligence agency officials and others who argued national security could be harmed by laying the entire nuclear arsenal bare.

NEW ORLEANS – The best short-term solution to bottling up a disastrous oil spill threatening sealife and livelihoods along the Gulf Coast should be arriving on Wednesday in the form of a specially built giant concrete-and-steel box designed to siphon the oil away. Crews for contractor Wild Well Control were putting the finishing touches Tuesday on the 100-ton containment dome. A barge at about midday would haul the contraption to the spot 50 miles offshore where a mile-deep gusher from a blown-out undersea well has been spewing at least 210,000 gallons of crude a day into the Gulf for two weeks. BP spokesman John Curry said it would be deployed on the seabed by Thursday. It's the latest idea that engineers from oil giant BP PLC were trying since an oil rig the company was operating exploded on April 20, killing 11 workers. It sank two days later, when the oil started pouring into the Gulf. BP is in charge of the cleanup and President Barack Obama and many others say the company also is responsible for the costs. Such domes have never been tried at this depth — about 5,000 feet — because of the extreme water pressure. The dome, if all goes well, could be fired up early next week to start funneling the oil into a tanker. "We don't know for sure" whether the equipment will work, said BP spokesman Bill Salvin. "What we do know is that we have done extensive engineering and modeling and we believe this gives us the best chance to contain the oil, and that's very important to us."

WASHINGTON — To meet the world's boundless thirst for oil, drillers are searching in the sand and mud of remote western Canada, the tough shale rock of North Dakota and more than a mile under the seas off the southern U.S. coast, where a drilling accident has sent hundreds of thousands of gallons of crude spewing into the Gulf of Mexico .Why are we going nearly to the ends of the earth and the bottom of the seas for oil? The answer, say many experts, is that we're consuming as much oil as we ever have but the era of "easy oil" is in our rearview mirror and receding fast. Production from onshore oilfields in the U.S. has been declining since the 1970s, and near-shore production along the Gulf of Mexico peaked more than a decade ago. Many of the richest remaining conventional deposits are in places that are politically unstable, such as Iraq and Nigeria, or hostile to Western oil companies, such as Sudan, Venezuela and the Middle East .While Americans remain tethered to a petro-driven economy and surging demand from China and other emerging markets is driving up global demand, the quest for new sources requires more money and technological wizardry than ever before. As anyone tracking the massive gulf spill can attest, it brings greater risks as well. "No one goes and tries to drill in a mile of water if they can think of somewhere easier to do it," said Chris Skrebowski, a former strategist for British Petroleum who now runs a London consultancy that studies oil depletion. "The easy stuff that you have access to . . . is already spoken for. All that's left is the frontiers, which are necessarily more technically challenging."

OTTAWA (Reuters) – A record number of Canadians returned to work in April, stunning markets and adding pressure on the Bank of Canada to raise interest rates in June, ahead of other major industrialized countries.

Job gains soared past all forecasts to total 108,700 in the month, the highest number since Statscan began tracking the data in 1976, and exceeding even the most optimistic estimate in a Reuters poll, which yielded a median forecast of 25,000 new jobs. The percentage increase, at 0.6 percent, was the largest since August 2002.

The data showed private business, not government, did the hiring for a second straight month. The Canadian dollar shot up to a high of C\$1.0338 to the U.S. dollar, or 96.73 U.S. cents, compared with its close on Thursday of C\$1.0523 to the U.S. dollar. "I think this is fantastic news ... It's just another sign that the Canadian economy is doing better than anyone could have hoped at the start of the year," said Steve Butler, director of foreign exchange trading at Scotia Capital.

The report reminded investors of Canada's upbeat recovery after days of market gyrations over the Greek debt crisis and fears it could spread to other euro zone countries. "If anybody was in doubt that interest rates were going higher and that they need to be normalized, I think that doubt is no longer with us ... this is consistent with a rising-rate environment, and that process is going to begin soon," said Craig Wright, chief economist at Royal Bank of Canada.

TORONTO (Reuters) – Canadian Finance Minister Jim Flaherty said on Friday that Group of Seven finance ministers were watching the Greek debt crisis with concern and that several euro zone countries need to exercise fiscal restraint.

"It's necessary that, first of all, that the countries involved take the steps they need to take and be clear about that, that they're going to take these steps toward fiscal restraint, fiscal

responsibility. They will need some help, in all likelihood, in order to manage the issue as Greece did," he told reporters in Toronto. "We are hopeful that there will be a strong policy response in Europe, the sooner the better," he said. The comments come hours after the G7 finance ministers, in a call chaired by Flaherty, agreed to keep a close eye on financial turmoil caused by the Greek debt crisis. Flaherty said the discussions were productive, but declined to give details, and said more talks were likely to take place on the weekend. "We're also watching the economic developments in Europe closely ... we are concerned. We're consulting closely with our international partners," Flaherty said.

"Everyone understands the need for a clear, timely and strong response," he said.

Debt-stricken Greece has caused waves of volatility in financial markets, highlighted by Thursday's market rout, with fears mounting that Greece's difficulties will widen to other euro zone countries. The Canadian finance minister said there were "remaining concerns" about Thursday's volatility on currency and equity markets.

OTTAWA (Reuters) – Reporters in Canada have no constitutional right to offer their sources blanket confidentiality, the country's Supreme Court said in a landmark ruling on Friday. In the first pronouncement of its kind, the court ruled by an 8-1 majority that journalists could offer sources protection. But if prosecutors subsequently demanded to know who those sources were, courts would decide the merits of confidentiality promises on a case-by-case basis. "No journalist can give a secret source an absolute assurance of confidentiality," the judges said.

The ruling is a defeat for the National Post newspaper, which had demanded the quashing of a police search warrant for a document and an envelope one of the paper's reporters had been given by a confidential source in 2001.

The Canadian Association of Journalists said the ruling was "a significant blow to every journalist's ability to protect whistle-blowers". The document purported to show former prime minister Jean Chretien had leaned on a federal bank to approve a loan to an ailing hotel which owed his family money. Chretien and his lawyers said the document was forged and complained to police.

The judges said promises to keep sources secret had to be balanced against other important public interests, including the investigation of a serious crime.

"In some situations, the public's interest in protecting a secret source from disclosure may be outweighed by other competing public interests and a promise of confidentiality will not in such cases justify the suppression of the evidence," they said.

The Post had argued that in cases where there was a dispute over whether a source could remain secret, the onus should be on prosecutors to show why a criminal probe was more important than a promise of confidentiality. The court disagreed.

They did make clear that in some situations the public interest in protecting the secret source from disclosure outweighed other competing public interests.

"In those circumstances the courts will recognize an immunity against disclosure of sources to whom confidentiality has been promised," it said. Police wanted the document and the envelope to look for evidence such as fingerprints or DNA that could help identify the source. The National Post, which estimates it has run up a legal bill of C\$850,000 (\$820,000) on the case so far, said the battle had been worth fighting.

OTTAWA, Canada – It is Saturday morning in a downtown restaurant, and Shahla Khan Salter sits with three other local Muslims. They've been brought together by a 24-year-old Indo-Canadian who has been trapped in Saudi Arabia since 2007 due to a practice that requires women to have a male guardian's permission to travel. Ms. Khan Salter has assembled the group to brainstorm ways to help the young woman, Nazia Quazi, return to Canada. While Ms. Quazi's case is unusual, what it may reflect about changes within Western Muslim communities is equally noteworthy. Historically, Western Muslims have been apathetic when it comes to civic engagement, but increasingly Islamic communities in the West, like those helping Quazi, are beginning to buck this trend. "I definitely think that there is increased civic engagement," says Nadia Roumani, director of the American Muslim Civic Leadership Institute, which helps Muslim leaders and non-profit organizations develop the skills to get involved in anything from politics and education to interfaith work. "It's not pervasive, but there is a critical mass." A history of silence For years, the Muslim community has remained silent about many political issues. In 2003, for example, when Maher Arar, a Muslim-Canadian, revealed his story of rendition and torture in Syria, Canadians were outraged. They watched his press conference by the millions, the media wrote about his case almost daily, and the government eventually awarded him \$10 million in compensation for his suffering. But the Muslim community's response throughout his ordeal was mostly muted.

The explanations for this lack of civic involvement are varied. In 2001, 72 percent of Canada's 580,000 Muslims were immigrants, many coming from repressive countries where speaking out can be a ticket to jail or even a death sentence.

Regardless of the country of origin, newcomers are often most concerned with the challenges of immigrating to a new country, fitting in, and giving their children a better life. Muslim organizations that might get involved in these types of issues are still young and sometimes lack institutional capacity. "I have found that it is the fear of exposing 'dirty laundry' in a context of a potentially Islamophobic and certainly Orientalist-inflected media environment that inhibits Muslims from speaking out publicly for social justice issues. They talk about it privately," adds Kathy Bullock, a political science lecturer at the University of Toronto and a convert to Islam. On sensitive topics like family matters and Saudi Arabia's austere Wahhabi version of Islam, the stakes are even higher – especially in a Muslim community where, as Ms. Roumani puts it, "there's very little space for intellectual discourse." Quazi case draws out Muslim voices Yet Quazi's case reflects what seems to be an increased willingness to speak out

OTTAWA (Reuters) – A soldier who embarrassed Ottawa by alleging troops knew Afghan authorities were abusing prisoners handed over by Canada's forces was mistaken, a military board of inquiry reported on Friday.

A note by the soldier, written after an incident on June 14, 2006, became public last December and seemed to contradict official assurances that Canadian troops had no credible evidence that prisoners might be harmed. In the note, the soldier wrote that Canadians had photographed a suspect "to ensure that if the Afghan National Police (ANP) did assault him, as has happened in the past, that we would have a visual record of his condition." The soldier -- a section commander -- told the board he had been referring to prior reports of abuse. "He also heard rumors of the brutality of the ANP and witnessed

the ANP using certain forms of corporal punishment. However, the section commander testified that he never observed ANP in the act of abusing detainees," said Rear-Admiral Paul Maddison, who chaired the board. "It is also important to note that the board asked each witness if they had ever observed the Afghan National Security Forces abusing a detainee before June 14, 2006, and the answers were all 'no'," Maddison told a news conference. The report did say Canadian soldiers had witnessed widespread violence by some elements of the ANP. "The practice of corporal punishments being meted out on apparent whim in the street and elsewhere was common and was observed and commented upon by most Canadian Forces members. Corruption and bribery were also observed," it said. The issue of Afghan abuse could prompt a vote of confidence in the House of Commons and trigger federal election in the near future. Opposition legislators are demanding the minority Conservative government provide uncensored files on prisoner transfers but it is refusing to do so, citing national security.

## Western Europe

The final results in Thursday's British election: DISTRICTS THAT HAVE DECLARED THEIR RESULTS (649 of 649; one further seat to be decided on May 27), according to Sky News:

Conservatives: 306

Labour: 258

Liberal Democrats: 57

Other: 28

LONDON – Britain's inconclusive election turned into high political drama Friday, with the Conservatives and Labour Party wooing a potential ally as the markets pressed for results and a public accustomed to clearer outcomes watched transfixed.

Conservative leader David Cameron, ahead but shy of a majority, seized the initiative with a "comprehensive offer" to the ideologically dissimilar but possibly willing Liberal Democrats. Labour incumbent Gordon Brown, beaten but still battling, dangled before the Liberal Democrats their dream of major electoral reform. A weekend of frantic negotiations loomed — but momentum seemed to be with the youthful Cameron.

Liberal Democrat leader Nick Clegg did not immediately respond in public to his opponents' overtures, but said earlier that the party that had gained the most seats and the most votes — the Conservatives — should have the first right to try to govern.

"I think it is now for the Conservative Party to prove that it is capable of seeking to govern in the national interest," he said.

Ideologically, the center-left Clegg has more in common with Brown. Both oppose the immediate cuts Cameron says are needed to begin rebalancing Britain's debt-burdened economy and both have attacked his Tories as the party of privilege. Clegg has clashed with Brown and Cameron over Britain's expensive submarine-launched nuclear deterrent, which the Liberal Democrat leader has indicated he may want to scrap.

But the Conservatives have held out the tantalizing prospect of Liberal Democrat seats in a Tory government, with senior Conservative lawmaker William Hague saying Cabinet posts were not "off the table." The 43-year-old Cameron said "we have to accept that we

fell short of an overall majority" as results showed his party had won 306 of the 650 seats in the House of Commons — less than the 326 needed for outright victory.

"Britain needs strong, stable decisive government and it is in the national interest that we get that on a secure basis. ... I want to make a big, open and comprehensive offer to the Liberal Democrats," he said. But Cameron promised only a "committee of inquiry" to look into the Liberal Democrats' major goal, reform of Britain's electoral system so that the number of seats gained is based on the percentage of vote a party achieves. They say that is fairer than the current system, in which a party can win a parliamentary majority by getting only a third of votes. Cameron also left open the option of trying to form a minority government if the Liberal Democrats turned him down.

Brown, too, appealed to the Liberal Democrats to make a deal, and went farther than Cameron by promising quick legislation on electoral reform. "There needs to be immediate legislation on this to begin to restore the public's trust in politics," Brown said. "The question for all the political parties now is whether a parliamentary majority can be established that reflects what you, the electorate, have told us," Brown said in a statement delivered outside 10 Downing St. — still his home, at least for now. Even a deal with the Liberal Democrats would leave Labour a few seats short of a majority, meaning they would have to turn to Scottish and Welsh nationalists for further support.

LONDON (AFP) – Conservatives and Liberal Democrats were set for further talks Saturday to thrash out a power-sharing deal after a cliffhanger election left the country in political limbo. Negotiations were to continue into the weekend after Thursday's general election put the Conservatives in the driving seat but without an overall majority in parliament. All eyes were on Liberal Democrat leader Nick Clegg, who faces steering his third-placed party into alliance with the Conservatives or keeping Prime Minister Gordon Brown's Labour in office in the first hung parliament since 1974. Mindful of the economic turbulence in Europe, newspapers urged a swift deal to get a new government in office by Monday. The Conservatives have 306 MPs, compared to 258 for Labour and 57 for the Liberal Democrats, leaving the Tories short of the 326 seats statistically needed to govern unaided in parliament's 650-seat House of Commons. Conservative leader David Cameron invited the Liberals to strike a pact and talks between their negotiators began late Friday, though all sides were keeping tight-lipped about progress. "I want to make a big, open and comprehensive offer to the Liberal Democrats. I want us to work together in tackling our country's big and urgent problems," Cameron told a press conference earlier. "I hope we can reach agreement quickly," he added, while leaving open the possibility of a minority Conservative government, relying on support from smaller parties to pass legislation on an ad hoc basis.

In a hung parliament here, the incumbent prime minister has the right to stay on in office, possibly seeking coalition partners. Brown accepted Clegg's decision to look to the Conservatives to make the first move, saying Cameron and Clegg would be "entitled to take as much time as they feel necessary". But Brown said he too was open to negotiation with the Lib Dems and dangled the prospect of immediate legislation on their key demand of electoral reform. "Should the discussions between Mr. Cameron and Mr. Clegg come to nothing then I would of course be prepared to discuss with Mr. Clegg the areas where there may be some measure of agreement between our two parties," he said.

LONDON (Reuters) – Britain's Liberal Democrat leader will seek backing from senior party members on Saturday for a possible deal with the Conservatives after Thursday's election, in which none of the three major parties won a majority. The center-right Conservative Party won most parliamentary seats but they need the support of other parties to form a stable government that can tackle the record budget deficit. A deal with the much smaller centrist Liberal Democrats would achieve that and also give the Lib Dems their first role in government for decades. Leader Nick Clegg must overcome skepticism among a significant number of his party, who fear that Britain's third largest party would be forced to sacrifice too many cherished policies for a deal. Financial markets, already rattled by a debt crisis in Greece, want a new government to be formed quickly so it can set about reducing the deficit swiftly and decisively. The pound, gilts and stock market all fell on Friday when it became clear the Conservatives would not have a parliamentary majority, despite beating the incumbent Labor Party soundly. Conservative leader David Cameron appealed to the Liberal Democrats on Friday, saying he would consider some kind of formal agreement with them. This could include a coalition, a rarity in Britain, but is more likely to involve a pact whereby the Lib Dems agree to support a Conservative-led minority government implementing an agreed legislative program in return for concessions. Senior members of both parties met on Friday night and further talks are expected over the next few days.

LONDON (AFP) – Economists and investors will be anxiously following Thursday's election, amid fears an uncertain result could send stocks and sterling plunging -- even if risk has already been partially priced in. The pound slumped in March when it was first suggested that no party would win an outright majority -- a scenario that is looking increasingly likely as polls put the Conservatives ahead but still short of a parliamentary majority. The currency has since stabilised but the risks remain, while stock markets have a history of responding badly to uncertainty and any delays in tackling Britain's budget deficit due to coalition talks could spook investors. On the flip side, the markets have had weeks to adapt to the idea of a hung parliament, while analysts suggest the bail-out of debt-ridden Greece has caused a bigger financial shock than any political events in London could do.

Conservative business spokesman Ken Clarke has been leading the doomsday predictions, warning a hung parliament could see sterling "wobble" and delays in tackling the deficit could prompt action by the International Monetary Fund. "Fooling about with multi-party debate in what we call a hung parliament will be the equivalent of fiddling while Rome burns," he said. Whoever wins the election, the priority will be to cut the deficit, which stands at 163.4 billion pounds, or 11.6 percent of gross domestic product -- the highest level since World War II. Britain only emerged from a long recession at the end of last year, and the 0.2 percent growth in the first quarter of 2010 was lower than expected.

With an eye on the Greek crisis, Prime Minister Gordon Brown's Labour party, the Conservatives and the Liberal Democrats have all pledged tough action to cut the deficit, although only the Tories would begin this year. Alastair Newton, senior political analyst at Nomura, said the agreement on what needed to be done was crucial, saying: "Fiscal policy is likely to be very tight whatever the election outcome."

BERLIN – Chancellor Angela Merkel's government risks a painful reverse as Germany's most populous state holds an election this weekend, with its political stock sliding after a rocky start and a buffeting from the Greek debt crisis. Polls indicate the center-right coalition that runs North Rhine-Westphalia will struggle to win re-election Sunday. If it doesn't, Merkel's national coalition, made up of the same parties, will lose its majority in parliament's upper house. That would limit her ability to push through her policy agenda. Still, experts say many past German governments have lacked upper-house majorities and have not had major difficulties.

GENEVA – Switzerland's army should stop preparing for a foreign attack and concentrate on security operations inside the country, according to a leaked government discussion paper published online Thursday. The proposal, which also includes cutting funds for new weapons systems and reducing the size of the army, was obtained by Swiss weekly *Weltwoche* and published on its website. A Defense Ministry spokesman confirmed that the document was produced by defense officials for discussion at a regular government meeting Friday, but declined to comment further. "This paper was leaked to the media, and we don't comment on leaks," Sebastian Hueber told *The Associated Press*.

The proposal claims that "the core purpose of the army isn't the ability to conduct a war." Instead, the paper suggests that the army should do more to provide security inside Switzerland — such as during large events like the 2008 European football championship — assist in humanitarian operations abroad and police Swiss airspace. If other European countries ask for assistance, the army should consider taking part in patrols to secure the continent's external borders with drones and other aircraft, it said. Switzerland hasn't taken part in a foreign war since 1815, but has one of Europe's largest armies in part because of long-standing fear of foreign invasion after the neutral nation was surrounded by fascist armies during World War II.

All men in this nation of just under 8 million are required to undergo army training from the age of 19 and must perform regular reserve duty until at least the age of 30. The army has a small number of professional soldiers, but many senior officers are reservists, and until recently every soldier was required to have a rifle at home in case of foreign attack.

PARIS – France's opposition Socialists have presented a bill that would ban Islamic face veils in places such as hospitals and banks. The bill could complicate President Nicolas Sarkozy's efforts for a full-out ban. Sarkozy says such veils oppress women, and he has ordered the conservative government to draft a bill outlawing full veils in public. Jean-Marc Ayrault, who heads the Socialists in the French National Assembly, says "a general ban will be extremely difficult to apply." He outlined a bill Tuesday that would ban face veils such as the niqab or burqa in certain places, including government buildings, hospitals, public transport and banks. France has western Europe's largest Muslim population, but only a small minority of French women wear full veils.

LONDON – A British court says the government will not be allowed to keep evidence secret from former Guantanamo prisoners who are suing the U.K. over its alleged complicity in their detention. The seven former inmates allege that Britain was complicit in their alleged abuse in the U.S. military prison camp on the southeastern tip of Cuba, as well as elsewhere, and are seeking damages from the government. Their civil

suit has yet to come to trial, but the government won a preliminary victory last year by securing the right to keep selected pieces of information secret. Lawyers for the men said Tuesday that a three-judge panel overturned that ruling because secret evidence violated the principle of open justice. The government has not yet indicated whether it will appeal.

BRUSSELS, Belgium -- Eurozone members and the IMF announced on Sunday (May 2nd) they have agreed on a 110 billion-euro aid package for Greece over the next three years. The EU will provide 80 billion euros of it, while the rest will come from the IMF. The first tranche is to be released before May 19th, when Greece is to make its next debt repayment. The deal must still be approved by some parliaments in eurozone member countries and by the IMF. In return for the aid, Greece must implement sweeping austerity measures, including scrapping bonuses for public employees, banning increases in public sector salaries and pensions for at least three years, increasing the VAT rate from 21% to 23%, raising fuel, alcohol and tobacco taxes by 10% and taxing illegal construction. The goal is to raise 30 billion euros over the next three years, to bring the country's ballooning budget deficit back under the European threshold of 3% of GDP.

ATHENS, Greece -- Prime Minister George Papandreou announced on Sunday (May 2nd) that his government will implement a series of reforms in return for EU/IMF aid. "We are approving the agreement for an unprecedented rescue package in exchange for unprecedented efforts on the part of the Greek people. Big sacrifice is expected from our citizens," Papandreou said in a televised speech, confirming the EU/IMF deal will be sealed Sunday. Without imminent reforms, "the alternative would be a catastrophe," he said. Finance Minister George Papaconstantinou says the government will freeze public-sector wages, raise some taxes, including the value-added tax, impose a new levy on businesses, cut pension payments and raise retirement ages for some public-sector workers. Eurozone finance ministers hold an informal meeting in Brussels Sunday evening and are expected to approve the Greek government's plan and to announce the exact amount the country will receive over the next three years. On Saturday, protestors demonstrated against the austerity measures at Labour Day demonstrations in Athens and Thessaloniki. Police in both cities ended up using tear gas to disperse unruly pockets of people.

ATHENS, Greece -- Public employees kicked off a 48-hour strike Tuesday (May 4th) against the government's austerity measures that include wage cuts. The strike was supposed to last 24 hours and start Wednesday, but organisers decided to launch it earlier. Protests are expected to spread throughout the country affecting both the public and private sectors, including railways, air traffic, schools, hospitals in Athens and Piraeus, media and banking. Two rallies are planned in Athens on Tuesday. Late Monday, a small group of teachers forced their way into state television NET in Athens, disrupting programming while Education Minister Anna Diamantopoulou was being interviewed. The teachers agreed to leave the building after their demands were broadcast live. Separately, armed forces personnel held a silent protest, wearing civilian clothing in Athens on Monday to protest a 30% cut in their salaries.

BERLIN – Declaring that "the future of Europe" is at stake, Chancellor Angela Merkel urged German lawmakers on Wednesday to speedily approve euro22.4 billion (\$29.3 billion) in aid for debt-ridden Greece. Merkel's Cabinet agreed Monday upon the German contribution to a three-year euro110 billion bailout by the European Union and International Monetary Fund. As Europe's largest economy, Germany will provide euro8.4 billion (\$10.8 billion) in 2010 and up to euro14 billion (\$18 billion) more over 2011 and 2012, according to the plan. "Nothing less than the future of Europe, and with that the future of Germany in Europe, is at stake," Merkel told lawmakers. "We are at a fork in the road." Merkel's government had insisted that Greece agree to new austerity measures before Germany committed to financial assistance — a stance that drew criticism of foot-dragging. Merkel had appeared to want to delay action until after a local vote in Germany this Sunday, but ratings agency Standard and Poor downgraded Greek bonds to junk status last week, deepening the crisis.

Amid market turmoil, Athens worked out a new deal with the IMF and the EU over the weekend. Germany moved quickly ahead with its funding for Greece and Merkel fast-tracked the legislation with the goal of having it passed by both houses of parliament by Friday, when she travels to Brussels for an EU meeting on Greece. Greece needs the funds by May 19 so that it doesn't default on debt payments.

Fallout over Greece's financial situation has hit the euro, the common currency used by Greece and 15 other EU nations. The euro fell below \$1.30 this week — compared to about \$1.50 last November. Axel Weber, a member of the European Central Bank's governing council and head of Germany's Bundesbank, warned lawmakers that the financial problems afflicting Greece pose a serious risk of infecting other countries in the eurozone.

GENEVA – Child labor has declined, but progress toward eradicating the practice is uneven and risks grinding to a halt, the U.N. labor agency said Saturday. A global survey based on figures from more than 50 countries shows there were 215 million child laborers around the world in 2008, the last year for which figures are available. This is a drop of more than 3 percent from the estimated 222 million child laborers in 2004, said the International Labor Organization. The number of girls and children under 15 who are classed as child laborers fell sharpest, while the number of boys and youths aged 15-17 increased during the four-year period.

The Geneva-based ILO urged governments to do more to reduce child labor, in particular if they want to achieve a target of eliminating its worst forms by 2016. Some 115 million children were engaged in hazardous work in 2008, compared with 128 million four years earlier. The hazards include extended exposure to heat, cold or dangerous substances, and working more than 43 hours a week.

The director of ILO's child labor program, Constance Thomas, said many obvious examples of hazardous work have been successfully targeted. "Low-hanging fruit has been taken," she told reporters in Geneva. "The less visible forms ... are harder to eradicate." The biggest progress has been made in Asia and Latin America, while in sub-Saharan Africa the situation has worsened, according to the survey. One in four children in sub-Saharan Africa are now classified as child laborers.

About 60 percent of child laborers work in agriculture and many aren't paid. Their work helps provide food for their families but deprives them of the chance to get an

education that would help them escape poverty, ILO said. Frank Hagemann, who compiled the statistics, warned that the economic downturn in recent years could increase the number of child laborers as families try to make ends meet. "The cost for households to keep children in school is rising," he said. ILO released the report ahead of a two-day conference on child labor starting Monday in The Hague, Netherlands.

BERLIN, Germany -- The fact that Turkey is a predominantly Muslim country should not be an obstacle to EU membership, EU Enlargement Commissioner Stefan Fuele said in an interview with DPA on Friday (April 30th). "The EU is not a religious project, it is based on values, and if Turkey makes it clear that it not only shares those values, but also protects them, it should be given an opportunity," Fuele said. Asked to comment on the Cypriot issue, viewed as a significant obstacle to Turkey's accession, Fuele admitted it was "a big elephant in the room". He explained that unless the issue is resolved, Ankara's EU bid could hardly succeed. Fuele welcomed the election of Dervis Eroglu as the new leader of Turkish-dominated northern Cyprus, saying that despite earlier hard-line statements, his first moves are encouraging.

MADRID – U.S. Vice President Joe Biden has arrived in Spain to meet with Prime Minister Jose Luis Rodriguez Zapatero and King Juan Carlos for talks. The visit follows Biden's trip to Brussels, where he told the European Parliament that Washington remains determined to deploy its planned anti-missile system in Europe to counter the danger of Iran's nuclear program and its long-range ballistic missiles. In Madrid, Biden is to discuss bilateral issues, the war in Afghanistan and almost certainly the global economic crisis, including Greece, the U.S. Embassy said. On Friday, Biden met with the king at Zarzuela Palace. On Saturday, he holds talks with Zapatero and visits a Spanish military base to meet troops due to return to Afghanistan.

VIENNA – Israel's secretive nuclear activities may undergo unprecedented scrutiny next month, with a key meeting of the International Atomic Energy Agency tentatively set to focus on the topic for the first time, according to documents shared Friday with The Associated Press. A copy of the restricted provisional agenda of the IAEA's June 7 board meeting lists "Israeli nuclear capabilities" as the eighth item – the first time that that the agency's decision-making body is being asked to deal with the issue in its 52 years of existence. The agenda can still undergo changes in the month before the start of the meeting and a senior diplomat from a board member nation said the item, included on Arab request, could be struck if the U.S. and other Israeli allies mount strong opposition. He asked for anonymity for discussing a confidential matter. Even if dropped from the final agenda, however, its inclusion in the May 7 draft made available to The AP is significant, reflecting the success of Islamic nations in giving concerns about Israel's unacknowledged nuclear arsenal increased prominence. The 35-nation IAEA board is the agency's decision making body and can refer proliferation concerns to the U.N. Security Council — as it did with Iran in 2006 after Tehran resumed uranium enrichment, a potential pathway to nuclear weapons. A decision to keep the item would be a slap in the face not only for Israel but also for Washington and its Western allies, which support the Jewish state and view Iran as the greatest nuclear threat to the Middle East.

Iran — and more recently Syria — have been the focus of past board meetings; Tehran for its refusal to freeze enrichment and for stonewalling IAEA efforts to probe alleged nuclear weapons experiments, and Damascus for blocking agency experts from revisiting a site struck by Israeli jets on suspicion it was a nearly finished plutonium producing reactor. Iran and Syria are regular agenda items at board meetings. Elevating Israel to that status would detract from Western attempts to keep the heat on Tehran and Damascus and split the board even further — developing nations at board meetings are generally supportive of Iran and Syria and hostile to Israel. That in turn could stifle recent resolve by the world's five recognized nuclear-weapons powers — the U.S., Russia, Britain, France and China — to take a more active role in reaching the goal of a nuclear-free Middle East. Inclusion of the item appeared to be the result of a push by the 18-nation Arab group of IAEA member nations, which last year successfully lobbied another agency meeting — its annual conference — to pass a resolution directly criticizing Israel and its atomic program. Unlike the board, the conference cannot make policy. Still, the result was a setback not only for Israel but also for Washington and other backers of the Jewish state, which had lobbied for 18 years of past practice — debate on the issue without a vote. A letter to IAEA chief Yukiya Amano by the Arab group that was also shared with the AP urged Amano to report to the board what was known about Israel's nuclear program "by including a list of the information available to the Agency and the information which it can gather from open sources." The April 23 Arab letter urged Amano to enforce the conference resolution calling on Israel to allow IAEA inspections of its nuclear facilities. Israel has never said it nuclear weapons but is universally believed to possess them.

KOENIGSWINTER, Germany – Outgoing U.N. climate chief Yvo de Boer shot down expectations of a climate treaty this year, saying Monday that a major U.N. conference in December would yield only a "first answer" on curbing greenhouse gases. His comments came just five months after the hyped Copenhagen climate conference failed to yield much progress despite efforts by world leaders, including President Barack Obama. De Boer said the next major U.N. climate conference in Cancun, Mexico, in December will "not provide an answer that is good enough." He was speaking to reporters at an international climate meeting in Koenigswinter, near Bonn, the former German capital. "A good outcome of Cancun will be an operational architecture on climate change," he said. "And then we can decide on a treaty."

De Boer said he expects such an international climate treaty before the end of 2012, but even that will "not be the definitive answer to the climate change challenge." De Boer's assessment comes five months after the troubled U.N. climate change conference in Copenhagen. That meeting was originally intended to produce the international treaty that has been in the works since 2007. Instead, it showed a great rift between industrialized nations, new economic powers like China, and developing countries. Germany and other countries have said they have not given up on a deal in Cancun. Germany and Mexico are hosting the meeting in Koenigswinter of more than 40 ministers and high representatives, which is aimed at getting the U.N. negotiating process back on track.

## Southeast Europe

TIRANA, Albania -- Tens of thousands of people hit the streets of Tirana on Friday (April 30th) in a protest organised by the opposition, insisting authorities open the ballot boxes from the June 2009 general elections, which they say were marred by violations. The government, however, says the demands are illegal. According to organisers, about 200,000 people joined the action, although no official figures were announced. Still, it was the biggest street protest against the election results so far. Twenty-two lawmakers from the opposition Socialist Party and 180 party supporters launched a hunger strike in an effort to get the government to agree to a partial vote recount. On Saturday, one group tried to break into Prime Minister Sali Berisha's office, injuring at least one police officer.

TIRANA, Albania -- Edi Rama, leader of the main opposition Socialist Party (SP), said on Sunday (May 2nd) that ongoing anti-government protests in Tirana represent all citizens across the country. "This battle is not an attempt by a political party to get to power, but represents the people who seek democracy," Rama told hundreds of supporters. Organisers say that the protests will continue until a solution is found. According to them, about 200,000 people have joined the action, although no official figures were announced. Opposition parties insist some ballot boxes from the June 2009 general elections should be opened, as this would prove violations occurred. The government, however, defends the vote as the "best ever held in Albania". Meanwhile, parliament members from the SP and the ruling Democratic Party travelled to Brussels on Sunday to discuss the political crisis with the EU's Stabilisation and Association Inter-parliamentary Committee.

TIRANA, Albania -- The government will continue to defend the results of last year's general elections and will not change its stance, despite an ongoing hunger strike outside the cabinet's building, Prime Minister Sali Berisha said on Monday (May 3rd). Lawmakers and supporters of the opposition Socialist Party started their strike four days ago, insisting on electoral transparency and an end to the current government. Berisha instructed health authorities to provide the medical care strikers may need, but urged the opposition to make its case before the Constitutional Court.

TIRANA, Albania -- Deputy Prime Minister Ilir Meta is asking members of the opposition Socialist Party (SP) to end their hunger strike and start a fresh dialogue. "All possibilities are there to find a solution out of this situation through dialogue and by respecting laws and the constitution," Meta said on Thursday (May 6th). A dozen SP lawmakers and more than 150 party supporters launched their hunger strike a week ago, demanding transparency and an investigation into the June 2009 general elections. Separately Thursday, EU Enlargement Commissioner Stefan Fuele again urged Albania's main political parties to resolve the matter, warning that the stalemate over the election threatens the country's bid for EU candidate status.

BRUSSELS, Belgium -- The European Parliament (EP) failed to bring Albania's political parties together Tuesday (May 4th) for dialogue aimed at ending the country's

political crisis. After two days of meetings in Brussels, the EU-Albania Parliamentary Committee was unable to adopt a regular resolution as happened in previous meetings. The head of the Balkan delegation at the EP, Eduard Kukan, said "the political stalemate was evident here at the European Parliament ... I am disappointed, since for the first time a meeting of such nature ends in this situation." Romanian EP member Victor Bostinaru said the situation sets a precedent. "It is alarming that the EP that does not meet readiness from the sides in Albania to work together for the European future of the country. We here co-operate, while our Albanian colleagues don't," said Bostinaru. Some opposition party members in Tirana resorted this week to staging a hunger strike, until the ruling Democratic Party agrees to open ballot boxes from the June 2009 general elections. The opposition has insisted for months that the results were manipulated.

TIRANA, Albania -- Corruption is widespread in Albania's public institutions, a study by the Institute for Research and Development Alternatives concluded on Wednesday (May 5th). According to the report, 91% of citizens believe that corruption is rampant in the public sector, with the health sector viewed as most corrupt. Of all 1,200 citizens polled, about 80% say it is very hard to get information from the courts, while 60% think that the media fights corruption the most.

TIRANA, Albania -- The speaker of Italy's Lower House of Parliament, Gianfranco Fini, visited Tirana on Thursday (May 6th) and said that co-operation in fighting crime and illegal trafficking is tied to lifting the visa regime with the EU. "The process of visa liberalisation is based on merits," Fini said during his second official visit to Albania, adding that Tirana can rely on Italy's full support in the process.

BRUSSELS, Belgium -- The European Parliament's (EP) foreign affairs committee briefly discussed on Tuesday (May 4th) a draft resolution on Bosnia and Herzegovina (BiH), submitted by EP member Doris Pack. Her fellow members support the country's inclusion in the EU's visa-free regime but stressed the need to amend BiH's Constitution, in light of a ruling by the European Court of Human Rights, which concluded in December that the constitution discriminates against minorities. In the resolution, Pack said that BiH is undergoing a period of political stagnation and deteriorating interethnic relations. EP members submitted 194 amendments to the resolution. Pack is expected to consider them and send a new, compromise version of the document by week's end, for adoption later this month.

SARAJEVO, Bosnia and Herzegovina (BiH) -- The European Commission (EC) is expected to offer a positive assessment of the progress BiH has made in meeting the criteria in its EU visa liberalisation road map. By the end of May, the commission will submit a proposal for visa liberalisation, the ministry of security announced on Thursday (May 6th) after Security Minister Sadik Ahmetovic met with representatives of the EC Directorate-General for Justice, Freedom and Security in Brussels. The proposal must be approved by both the European Parliament and the Council of the EU. Ahmetovic voiced hope that BiH citizens will be able to travel without visas within the EU in October.

SARAJEVO, Bosnia and Herzegovina (BiH) -- The Central Election Commission (CEC) announced on Wednesday (May 5th) that parliamentary and presidential elections will be held on October 3rd. CEC President Irena Hadziabdic said that Bosnians will vote for members of the BiH presidency, central and entities' parliaments, president and vice-president of Republika Srpska, as well as new members of the assemblies of the Federation of BiH's ten cantons. She added that campaigning will start at the beginning of September.

SARAJEVO, Bosnia and Herzegovina (BiH) -- Bosnian Serbs are marking the 18th anniversary of an attack against a Yugoslav National Army (JNA) convoy that left more than 40 soldiers dead. A peaceful march and services are planned in Sarajevo on Monday (May 3rd), despite strong opposition from the city council and Mayor Alija Behmen. Police say they are doing all they can to prevent any incidents during the gathering. Zeljko Komsic, the Croat member of BiH's tripartite presidency, called the commemoration an attempt at provocation by Republika Srpska.

SOFIA, Bulgaria -- Prime Minister Boyko Borisov announced on Sunday (May 2nd) that Interior Minister and Deputy Prime Minister Tsvetan Tsvetanov will be the ruling Citizens for the European Development of Bulgaria (GERB) party's candidate in the 2011 presidential election. "I got angry with analysts suggesting I would try to escape from responsibility [by running] in the presidential elections. I am not escaping ... I will remain prime minister until the end," Borisov said in an interview with local daily 24 Chasa. His government's mandate expires in 2013. He also denied rumours that he plans a government reshuffle this month that would remove Finance Minister Simeon Dyankov.

SOFIA, Bulgaria -- Interior Minister Tsvetan Tsvetanov announced on Monday (May 3rd) that the ruling GERB party will propose establishing a special anti-mafia court by this summer. Judges working in the court would be required to pass lie detector tests, as are members of the National Security Agency, the interior ministry and the prosecution. The court will handle cases related to organised crime and corruption expeditiously. Similar cases have been protracted until now, due to the heavy workloads of courts around the country.

ZAGREB, Croatia -- Saturday (May 1st) marked the 15th anniversary of Operation Bljesak (Flash), in which Croatian forces removed Serb forces from the self-proclaimed Republic of Serbian Krajina. President Ivo Josipovic described it as a "milestone in the Homeland War", while Prime Minister Jadranka Kosor described it as a "brilliant" action in a "just, defensive and liberating" response to the aggression of Slobodan Milosevic. The 36-hour long operation started on May 1st 1995, prompting Serbian forces to bomb the centre of Zagreb on May 2nd and 3rd.

In Serbia, liturgies were held in various locations to commemorate the victims of Flash. Belgrade says 283 Serbs were killed, including 57 women and nine children. Thousands of Serbs were forced to leave their homes.

PRISTINA, Kosovo -- Mobile and landline telephone service for Serbs living in central Kosovo has not been restored yet, Rada Trajkovic, director of the Gracanica Health Centre, said in a letter to Serbian Telecommunications Minister Jasna Matic on Saturday (May 1st). The letter, explaining that health care providers in the region cannot contact patients, was prompted by Matic's announcement Friday that phone service for people using Serbian operators Telekom and Telenor had been restored throughout most of Kosovo. Authorities there began dismantling Serbian mobile communications networks over a week ago, arguing they are operating illegally. The move has left about 100,000 Serbs without a dial tone.

PRISTINA, Kosovo -- Negotiations are under way to allow a Serb virtual mobile operator in Kosovo, local media reported on Wednesday (May 5th), quoting unnamed senior officials. The government and the Telecommunications Regulatory Authority (TRA) are said to be negotiating with Belgrade through Brussels. The talks, sources say, started after the TRA began removing the transmitters of Serbia's operators in Kosovo, arguing they are illegal since no taxes are paid to Pristina. "The negotiations are on a political level. In order not to leave the Serb community without any operator, the TRA has started the talks to license a Serb virtual operator which will function in co-operation with one of Kosovo's mobile companies," the source said. Kosovo has two mobile operators and two virtual companies providing service to the country

PRISTINA, Kosovo -- Minister for Integrations Besim Beqaj said on Saturday (May 1st) that despite its efforts, Serbia will not hinder Kosovo's EU integration. "Belgrade wants to show that Kosovo is a non-functional and illegitimate state [despite being] recognised by 65 states, including 22 EU member states," Beqaj said. "I call on Belgrade authorities to behave in a European way in order to accelerate the EU integration process," he added. As for visa-free travel, he said "I can not specify any date, but I can say that Kosovo is ready to receive the visa liberalisation roadmap." Non-recognition by five EU member states has complicated the process.

BRUSSELS, Belgium -- Kosovo Foreign Minister Skender Hyseni told EU Enlargement Commissioner Stefan Fuele on Tuesday (May 4th) that Kosovo will participate in the EU-Western Balkans summit in Sarajevo only as an equal partner with other participants. Hyseni delivered the same message to French Foreign Minister Bernard Kouchner in Paris. The subject is delicate, because Serbia refused to attend a regional summit in March that Kosovo representatives attended, saying participation implied recognition of Kosovo's independence. Hyseni also discussed potential visa-free travel for Kosovo citizens and possible scenarios after the International Court of Justice rules on the legality of Kosovo's independence.

PRISTINA, Kosovo -- The European Commission (EC) Liaison Office in Pristina will support the government in conducting a national census, head of mission Renzo Daviddi said on Wednesday (May 5th) after a meeting with Minister of Public Administration Edita Tahiri. They discussed the technicalities of the census, which is planned for spring 2011. "We will be committed to reaching results which will also be internationally recognised," Tahiri said. In 2000, the Statistical Office of Kosovo

conducted a census that Serbia refused to recognise. The last census recognised by both Albanians and Serbs was held during the 1980s.

PRISTINA, Kosovo -- The EULEX mission says it has evidence of misuse of funds by the Kosovo government. Acting Chief Prosecutor Johannes van Vreeswijk said on Thursday (May 6th) he is not happy with the government's comments, accusing EULEX of staging a "spectacle" during their search of the Ministry of Transport and Telecommunications last week. According to van Vreeswijk, Prime Minister Hashim Thaci and every other minister should rest assured that EULEX will not interfere in their work if there is nothing unlawful going on. He added the mission is investigating six more cases of corruption and organised crime, and said corrupt officials should "start sweating". The suspects in the case at the Ministry of Transport and Telecommunications, Minister Fatmir Limaj and Head of Procurement Nexhat Krasniqi, are suspected of money laundering, organised crime, abuse of office and soliciting bribes, van Vreeswijk said.

The long dispute over the name Macedonia has not stopped thousands of Greeks from crossing the border in search of bargains. Despite the glacial political relations between Athens and Skopje, residents of northern Greece are flocking across the border to find less expensive dental care, as well as other goods and services. The two Balkan neighbours remain at loggerheads over the name "Macedonia", but that has not stopped ordinary citizens from practicing their brand of economic diplomacy. According to Greek dental associations, private practices have seen as much as a 50% drop in business due to "dental excursions" to Bitola, Gevgelija or Strumica. The influence of the ongoing economic crisis is hard to gauge, though it is a growing factor. Nor is inexpensive dentistry the only draw. Many also come in search of cheaper petrol, or for recreation and entertainment. A customs officer, speaking on condition of anonymity, told SETimes that an average of 1,000 Greek citizens pass through the Evzoni border crossing on any given weekday, with the number doubling at the weekend. "It is the casino in Gevgelija," he said, referring to one of the many gambling establishments north of the border. He added that 500 Greek citizens, per day on average, cross the Niki border post, further west. Georgios Xanthopoulos, president of Florina's dentist association, has practiced dentistry for 27 years. He says the phenomenon of local residents making the 24km drive to Bitola for dental care began after 2000. "With the economic crisis in Greece, and especially with the situation in state-run dentistry here, people often sacrifice convenience for lower prices," Xanthopoulos told SETimes. He said many residents of the prefecture of Florina are insured by the civil servant's health fund, including the Public Power Corporation's large workforce. But the fund has frozen dental care reimbursements at 1994 prices. Although it costs around 50 euros to fill a tooth cavity, the state-run fund only pays beneficiaries 7 euros, Xanthopoulos said. In Bitola, he noted, the same procedure costs around 15 euros. Similarly, a fitted denture costs between 1,000 to 1,200 euros in Florina and Kilkis, but runs as low as 300 euros in Bitola. A routine root canal procedure is only reimbursed to the tune of 20 euros by the public sector health fund, whereas a Greek dentist charges a minimum of 150 euros.

SKOPJE, Macedonia -- Ali Ahmeti, leader of ethnic Albanian junior coalition partner Democratic Union for Integration (DUI), opposes any scenario that could lead to the partition of Macedonia. In an interview with BBC in Albanian on Tuesday (May 4th), Ahmeti urged Albanians in Macedonia to ignore provocations, a reference to a shooting last week near the border with Kosovo where police found a large stash of weapons. A group representing itself as the National Liberation Army has claimed responsibility for the incident.

PODGORICA, Montenegro -- Montenegro officially became an associate member of the EU on Saturday (May 1st), when the country's Stabilisation and Association Agreement (SAA) with the bloc took effect. Podgorica submitted its EU membership application in December and hopes for candidate status in the beginning of 2011, which would enable it to begin talks on full-fledged membership. Enforcing the SAA allows Montenegro to participate in the work of the Council for Stabilisation and Association and attend its next meeting in June.

PODGORICA, Montenegro -- Leaders of the opposition coalition "A Better Montenegro" kicked off their campaign Monday (May 3rd) for the upcoming local elections. Srdjan Milic of the Socialist People's Party, Andrija Mandic of the New Serbian Democracy and Nebojsa Medojevic of the Movement for Changes addressed supporters at a square in downtown Podgorica. They promised to work for reconciliation and against organised crime. The elections are on May 23rd.

BUCHAREST, Romania -- Washington and Bucharest signed an agreement Monday (May 3rd) that will eventually lead to visa-free travel for Romanian citizens visiting the United States. Under the deal, signed by George Maier of the Romanian Intelligence Services and Richard Stein of the Federal Air Marshals, the two countries commit to providing air marshals on commercial flights to each other's territories, to boost aviation security. The agreement is one of several requirements to include Romania in the so-called Visa Waiver Programme, which allows members to spend up to 90 days in the United States without visas.

BUCHAREST, Romania -- Crin Antonescu, leader of the opposition National Liberal Party, called on Wednesday (May 5th) for the government of Prime Minister Emil Boc to resign, and said President Traian Basescu should either step down or find an actual solution to the economic crisis. Antonescu suggests a smaller, streamlined cabinet composed of experts in their fields. "The new government should have seven to eight ministries at the most. The expert government can prevent unnecessary costs that were made in 2009," Antonescu said. Victor Ponta, leader of the other big opposition party -- the Social Democratic Party -- agrees that the current cabinet should be replaced, via early elections. The next scheduled parliamentary elections are in 2012.

BUCHAREST, Romania -- The two largest opposition parties, the Social Democratic Party (PSD) and the National Liberal Party, have drafted a no-confidence motion against the government of Prime Minister Emil Boc and will submit it to parliament on May 17th, PSD Senator Lia Olguta Vasilescu said on Thursday (May 6th).

The final wording, she added, will be hammered out on Monday. The motion criticises the government's economic policy, particularly spending cuts.

BUCHAREST, Romania -- President Traian Basescu predicted on Thursday (May 6th) that authorities will have to cut public sector wages by 25% and reduce pensions by 15% to prevent substantial tax hikes. The cuts will take effect as of June 1st, according to the local media. The president noted that two fiscal packages are under discussion with the IMF mission that is currently in Romania to negotiate the disbursement of an 850m-euro tranche under the country's 13 billion-euro stand-by arrangement with the Fund. The first option includes a 5% VAT rate hike to 24%, as well as a 4% hike in corporate and personal income tax, from 16% to 20%, Basescu said. This option also envisions public spending cuts. The second focuses only on the continuation of strong expenditure restructuring plans.

BELGRADE, Serbia -- Parliament Speaker Slavica Djukic-Dejanovic announced on Saturday (May 1st) that lawmakers will be discussing a declaration Wednesday condemning war crimes committed against Serbs during the 1990s. Lawmakers will then have ten days to submit objections or proposals. The draft condemns crimes against Serbian citizens and all people of the Serb nationality committed during the wars in Croatia, Bosnia and Herzegovina, Kosovo, Serbia and the 1999 NATO-led bombings. Lawmakers have urged regional parliaments to adopt similar documents, and on March 31st, passed a declaration condemning atrocities committed in Srebrenica.

BELGRADE, Serbia -- Parliament Speaker Slavica Djukic-Dejanovic announced on Wednesday (May 5th) that lawmakers will likely pass a declaration condemning war crimes committed against Serbs, by the end of June. She said the document will urge parliaments of other former Yugoslav republics to condemn crimes against Serbs as well. At the end of March, Serbian lawmakers adopted a landmark declaration condemning crimes committed against Bosniaks in Srebrenica in July 1995. Backing by the Socialist Party of Serbia reportedly hinged on a reciprocal declaration regarding Serbs.

BELGRADE, Serbia -- The opposition Serbian Progressive Party (SNS) has won 12 seats in early local elections in Arandjelovac municipality, according to official results published on Sunday (May 2nd). The ruling Democratic Party was second with ten seats, followed by the coalition led by the Serbian Socialist Party with six. G17 plus, the Democratic Party of Serbia and New Serbia won three seats each, and the Liberal Democratic Party won two. The final results of the April 25th vote were delayed pending a revote at one polling station. The early elections were called because the city council failed to function for more than three months due to political deadlock.

BELGRADE, Serbia -- Foreign Minister Vuk Jeremic dismisses media reports in Pristina about secret negotiations on the partition of Kosovo. He said on Thursday (May 6th) that UN Security Council Resolution 1244 remains the only framework within which Kosovo's status could be discussed. He also said he expects speculation and disinformation to grow, pending the ruling by the International Court of Justice on the legality of Kosovo's independence. He added that Serbia will continue to defend its territorial integrity and sovereignty using diplomatic, legal and political means.

LJUBLJANA, Slovenia -- Lawmakers voted unanimously Monday (May 3rd) to hold a referendum on the arbitration border agreement with Croatia on June 6th. Slovenians will be asked whether they back the law on ratification of the arbitration agreement between the two neighbours. Parliament members ratified the document in April, months after Croatian lawmakers. The Slovenian government is obligated to comply with the results of the referendum. Under the agreement, the maritime border dispute will be subject to international arbitration.

## Oceania

SYDNEY (AFP) – Australian Prime Minister Kevin Rudd's government has taken a beating in an opinion poll after ditching its climate change plan, with the opposition taking the lead for the first time in years. Just months ahead of an expected general election, the ruling Labor Party's popularity fell below that of the opposition for the first time since it came to power in a landslide in 2007, a Newspoll for The Australian newspaper said. The slide in popularity came after a tough two weeks for the centre-left government, during which it dramatically put off its much-vaunted plans to introduce a carbon trading scheme until at least 2013. "Labor's taken a hit," Newspoll chief executive Martin O'Shannessy told the public broadcaster ABC after the poll showed the opposition Liberal party was leading Labor by 51 to 49 percent in a two party race. "We think these numbers are probably telling us there is a protest vote ... probably against the shelving of the ETS (the carbon emissions trading scheme)," he said. The result marks the first time the party has fallen behind the Liberals since 2006. But O'Shannessy warned the big turnaround should be treated with caution, saying it fell in the "rogue poll" range and may not represent a trend. Rudd shrugged off the poll, saying that taking tough decisions can be unpopular with voters. "Over the last three years I have never commented on polls and I don't intend to start changing that practice today," he told reporters. "My job as prime minister is to act in the Australian interest whether decisions that I take are popular or not. "I intend to continue that practice into the future because it's the right thing to do as Prime Minister of Australia," he said. Rudd announced last week that he had shelved plans to introduce the carbon trading scheme for at least three years, blaming an obstructionist opposition and the slow pace of global action on climate change. During a difficult fortnight, Rudd's administration also axed a controversial government-funded home insulation scheme and announced a 25 percent tax increase on cigarettes that was unpopular with smokers.

SYDNEY (AFP) – Major mining firms stepped up their fight against Australia's 40 percent tax on resources profits Friday with a coordinated campaign slamming it as a "real threat" to the country's prosperity. The Minerals Council of Australia, whose members include global giants BHP Billiton, Rio Tinto and Vale, took out full-page advertisements in the nation's broadsheet newspapers criticising the so-called "super profits" levy. Declaring itself "more than happy to pay our fair share", the council said members had paid more than 70 billion US dollars in taxes and royalties in the past decade and were already subject to the country's highest tax commitments. It said the proposal would result in the world's highest taxes on resources, and would attack an industry "that contributes more than any other to Australia's long-term wealth".

"It makes the Australian resources industry less competitive and it damages Australia's reputation as a stable, reliable place to invest," the ad said.

Prime Minister Kevin Rudd said he would not be cowed by the uproar from the industry, which accounts for the largest slice of Australian exports, dismissing the campaign as "a lot of crying wolf" from a "few billionaires". "We don't intend to be intimidated by anyone on this question, because we believe this is the right decision in the national interest," Rudd told public broadcaster ABC. "We believe, because these resources are owned by the Australian people, we believe that the Australian people deserve a fairer share." The government on Sunday announced it would introduce a "super profit" tax on miners from 2012, the details of which are yet to be worked out, which would place a 40 percent levy on profits deemed over a reasonable return.