

Report 123
PROJECT ON BUSINESS AND POLITICS IN THE
MUSLIM WORLD

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This week report dwells much on Yahoo/AP/Reuters News, New York Times and World Politics review. 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

- Obama fights critics on spill response: report
- NYC mayor: Don't rush to blame BP for oil spill
- Rate of Oil Leak, Still Not Clear, Puts Doubt on BP
- Obama faces rare defeat on health help for jobless
- Calif. Voting Change Could Signal Big Political Shift
- Census: Multiracial US becoming even more diverse
- Clinton hopes for US immigration fix this year
- Roque Planas, "Brazil's Lula Blocks U.S. Agenda, but with a Smile," *World Politics Review*, 10 Jun 2010
- Reporter Retires After Words About Israel
- U.N. Approves New Sanctions to Deter Iran
- EU blamed for Turkish foreign policy shift
- Canada derided for plan to build costly fake lake

Western Europe

- Belgian ex-leader wants to break up nation
- Polarized Dutch voters back right and left parties
- BP shares fall on oil spill fallout fears
- U.S. Fury at BP Stirs Backlash Among British
- World markets rise on Bernanke comments
- Spain PM says labor reform will create jobs
- Britain gives US strongest pledge to stay in war
- Cameron visits Afghanistan, rules out more troops
- NATO: Developments now favor alliance war effort.
- Yigal Schleifer, "In Turkey, Gaza Flotilla Crisis Has Strong Domestic Component," *World Politics Review*, 07 Jun 2010
- Britain's new romance language is English
- UK acknowledges police abused anti-terror powers
- France should press Putin on rights, watchdog says
- Critics slam new climate change proposal in Bonn

Southeast Europe

Albania

- Albanian opposition to resume protests
- Albania's Berisha asks opposition to lift lawmakers' immunity
- Albanian parliament adopts law on prisoner pardons
- Albania to boost its contributions as NATO member
- Albania completes additional EU candidate status questions
- EP says Albania risking EU integration

Bosnia

- 2 Bosnian Serbs get life for Srebrenica genocide
- Experts start exhuming mass grave in eastern BiH
- BiH charges three with war crimes
- US general assumes command of NATO forces in BiH
- RS's Dodik says BiH will never recognise Kosovo

Croatia

- EP rapporteur urges Croatia's EU requirements be eased
- Croatia's HNS, HSU to form alliance for elections
- Croatia's Kosor urges unions to negotiate on labour legislation
- Croatian parliament backs draft constitutional amendments
- Flood damages in Croatia more than 100m euros
- Croatia extradites war crimes suspect to BiH

Kosovo

- EC urges Kosovo to implement concrete reforms
- EU says Kosovo judiciary still weak
- EULEX investigating Kosovo Education Ministry
- EULEX's mandate in Kosovo extended

Macedonia

- Macedonia's DUI marks anniversary

Montenegro

- Montenegrin police arrest war crimes suspect

Romania

- Romanian government faces confidence vote
- Romanian lustration law declared unconstitutional
- Romanian cabinet submits fiscal austerity plan
- Romania's Basescu asks Albania to recognise Aromanian minority

Serbia

- Minority council elections held in Serbia
- Serbia announces minority council election results
- Serbian Anti-Corruption Agency publishes assets of 700 officials
- Serbia detains Mladic's wife

Slovenia

- Slovenians vote in referendum on Croatian border agreement
- Slovenians approve Croatian border arbitration agreement
- Slovenia may block Croatia from closing chapter in EU talks

Oceania

- Australian government facing election loss: polls
- Australian police to probe Google over privacy

Report Summary

US/Canada

Political Issue

President Obama lashed out at the Congress for the supposedly biased and disproportionate assessment of his management of the Gulf of Mexico oil spill. Obama said Congress and few unmentioned politicians were same people accusing his government of big-government and now they are expecting him to do more, which if attempted few months back it would be seen as overreach of federal government.

Meanwhile, as lawmakers blame Obama for ill-management of the spill, New York Mayor Michael Bloomberg sees no point in pointing accusing figures to BP PLC. Bloomberg has always been a supporter of CEOs and private businesses entangled in public relations catastrophes. He said rather than threatening BP with litigation, the nation should be stir on how to stop the leak.

Obama's troubles are yet over as his government tries to persuade Congress to extend emergency health care assistance for unemployed workers that expire May 31. The unwilling Congress believes the nation is still unsettled after the passage of \$1 trillion insurance overhaul and adding billions more to the deficit in a treacherous election year is unwelcoming. Joblessness remains a big issue for the government and will become a politicized issue comes midterm election.

The Canadian opposition last week disapproved the proposed \$1billion expenditure for hosting G8 and G20. It is again scorning the proposal to spend \$2 million to build a media centre that includes an artificial lake with canoes, trees, deck chairs and a fake dock. The opposition believes the necessity for such artificial environment belittles Canada's natural scenery.

Economic Issue

The oil spill on the Gulf of Mexico is causing the British Petroleum Company (BP) more than envisaged. The company is under high pressure from the Obama's administration to compensate laid off workers and every sectors affected by the spill. Meanwhile, such pressure is not good omen for shock markets and shareholders, particularly British shareholders having stake in the company. It is also causing anger in the UK, where many believed the way Americans are treating the issue is unsatisfactory and overpoliticized.

Meanwhile, World markets was reported to picked up after Federal Reserve Chairman Ben Bernanke said the U.S. recovery is on track and the European debt crisis would not prove too damaging to the world's largest economy.

Social/Humanitarian Issue

Ms. Helen Thomas, a revered and longtime White House correspondent with a designated seat has resigned from the media house she worked with and more likely could be refused reception at White House press briefing. After the flotilla incident, she was reported to have said Jews should “get the hell out of Palestine” and go home “to Poland, Germany and America.” This irked many American Jews and politicians.

A nation’s population is one of its sources of strength and power, United States is among those countries having an increasingly swelling population over the decades. Although the nation’s census is still around the corner but current statistic shows the swelling proportion of minority communities in the United States, especially Hispanic community making up 35 percent of the U.S. With such growth American multiracial societies will remain widening

Meanwhile, immigration remains one of the polarizing issues for many Americans. The recent Arizona law criticised for targeting immigrants illegally brought fore that argument that Americans are now more sensitive about their borders, while some sees it a sign of xenophobic action, the Obama’s administration believes immigration reform is needed by the end of this year in order to regulate prudently how and who can come to the United States.

Food, Environment and Energy Issue

The Bonn climate summit was another summit hosted to find solution to the scorching issues of climate change and global warming. The meeting according to the developing nations was another replica of Copenhagen summit that was a failure. The draft proposal of the recent Bonn summit mentioned all issues relevant to climate change but leaves all the major sticking points unresolved and believed to be developed world oriented.

Geostrategic Issues

The moderate and pragmatic political approach of Brazilian Lula makes him more acceptable in the region than confrontational Venezuelan Chavez. Lula is seen to oppose certain U.S policy in the region and across the globe like Chavez but does that without making enemies. Washington now arguably sees Brazil as a challenger within the hemisphere in terms of Honduras’s return to OAS and keeping Cuba out of OAS. Brazil’s objection to new sanction on Iran is also not welcoming to Washington.

U.S Defense Secretary Robert Gate did not shy away from critiquing the EU for its policy towards Ankara, which according to Gate is shifting Ankara’s from pro-West to pro-East and Arab centred. According to Gate, Ankara’s foreign policy direction is indicative to that fact and he urges the EU to reassess the situation and believes Ankara's foreign policy, particularly its increasingly strained ties with Israel is a "matter of concern" for the United States.

The United Nations Security Council passed its fourth and toughest sanctions on Iran last week but was rejected by Brazil and Turkey while Lebanon abstained, all are non-permanent UNSC members. Iran rejected the sanctions and it is yet unknown if what the previous three sanctions could not achieved, the new sanctions will.

Western Europe

Political Issue

Bart De Wever of the centrist New Flemish Alliance is expected to garnered more votes making his party the largest in the parliament but would still need the helping hand of mainstream parties to form a coalition government. The election is outstanding because of the divisive mantra, as Wever is making attempt to actualize a separation between the Flanders (Dutch speaking) and Wallonia (French speaking) region. Wever believes the Wallonia has been depending on the Flanders and it is high time they stand for themselves. Such separation could create a domino effect within the neighbourhood for other separatist movements and could be hideous for Belgium's EU status.

The recent Dutch election was a clear indication that voters threw their supports for the party having comprehensive not narrow agendas. VVD won the election for its policy geared at slashing deficit, cutting government spending, welfare programmes and wanting productive immigrants. The pro-business VVD Party got (31) Labour (30), anti Islam Freedom party (24) and the incumbent (21). VVD is expected to form a coalition government very soon.

Economic Issue

After the IMF and EU-led bailout for the Greece financial crisis, European governments were urged to reform their economies with the aim of cutting government spending, reducing deficit and ensuring healthy economy. Spain's unemployment is the highest in the Eurozone at 20 percent and thus explains the rationale for a new drafted labor reform package due to be approved by Spain's government. The reform will help generate jobs and boost confidence in a struggling economy

Social/Humanitarian Issue

Immigration issue resonates across Europe as governments want strict immigration laws that will keep a bay unwanted immigrant. Learning local European languages is becoming an integral of the immigration requirements and Britain is not an exemption. In solving its long dragged immigration issue, the new government believes being able to speak English should be a prerequisite for anyone who wants to settle in Britain. The measure is criticised because it will disenfranchised Asian and African and could further set apart spouse having no knowledge of English to reunite. Although, Home Secretary Theresa May said the new English requirement for spouses will help promote integration, remove cultural barriers and protect public services.

The British government last week acknowledged historical administrative errors, and misused of counterterrorism powers by law enforcement officers (police) across UK. Power was granted for such activity under Britain's 2000 Terrorism Act, which allows police to "stop and search" people at sensitive areas. Many Britons have gone through the stress and the law according to the European Court of Human Rights violates individual freedoms.

Russian Prime Minister Putin's visit to Paris has created mixed reactions. The government intends to fasten its economic and strategic ties with Moscow, but human rights groups demand the government to look beyond economic relations, rather should query Putin over human right violation in Russia, which the government is less likely to give attention.

Food, Environment and Energy Issue

Geostrategic Issues

The Turkish sponsored flotilla saga is simply not having diplomatic and foreign implications but equally affecting domestic Turkish politics. The AKP is expected to keep the Muslim sensitivity and anti-Israel policy alive in order to maintain an unfaltering following. Despite world condemnation drew by the flotilla, it also shows how divisive the issue is for domestic Turkish politics, the opposition seems not going along with the AKP stringent policy towards Israel.

The assertion of the British defense secretary that Britain's presence in Afghanistan is legitimate and corresponding with national security imperative was relieving message to the American government. Washington has been unclear about the new British government's commitment in Afghanistan, having no interest to stay longer than expected and have no intention in surging British troops in a country, Defence Secretary Liam Fox referred to as "a broken 13th century country".

The war in Afghanistan is believed to be far from being over and victory is neither to the invading forces nor the resisting Taliban elements. Despite this fact, NATO officials in Afghanistan believe the alliance is making promising and regaining its initiative in the war.

Southeast Europe

Political Issue

Albanians might soon be tired of the political stalemate between the ruling and opposition party over last June election, which the latter believed was replete with irregularities. The opposition boycotts the parliament and that slows down the working of the government and at the same time affecting Albania-EU integration. The European Parliament has given deadlines for resolving the issue but to no avail. The parliament is gearing up for a serious resolution that will block Albania-EU talk as the stalemate

lingers with solution. Prime Minister Sali Berisha calls on the opposition to agree to removing immunity for lawmakers.

Republika Srpska (RS) Prime Minister Milorad Dodik rejected a statement by Kosovo Foreign Minister Skender Hyseni, who said BiH will soon recognise Kosovo's independence. Dodik is among those who believe Kosovo is an illegal entity and hence BiH cannot recognize it.

There was consensus in the Croat's parliament over constitutional amendment; it was a success which included the participation of the oppositions. Croatian government has offered labour union leaders negotiating hand towards reforming the country's labour law. The labour leaders are interested in retaining collective bargaining as opposed to government favoured 'one on one' bargaining between employer and employee.

Kosovo will have to intensify its reform to accelerate its EU integration. European Commission signaled this message, asking Pristina to speed up its judiciary reform. EULEX overseeing the country's institutional development has extended its Kosovo's mandate, thus having the prerogative to investigate corrupt practices in Kosovo educational system as was done in the other sectors.

The Democratic Union of Integration (DUI), a partner in Macedonia's ruling coalition, marked the eighth anniversary of its establishment with a ceremony in the town of Gostivar. DUI reiterates its pledge to work towards resolving name dispute and facilitating Macedonia-EU integration.

Romanian government still faces opposition from the people for its austerity plans tailored according to IMF likings. Last week the cabinet submitted two bills to the parliament to this effect. Meanwhile, Romanian Constitutional Court rejected the newly passed lustration law as unconstitutional. Lustration law bans senior officials during the communist-era regime from holding ranking public posts.

In Serbia, the Central Elections Commission (CIK) announced the final results of direct elections for 16 national minority councils, held on June 6th. CIK President Rozalija Torde said that overall turnout was 54.5%. The highest turnout was registered among the Greek minority -- 77.05%, while the lowest was among the Ashkali minority, at 38.85%.

Economic Issue

Social/Humanitarian Issue

Since its establishment in 1993, the U.N. war crimes tribunal on the Balkan wars made its toughest and landmark ruling as two Bosnia Serbs was given life sentences and few other longer jail terms for genocide and war crime respectively. The sentences were as result of the crime committed against 8000 Muslims in Srebrenica 1995. Amid

exhumation of mass graves in Bosnia, Bosnian prosecutors filed war crime cases against Serbs in Bosnia for their involvement in the 1990s war.

In the same vein, Croatian authorities extradited Slovenian national Franc Kos to Bosnia and Herzegovina for suspected genocide committed in Srebrenica in 1995.

Montenegrin law enforcement also apprehended Marin Krivosic, 45, Serb wanted by Croatia for war crimes committed in 1991.

The Albania parliament adopted law on prisoner pardons that will be administered by the interior minister; prisoners with life sentence are exempted from the pardon.

Food, Environment and Energy Issue

Croatian government is expected to expend more than 100m Euro for reconstruction process after the country was hit by flood from overflowing river.

Geostrategic Issues

The criteria of NATO's membership meant huge military spending, which Albania cannot escape. Albania is expected to invest about 3 billion euros in its defence sector by 2020. Tirana had to double defence spending from about 9m euros in 2005 to about 19m euros in 2009.

Serbia participation in the on-going South Africa World Cup tournament is thought could bring ethnic enmity to a pause. Sport is entertaining and transcend ethnic affinity, thus people in the region felt it is better to support team of the region than team outside the border.

With a fairly good turnout in the last Slovenian referendum, the country has agreed to have an international arbitration over the border dispute between Slovenia and Croatia.

Oceania

Political Issue

Australian voters served PM Kevin Rudd a political threat last week for his troubling policies which more likely could give conservative opposition leader Tony Abbott edge in the forthcoming election. Voters are disenchanted with Rudd because he shelved a carbon trading scheme and a programme to provide free home insulation, and unveiled a 40 percent tax on the mining industry which is heavily invested by shareholders and pension funds.

Economic Issue

Social/Humanitarian Issue

Although Internet giant Google acknowledged it erred, but the Australian government is undone with it over privacy breach. Google has been alleged of collecting

private wireless data while taking pictures for its 'Street View' mapping service. Google will be facing litigation for the accusation. Google faces similar plight in Europe where, the German and British government accused it for similar breach.

Food, Environment and Energy Issue

Geostrategic Issues

Report Detail

US/Canada

WASHINGTON (Reuters) – President Barack Obama accused opponents in Congress of having double standards after they criticized his government for not taking greater control of the Gulf of Mexico oil spill response, according to Politico, a news organization that covers U.S. politics and government. "I think it's fair to say, if six months ago, before this spill had happened, I had gone up to Congress and I had said we need to crack down a lot harder on oil companies and we need to spend more money on technology to respond in case of a catastrophic spill, there are folks up there, who will not be named, who would have said this is classic, big-government overregulation and wasteful spending," Obama said in an interview with Politico. Obama, who has faced criticism for not doing more to stop the gushing BP deep sea well, made the comments as lawmakers gear up for another round of hearings featuring oil company executives. Obama will meet with BP CEO Tony Hayward in Washington on Wednesday. "Some of the same folks who have been hollering and saying 'Do something' are the same folks who, just two or three months ago, were suggesting that government needs to stop doing so much," Obama said in the interview. "Some of the same people who are saying the president needs to show leadership and solve this problem are some of the same folks who, just a few months ago, were saying this guy is trying to engineer a takeover of our society through the federal government that is going to restrict our freedoms."

NEW YORK – New York Mayor Michael Bloomberg became a lonely defender of BP PLC on Friday, declaring the world should not rush to point fingers at the British oil giant for the Gulf of Mexico oil spill. The billionaire mayor, a former CEO, became the most prominent politician to embrace BP, whose offshore rig exploded in April, killing 11 workers and setting off what has become the nation's worst oil spill. Scientists say the spill could now involve 42 million to more than 100 million gallons. Bloomberg, who often sides with CEOs and private businesses entangled in public relations catastrophes, said he'd rather have BP worrying about stopping the leak than devising a legal strategy. "The guy that runs BP didn't exactly go down there and blow up the well," Bloomberg said on his weekly radio show. "And what's more, if we want them to fix it and they're the only ones with the expertise, I think I might wait to assign blame." The federal government is conducting civil and criminal investigations into BP's preparedness and the spill. An analysis this week by The Associated Press found that BP's regional spill plan for the Gulf and a site-specific plan for the Louisiana rig contained glaring errors, including the listing of a professor as a wildlife specialist even

though he died in 2005. The company also described in the plan a scenario for spill worse than the real-life disaster, in which fish, marine mammals and birds escape serious harm, beaches remain pristine and water quality is only a temporary problem. While some lawmakers have criticized the Obama administration's response to the spill, there have been few voices outright defending BP, and none as well-known as New York's third-term mayor.

On Monday, BP said a cap was capturing 11,000 barrels of oil a day from the well. The official government estimate of the flow rate is 12,000 to 19,000 barrels a day, which means the new device should be capturing the bulk of the oil. But is it? With no consensus among experts on how much oil is pouring from the wellhead, it is difficult — if not impossible — to assess the containment cap's effectiveness. BP has stopped trying to calculate a flow rate on its own, referring all questions on that subject to the government. The company's liability will ultimately be determined in part by how many barrels of oil are spilled. The immense undersea gusher of oil and gas, seen on live video feed, looks as big as it did last week, or bigger, before the company sliced through the pipe known as a riser to install its new collection device. At least one expert, Ira Leifer, who is part of a government team charged with estimating the flow rate, is convinced that the operation has made the leak worse, perhaps far worse than the 20 percent increase that government officials warned might occur when the riser was cut. Dr. Leifer said in an interview on Monday that judging from the video, cutting the pipe might have led to a several-fold increase in the flow rate from the well. "The well pipe clearly is fluxing way more than it did before," said Dr. Leifer, a researcher at the University of California, Santa Barbara. "By way more, I don't mean 20 percent, I mean multiple factors."

Asked about the flow rate at a news conference at the White House on Monday, Adm. Thad W. Allen, the Coast Guard commander in charge of the federal response to the spill, said that as BP captured more of the oil, the government should be able to offer better estimates of the flow from the wellhead by tracking how much reaches the surface.

"That is the big unknown that we're trying to hone in and get the exact numbers on," Admiral Allen said. "And we'll make those numbers known as we get them. We're not trying to low-ball it or high-ball it. It is what it is."

Speaking at a briefing in Houston on Monday, Kent Wells, a BP executive involved in the containment effort, declined to estimate the total flow and how much it might have increased. He said that video images from the wellhead showed a "curtain of oil" leaking from under the cap. "How much that is, we'd all love to know," Mr. Wells said. "It's really difficult to tell."

WASHINGTON – If Chuck Lacasse had gotten his pink slip four days earlier, Uncle Sam would have covered most of his family's health insurance while he looked for a new job. But Congress allowed emergency health care assistance for unemployed workers to expire May 31, and seems unwilling to renew it despite pleas from President Barack Obama. Not three months after lawmakers passed his \$1 trillion insurance overhaul, Obama is facing a rare defeat on health care at the hands of his own divided Democrats. Moderates have rebelled against adding billions more to the deficit in a treacherous election year. "The same Congress that spent all this political capital trying to get people health insurance is going to take a crucial benefit away from unemployed

people," said Andrew Stettner, deputy director of the National Employment Law Project, which advocates for the unemployed. On June 4, Lacasse lost his job as advertising director for a company that makes nutritional supplements. He'll soon have to pay the entire \$1,500 monthly premium to keep his family covered under his former employer's health insurance plan. Until May 31, under Obama's economic stimulus law, the government provided a 65 percent subsidy. That would have lowered his cost to \$525.

"This really isn't about welfare," said Lacasse, 40. "It's about buying people some time. In a position as specialized as mine, it would have been nice to know that I had some time to look for the right job." He lives near Green Bay, Wis., with his wife and two children.

Democratic Sens. Bob Casey of Pennsylvania and Sherrod Brown of Ohio have introduced a measure that would allow the program to continue helping people who get laid off through Nov. 30. That would cover Lacasse.

Will a state proposition upend national politics and promote moderates? That was the message Californians sent when they voted Tuesday to radically rejigger elections in the nation's most populous state. Under Proposition 14, a measure that easily passed, traditional party primaries will be replaced in 2011 with wide-open elections. The top two vote-getters — whatever their party, or if they have no party at all — will face off in the general election. Supporters argue that without parties picking candidates for the general election, moderates and independents will move to the fore, and voters will pay more attention to the electoral process. Critics of the measure say it will give a huge advantage to candidates who have the most money or the widest name recognition. That no one actually knows what the real effect of Proposition 14 will be seems almost beside the point to frustrated voters. What mattered, supporters said, is that something fundamental about politics — anything fundamental — had been changed. As supporters celebrated, they promised to bring the so-called "top two" system to a state near you, with Gov. Arnold Schwarzenegger leading the charge — though his second term, plagued by budget meltdowns and plunging popularity, was, analysts said, one of the leading motivators for the measure. Whether the measure will empower more independent voters — who were already allowed to vote in Democratic or Republican primaries, provided they requested a ballot — remains to be seen. But what did seem certain was that California was again poised to capture the mood of the country, just as it did in 1978 with Proposition 13, which distilled widespread antitax sentiment into a cap on property taxes. This time, it is the anger of the electorate that Californians have bottled, experts said, even if they are not totally sure what they are doing.

WASHINGTON — The nation's minority population is steadily rising and now makes up 35 percent of the U.S., boosted by a surge in Hispanic births and more Americans who describe themselves as multiracial. New Census estimates for 2009 show minorities added 2.5 percent, or 107.2 million people. The white population remained flat, making up roughly 199.9 million, or 65 percent, of the country. In 2000, whites comprised 79 percent of the total population and minorities 21 percent. Currently four states — Hawaii, New Mexico, California and Texas — as well as the District of Columbia had minority populations that exceeded 50 percent. About 316 of the 3,143 counties — one in 10 — have minority populations of 50 percent or greater. That's up from more than 250 counties in 2000.

WASHINGTON (AFP) – US Secretary of State Hillary Clinton has voiced hope for reform to the immigration system this year and rejected criticism that the United States was unwelcoming to foreigners. Clinton this week toured Latin America, where many officials and residents have voiced outrage at a new law in the US border state of Arizona that makes it a crime to lack proper immigration papers. In an interview with Ecuador's NTN24 television released Friday, Clinton said that President Barack Obama was "working very hard" to win congressional support for a comprehensive immigration reform package. "He wants it to be this year," she said. Asked if the United States was becoming increasingly xenophobic, she said: "No, I don't." "What we believe is that Americans have always been welcoming of immigrants, but they also want to see the laws enforced," she said. "We need laws that recognize the reality that we have many millions of people who are contributing to our country, they're working, their children are attending and graduating from school," she said. Obama has pledged to create immigration reforms that would both enforce border security and lay a path for legalization for the estimated 11 million illegal immigrants living in the United States. But the issue has polarized voters ahead of November mid-term elections and Obama has also put a priority on passing a bill to improve energy security and fight climate change.

RIO DE JANEIRO -- Secretary of State Hillary Clinton traveled to the 40th Organization of American States General Assembly meeting on Sunday with two priorities, neither of which were published in the meeting's agenda: to shore up support for Honduras' re-entry to the OAS, and to gather momentum behind the Obama administration's drive to impose sanctions on Iran through the U.N. Security Council. It was a program designed to confront, without naming, the country that has become the greatest challenge to the Obama administration in Latin America -- Brazil. To be sure, Venezuelan President Hugo Chávez has stood out as the most strident opponent to U.S. policy in the hemisphere since he was first inaugurated in 1999. When the U.S. and Colombia negotiated a defense agreement last year that would give the U.S. greater access to several of Colombia's military bases, Chávez scrapped economic and diplomatic ties with Bogotá. Chávez has relentlessly prodded the Obama administration to ease its economic and diplomatic isolation of Cuba. And now, Chávez is pushing just as hard to keep Honduras excluded from the OAS. But what gets less attention is that Brazilian President Lula da Silva sympathizes with Chávez's outlook on all of these issues. More importantly, Brazil has become a lot more effective at neutralizing U.S. policy goals in the region than Venezuela.

Lula da Silva has played a key role, for example, in a recent series of direct challenges to the U.S. policy of diplomatically and economically isolating Cuba. In a December 2008 meeting in northeastern Brazil of the Rio Group, a hemispheric union of which the U.S. is not a member, Cuba was invited to join. And at the Obama administration's first hemispheric summit meeting in Trinidad and Tobago in April of 2009, the U.S. agenda was brushed aside, with the event devolving into a chorus demanding an end to the half-century-old U.S. trade embargo against Cuba. The following June, the meeting of the OAS in San Pedro Sula, Honduras, again abandoned its agenda in order to rescind a 1962 resolution expelling Cuba from the hemispheric body. Cuba has yet to rejoin the OAS, but Lula da Silva called the step a

"victory for the Latin American people." Brazil also opposes the newly announced U.S. position of allowing Honduras back into OAS, maintaining its firm support for a resolution passed last June (.doc) demanding the restitution of former President Manuel Zelaya and prohibiting the recognition of successor governments to the coup that ousted him. Venezuela predictably lambasted the U.S. position on Honduras' status at the OAS, but there is a key difference between the Venezuelan and Brazilian postures: When Lula rebuffs the Obama administration, he does it with a wink and a smile.

The EU's unwillingness to admit Turkey as a full-fledged member is partly to blame for the recent decline in Turkish-Israeli relations, as well as for Ankara's drift from the West, US Defence Secretary Robert Gates said on Wednesday (June 9th). "If there's anything to the notion that Turkey is moving eastwards, it is in no small part because it was pushed, and it was pushed by some in Europe refusing to give Turkey the kind of organic link to the West that Turkey sought," he said during a visit to London. Turkey began entry talks with the EU in October 2005, about six years after becoming an official candidate for membership, and nearly five decades after Ankara expressed interest in building closer ties with what was then the European Economic Community. But the negotiations have been moving slowly due to the predominantly Muslim nation's sluggish reform progress and its refusal to open its ports and airports to traffic from EU-member Cyprus. Of all 35 chapters that aspiring countries are required to complete prior to their admission into the Union, Turkey has been able to open only 12; talks on the other 13 have been frozen. Meanwhile, EU heavy hitters France and Germany have been insisting that an eventual successful conclusion of accession talks with Ankara should not lead to full-fledged membership, rather, some sort of a "privileged partnership". Amid such discouraging signals, NATO member Turkey has sought to boost its cooperation with Islamic states such as Syria and Iran in recent years. After brokering a controversial nuclear swap deal with Tehran last month, Turkey and Brazil were the only countries to vote against a new round of sanctions against Iran at the UN Security Council on Wednesday. Gates indicates that the eastward shift in Ankara's foreign policy, particularly the country's increasingly strained ties with Israel is a "matter of concern" for the United States.

To many in Washington, two sets of rules seemed to apply for journalists covering the president: those for regular White House correspondents, and those for Helen Thomas. Ms. Thomas questioned President Obama at a news conference last month. A longtime White House correspondent with a designated seat, she recently said Jews should "get the hell out of Palestine" and go home "to Poland, Germany and America." To every president since John F. Kennedy, Ms. Thomas, 89, was known for posing questions in the kind of tough and provocative manner that could make press secretaries gasp and her colleagues cringe. And it appears that her tart tongue may have finally ended her career. Ms. Thomas said on Monday that she was retiring, effective immediately, after an uproar over her recent remarks that Jews should "get the hell out of Palestine" and go home to "Poland, Germany and America and everywhere else." As the furor over her comments went viral, her speaking agency dropped her, a suburban Washington high school where she was scheduled to deliver a graduation speech

disinvited her, and her colleagues threatened to take away her prized perch in the front row of the White House briefing room. Ms. Thomas could not be reached for comment. It was an ignominious end for Ms. Thomas, who helped clear the path for countless women in journalism, and was bestowed with the unofficial title of dean of the White House press corps. Few White House correspondents were ever afforded the level of deference she has been shown by presidents and fellow reporters. Her front row seat bears a small plaque with her name, the only seat in the briefing room designated by the name of a person, not a news organization.

This show of respect continued despite what many in Washington observed to be the increasingly hostile and outlandish nature of her questions in recent years — and despite the fact that her column was not widely read. Though she has worked as a columnist for Hearst for the last 10 years, she was known more for her presence at White House press conferences than for her writing. Ms. Thomas seemed particularly critical of the Iraq war and repeatedly pointed out during White House briefings that the American-led invasion was costing civilian lives. Dana Perino, a press secretary under President George W. Bush, once scolded Ms. Thomas, saying that the United States regretted the war's civilian toll. Ms. Thomas, unmoved, shot back, "Regret, it doesn't bring back a life." "The rules have been different for Helen for many years, and only for Helen," said Ari Fleischer, another Bush press secretary who had called on Ms. Thomas to step down after she made her latest remarks about Israel and the Jews. "Helen earned that right, and she was treated differently. And I never minded it. I enjoyed my ideological thrust and parry with Helen."

UNITED NATIONS — The United Nations Security Council leveled its fourth round of sanctions against Iran's nuclear program on Wednesday, but the measures did little to overcome widespread doubts that they — or even the additional steps pledged by American and European officials — would accomplish the Council's longstanding goal: halting Iran's production of nuclear fuel. Susan E. Rice, the United States ambassador to the United Nations, conferred with other officials at the United Nations on Wednesday before the vote to impose sanctions on Iran. She called the sanctions "meaningful and credible." The new resolution, hailed by President Obama as delivering "the toughest sanctions ever faced by the Iranian government," took months to negotiate and major concessions by American officials, but still failed to carry the symbolic weight of a unanimous decision. Twelve of the 15 nations on the Council voted for the measure, while Turkey and Brazil voted against it and Lebanon abstained. The United States and Europe acknowledged before negotiations started that they would not get the tough sanctions they were hoping for, promising to enact harsher measures on their own once they had the imprimatur of the United Nations. Congress is expected to pass a package of unilateral sanctions against Iran, and European leaders will begin discussing possible measures at a summit meeting next week. "We would want to have a tough translation of the resolution," said Gérard Araud, the French envoy to the United Nations. But Iran has defied repeated demands from the Security Council to stop enriching nuclear fuel, and immediately vowed to disregard the new sanctions as well. Despite earlier resolutions, Iran has built new, sometimes secret, centrifuge plants needed to enrich uranium — and has enriched it to higher levels of purity. The main thrust of the sanctions is against military purchases, trade and financial transactions carried out by the Islamic

Revolutionary Guards Corps, which controls the nuclear program and has taken a more central role in running the country and the economy. Though Iran insists that its efforts are strictly for peaceful purposes, its actions have raised suspicions in the West. On Wednesday, Secretary of State Hillary Rodham Clinton warned that Iran's leaders were actively weighing whether to develop a nuclear weapon.

TORONTO – Canada's recent announcement that it is spending a mind-boggling \$900 million to protect the two global summits it's hosting this month was bad enough. Now, planners of the 72-hour diplomatic jamboree — the G-8 summit of industrialized democracies and the broader G-20 that includes major advanced and developing economies — are running into howls of derision for trying to showcase Canada's tourist appeal by building a media center that includes an artificial lake with canoes, trees, deck chairs and a fake dock. Does Canada, whose charms and natural beauty have hardly gone unnoticed by the outside world, need to spend nearly \$2 million on a theme park of itself? And does that park need to go up in Toronto, just blocks from a Great — and real — Lake? Many Canadians would agree with opposition politician Jack Layton's verdict: "Fakelakegate." These annual summits that rotate around the world are never cheap, and Canada's logistical challenge is particularly great, since the G-20 are meeting in Toronto while the G-8 will gather 140 miles (225 kilometers) to the north, in Huntsville, Ontario. Supporters say it's worth it considering that the G-20 countries control more than 85 percent of the world's money, the terrorism threat is real, and the leaders are confronted with a European debt crisis that could morph into another global recession. The more than 3,000 journalists expected at the June 25-27 events can't all fit into picturesque, tourism-friendly Huntsville, and most will cover the proceedings from Toronto, on Lake Ontario. The display called "The Canadian Corridor" is supposed to make up for what the media are missing by being shut out of Huntsville.

Western Europe

GHENT, Belgium – The frontrunner in Belgium's elections this weekend is running on perhaps the ultimate in divisive proposals: the breakup of the nation. Despite its status as the home of the European Union, Belgium itself has long struggled with divisions between its 6 million Dutch-speakers and 4.5 million Francophones but until recently talk of a breakup has been limited to extremists. Now, Bart De Wever of the centrist New Flemish Alliance is pressing for exactly that. What once seemed a preposterous fantasy of the political fringes has, in the mouth of a man seen as a possible prime minister, suddenly takes on an air of plausibility. "We are in each other's face," De Wever told 800 party faithful packed into a sweaty theater here ahead of Sunday's elections. "And together we are going downhill fast. Flanders and Wallonia must be masters of their own fate." The consequences of a precedent-setting split would be felt as far away as Spain: wealthy Catalonia has engaged in a long-standing campaign for independence and Basque separatists still set off bombs in their quest for autonomy. Italy's Northern League, which is in coalition with Silvio Berlusconi's center-right party, has also advocated a split between the rich north and the impoverished south. Then there's the euro — what would happen to the European common currency if one of its founding members fell apart? Would prosperous Flanders be allowed to join but

poorer Wallonia be kept out? Or would both inherit Belgium's right to the currency — even though Belgium itself now no longer meets criteria on issues like the deficit? De Wever's curtains-for-Belgium campaign finds resonance far beyond the medieval gables and cathedrals of this centuries-old city of 600,000 in the Flemish heartland. Across the nation, both Dutch-speakers and Francophones have tired of the petty linguistic squabbles that have mired government after government in political stalemate. Carving up Belgium has been a cherished dream for the far-right in Flanders, Belgium's economically dominant north, and a nightmare scenario for poorer French-speaking Wallonia. Flanders has half the unemployment of and a 25 percent higher per capita income than Wallonia, and Dutch-speakers have long complained that they are subsidizing the lives of their Francophone neighbors. De Wever's party is forecast to win 26 percent of the vote — way up from 3.2 percent in 2007. That means his party will likely emerge as the biggest in parliament with the right to try to cobble together a coalition government. He will unlikely get other mainstream parties to vote for a Belgian breakup.

AMSTERDAM – Dutch politicians scrambled Thursday to sort out who will form the country's next government, after polarized voters backed parties on both the right and the left with very different ideas on budget cuts and Muslim immigration. After a neck-in-neck race between the left-leaning Labor party and the pro-business VVD Party, the VVD claimed "apparent" victory Thursday and plans to take the lead in what may be weeks or even months of negotiations over building a new governing coalition. "I would like to see a new Cabinet put together as soon as possible because of the seriousness of the economic crisis," VVD leader and would-be prime minister Mark Rutte told reporters Thursday. "It's a complicated result, but on the other hand the sovereign voter has spoken, and it's up to politicians to put together a good Cabinet with it." With 99.5 percent of votes counted, the VVD led Labor 31 seats to 30 in the 150-seat parliament. Under the Dutch constitution, advisers will now visit Queen Beatrix later Thursday to discuss the results. Party leaders will do the same on Friday to inform her of their coalition preferences before she names someone to oversee preliminary negotiations.

Voters also gave a major boost to the anti-Islam Freedom Party of Geert Wilders, which scored its best-ever finish with 24 seats, up from nine. However the Freedom Party siphoned most of its gains from another party on the right: Prime Minister Jan Peter Balkenende's Christian Democrats suffered a humiliating defeat, dropping from 41 to 21 seats. Balkenende, who has led the government for eight years, said he is leaving politics. He will remain the caretaker premier until a new cabinet is installed.

LONDON – BP shares fell Thursday in London as U.S. politicians pressed the British oil company to halt its dividend payments and fork out greater compensation for American workers and companies devastated by the massive Gulf of Mexico oil spill. But markets were also beginning to heed warnings from analysts who said Wednesday's 15.8 percent sell-off of BP shares in New York was an overreaction. BP shares dropped as much as 11 percent to a 13-year low at the open in London, then recovered some ground by early afternoon, trading 6.1 percent lower at 367.8 pence (\$5.39). In New York, the stock opened 9.8 percent higher at \$32.05. BP has lost around half its market value since the spill began with an April 20 rig explosion in the Gulf. The company has

found itself caught in a trans-Atlantic squeeze between an angry U.S. administration and unhappy shareholders — some 18 million Britons hold shares or pension funds in the company. Prime Minister David Cameron's office said the British leader would discuss the issue with President Barack Obama on a scheduled telephone call over the weekend. "I understand the U.S. government's frustration because it is a catastrophe for the environment," Cameron said Thursday while on a visit to Afghanistan. Investors are fretting about the rising costs facing BP after Obama suggested it should also pay unemployment benefits to thousands of oil workers laid off during a moratorium on deep-sea drilling triggered by the spill.

LONDON — Spewing oil and alienating Americans with its chief executive's impolitic remarks, BP may be Public Enemy No. 1 in the United States. But in Britain, where the company is a mainstay of the stock market and a favorite of pension funds, investors and politicians are becoming increasingly angry at the blistering attacks from across the Atlantic. BP's share price, even after recovering some ground in New York trading on Thursday, has fallen more than 40 percent since the environmental catastrophe in April, and some analysts say the crisis could lead to the takeover or even the bankruptcy of one of Britain's most valuable and iconic companies. In that atmosphere, the stream of condemnations from Washington has stirred a protective backlash, even in this closest of American allies. Boris Johnson, the Conservative mayor of London, said Thursday that he was worried about "anti-British rhetoric" and "name-calling" from American politicians. "When you consider the huge exposure of British pension funds to BP, it starts to become a matter of national concern if a great British company is being continually beaten up on the airwaves," Mr. Johnson told BBC radio's Today program. Prime Minister David Cameron refused to criticize the United States, however, saying he sympathized with its "frustration" in dealing with its worst environmental disaster in memory. But the chancellor of the Exchequer, George Osborne, signaled careful support for BP, saying that he had spoken to its chief executive, Tony Hayward, and that it was important to remember "the economic value BP brings to people in Britain and America." BP is the third largest oil company in the world, after ExxonMobil and Royal Dutch Shell, with 80,000 employees worldwide as of last December, sales of \$239 billion in 2009 and a market value — even after the recent losses — of more than \$100 billion. At a time when Britain is desperate to reduce its deficit, BP is a huge contributor to British tax revenue, paying nearly \$1.4 billion in taxes on its profits last year. Its reputation for reliability and its generous dividends have long made it a favorite of British pension funds. The company's dividend payments accounted for about 13 percent of the dividends handed out by British companies last year, according to FairPensions, a London-based charity. Some Britons are irked at President Obama's seeming determination to refer to the company as "British Petroleum" — even though it jettisoned that name in favor of initials years ago. In any case, they point out, it is truly a multinational company, traded on both the New York and London stock exchanges, with British and American nationals on its board of directors.

LONDON — World markets rose Wednesday after Federal Reserve Chairman Ben Bernanke said the U.S. recovery is on track and the European debt crisis would not prove too damaging to the world's largest economy. After some upbeat corporate news in China, the comments bolstered confidence in global markets. Britain's FTSE 100 closed

up 1.2 percent at 5,085.86, Germany's DAX was up 2.0 percent at 5,984.75 and France's CAC-40 was 2.0 percent higher at 3,446.77. Wall Street also gained — the Dow Jones industrial average was up 1.1 percent at 10,049.04 and the Standard & Poor's 500 was 1.2 percent higher at 1,074.85. Bernanke said Europe's debt crisis is likely to have only a "modest" impact on the U.S. recovery, and that, while the labor market will probably remain weak, the economy will expand both this year and next.

The confident views added to gains made since Asian trading — where the Shanghai Composite Index advanced 2.8 percent on news that the Agricultural Bank of China is preparing a record-size initial public offering. The IPO is expected to raise between \$23 billion and \$30 billion. That would exceed the world record previously set by Industrial & Commercial Bank of China, whose \$21.9 billion dual Hong Kong-Shanghai IPO in October 2006 helped make it the world's biggest bank by market value.

The Chinese bank has yet to set an IPO price for its shares, but the size of the operation indicates corporate activity is picking up around the world despite the gloom surrounding Europe's debt crisis. Spanish bank Santander announced it was buying back from Bank of America a 24.9-percent stake in a Mexican unit for \$2.5 billion, while BMW said sales were increasing. Optimism was kept in check, however, by expectations that European growth will be weighed down for the foreseeable future by governments' deep spending cuts

MADRID (Reuters) – A draft labor reform package due to be approved by Spain's government on Wednesday will help generate jobs and boost confidence in a struggling economy, Prime Minister Jose Luis Rodriguez Zapatero said on Saturday. The government presented unions and business leaders with the package on Friday after failing to reach a consensus on reform in long-running three-way talks. "It will ease job creation, employment stability and will generate confidence in the Spanish economy over the medium term," Zapatero told reporters at a news conference. The proposal drawn up by the government maintains workers' rights while giving employers flexibility to adapt to difficult circumstances, he said. Economists see reform of Spain's inflexible labor laws as a crucial step toward restoring the country's productivity and putting its economy, which suffered acutely from the bursting of a real estate bubble, back on a vigorous growth path. Spain's unemployment is the highest in the eurozone at 20 percent.

After European countries were forced to come to the rescue of Greece last month, financial markets have shifted their attention to other ailing euro zone economies, with both Spain and Portugal under pressure to rein in their swollen deficits.

LONDON – Britain's new government publicly assured the United States on Tuesday that it remains committed to its central role in the war in Afghanistan, despite heavy losses in what U.S. defense chief Robert Gates called the "absolute middle of the thick of the fight." Britain's new coalition government is considered less invested in the eight-year Afghan war than its Labour predecessor, and eager to offer an exit plan to a public increasingly impatient with the stalemate. British Defense Minister Liam Fox said that upon taking the job last month, "the first question I asked myself was, 'Should we be in Afghanistan?'" "The answer had to be, of course, yes. We still have a national security imperative," Fox said. That was a relief to Defense Secretary Robert Gates, standing beside Fox following a meeting that also focused on the Iranian nuclear threat.

The Obama administration needs Britain most among its allies in Afghanistan as it expands the war this year and then looks for ways to shrink it in 2011

KABUL (AFP) – Prime Minister David Cameron Thursday made his first official visit to Afghanistan, ruling out the prospect of sending extra forces and calling for quicker progress to bring troops home. His comments came as the top NATO commander in Afghanistan confirmed that a flagship campaign against the Taliban would take longer than expected in Kandahar, where violence has increased and Afghan security forces are short. Cameron, whose visit was not announced in advance for security reasons, held talks with President Hamid Karzai in Kabul and declared Afghanistan "the most important national security issue for my country". But he added: "the issue of more troops is not remotely on the UK agenda". Britain has around 9,500 troops in Afghanistan, mostly in the south, as part of a 46-nation force. It is the second-biggest contributor to the NATO-led mission after the United States. It is Cameron's first visit to Afghanistan since taking power as head of a coalition government involving his centre-right Conservatives and the centre-left Liberal Democrats last month. He had already met Karzai in London. His visit came one day after a suicide bomber killed at least 40 Afghan wedding guests and in a week that has seen 24 NATO soldiers killed in a series of attacks, including the shooting down of a helicopter. The government is facing increasing public opposition to the long and costly war in Afghanistan, where 294 British personnel have died since operations began to topple the Taliban government in October 2001. "We should all the time be asking 'Can we go further, can we go faster?'," said Cameron. "Nobody wants British troops to be in Afghanistan a moment longer than is necessary." Defence Secretary Liam Fox caused controversy last month by telling the Times newspaper that he would like British troops to "come back as soon as possible" and referred to Afghanistan to "a broken 13th century country".

BRUSSELS – NATO leaders declared Friday that the alliance had regained the initiative in the Afghan war, promising that the gains could result in a handover of security responsibilities to local authorities by year's end. U.S. Defense Secretary Robert Gates urged his alliance counterparts to seize the moment and to provide the resources needed to accelerate efforts to bolster Afghan security forces. NATO wants Afghan troops to replace its forces in the war against the Taliban, thus providing the linchpin of the alliance's exit strategy. "Our effort is moving in right direction (but) the road ahead will be long and hard," Gates said after a meeting of NATO's 28 defense ministers. "I hope that by the end of year, we will be able to demonstrate that we are making progress throughout the country." Gates urged countries who are not committing combat troops to Afghanistan to contribute more instructors to train the expanding Afghan police and army. More trainers would step up "the pace that we can proceed with transition," he said. NATO officials say they have been stymied because it is difficult to find qualified people to train foreign forces. Earlier Friday, NATO Secretary-General Anders Fogh Rasmussen told ministers that the Afghan government and international authorities would soon agree on how to start handing over responsibility for security, "province by province."

Turkey....One week later, the repercussions of the tragically botched Israeli commando raid on the Gaza aid flotilla spearheaded by a Turkish NGO continue to reverberate worldwide. Much of the raid's fallout has played out in the realm of foreign affairs, particularly regarding its impact on the already sorry state of Turkish-Israeli relations, as well as on Washington's plans in the Middle East. But the flotilla incident and Ankara's response to it also has a very strong domestic component. The domestic political context relates to the Justice and Development Party (AKP) government's desire to fend off political attacks from both Islamist and secularist opposition parties over the red-hot Israel/Palestine issue, as well as to use the event to further consolidate its gains over the secularist-controlled military, which was historically the motor behind the strategic partnership that Turkey and Israel enjoyed until only recently. In that sense, the current crisis -- while helping shape and define what may turn out to be a new regional role for Ankara -- could also serve to further expose and sharpen domestic political divisions within Turkey, some of which the AKP may find spinning out of its control. A clash over Gaza between Turkey and Israel was, in many ways, an event foretold. Since the Gaza war in early 2009, Turkey has clearly pegged its relationship with Israel to the Palestinian issue -- or, to be more specific, to the situation in Gaza and the status of Hamas, as the West Bank and its Fatah leadership are rarely mentioned by Ankara. The Turkish formula has been simple: An improvement in the situation in Gaza will lead to an improvement in ties with Israel. Likewise, any deterioration in the Gazans' circumstances will lead to a further scaling-down of relations with Israel. Although technically not a bilateral issue between the two countries, the situation in Gaza has in many ways become the defining issue in their relations. In that sense, although the Gaza aid flotilla was organized by a Turkish NGO -- the Islamist IHH -- and was not sponsored by the Turkish government, it was acting as a proxy for Turkish policy. Also, because the Turkish government had elevated the Gazans' cause to a level of such political importance, there was little room for it to work out a diplomatic solution to the impending crisis, lest it be accused by its opposition -- particularly on the Islamist right -- of abandoning the Gazans. With a general election coming up in about a year's time, the AKP now faces a resurgent Islamist right that has gained renewed political clout because of the flotilla incident. Meanwhile, a reformed secularist opposition with new leadership is promising to go after the government where it is most vulnerable: over issues such as unemployment and corruption. As a result, the AKP could find it expedient to continue turning the heat up on the Israel front, taking an increasingly more populist line on the issue.

LONDON – Love may have its own language — but that's not good enough for the British government. It wants English, too. Starting this fall, the spouse of a citizen who is coming from outside the European Union and wants to live in Britain will have to prove he or she has a basic command of English. The move, announced Wednesday by the new Conservative government of Prime Minister David Cameron, comes as countries across Europe tighten their rules on immigration amid rising unemployment rates and concerns about the ability of newcomers to integrate. The famously tolerant Netherlands was holding an election Wednesday in which a far-right party that wants to ban all immigration from nonwestern countries has a shot at doubling its seats in Parliament. In Britain, the government is casting the new policy as an effort to promote integration — not to keep out foreigners. "I believe being able to speak English should be a prerequisite

for anyone who wants to settle here," Home Secretary Theresa May said in a statement. "The new English requirement for spouses will help promote integration, remove cultural barriers and protect public services." Couples already have to meet other criteria, like proving their marriage is genuine and demonstrating they can support themselves financially. And language tests are required for skilled workers and people applying for permanent residency or citizenship. The changes to Britain's rules follow a hard-fought general election campaign in which immigration policy was a key, and contentious, issue. The new measures have been criticized by civil libertarians, lawyers, and activists. Some say the changes discriminate against people from countries with few English speaking traditions, such as in Africa and Asia. Others call them an intrusion into citizens' private lives. Some also argue that English is best learned in a country where it's spoken everyday, rather than forcing people into classrooms abroad, which could be of varying standards and potentially costly. Spouses will have to show evidence to British authorities that they've passed an English test with a government-approved provider.

LONDON – Police across England have abused counterterrorism powers to illegally search thousands of Britons over much of the past decade, Britain's Home Office said Thursday. Officials said forces across the UK, including London's Metropolitan Police, repeatedly misused the so-called "stop and search" powers granted to them under Britain's 2000 Terrorism Act. The act allows officers to stop, search and demand explanations from anyone at any time in areas designated as sensitive — and it's long been deplored by civil libertarians. There are some restrictions imposed on the way police can use the act. For example, the power can only be invoked for a 28-day window in the designated area. And a government minister must approve the power's use within 48 hours. But the Home Office said that an internal review had shown those restrictions were violated 40 times between 2001 and 2008 — such as when senior police officers failed to get the proper authorization in time. In one 2004 operation, for example, Scotland Yard stopped 840 people in London, even though it lacked the proper go-ahead. Home Office Secretary Theresa May described the violations as "historical administrative errors," and said it was crucial that counterterrorism powers were used properly. Lawyer Corinna Ferguson, of the London-based civil rights organization Liberty, said the group was grateful the government was bringing the abuses to light, but said the blunders highlighted the problematic nature of the practice. Criticism of stop and search has been gaining steam over the years. Some Muslims have complained that police use the power to unfairly target minorities. A 2007 report commissioned by Scotland Yard said only about one in 10,000 searches led to a terror-related arrest, and that the activity was doing "untold damage to certain communities' confidence in the police." In 2010 the European Court of Human Rights ruled that the practice violates individual freedoms. Britain's new coalition government has pledged a review of the practice.

PARIS – Human rights activists say fighting torture and racism in Russia should be on the agenda for Prime Minister Vladimir Putin's visit to France, a trip more likely to focus on gas pipelines and Iran's nuclear program. Putin arrived Thursday evening and held talks with French Prime Minister Francois Fillon. France is eager to expand its business with Russia, and talk of energy, space and aviation deals was expected to dominate Putin's meetings with Fillon and talks Friday with President Nicolas Sarkozy.

Putin, who has urged French oil giant Total SA to take a more active role in Russia's energy sector, also will meet Total CEO Christophe de Margerie as well as former President Jacques Chirac. Amnesty International says France should not only be looking at its pocketbook while Putin is in town, but also raising concerns about abuse of those who criticize authorities in Russia, notably in and around Chechnya. Journalists who have investigated abuses in Chechnya have been tortured and even killed. One of Chechnya's best-known rights activists, Nataliya Estemirova, was kidnapped and killed last year. In Moscow and around the country, racially motivated attacks by neo-Nazi groups have led to deaths and severe injuries in recent years. Amnesty welcomed Putin to the French capital with a brief video clip projected around Paris that shows the making of a macabre matryoshka, or Russian nesting doll. The smiling, pristine outer doll conceals three oppressed figures within, one bloodied, one chained, one muzzled. The video ends with a screen message: "Let's not let Russia's charm make us forget the atrocities." "We cannot be silent about what is happening," the president of Amnesty International France, Genevieve Garrigos, told The Associated Press. "We do not understand why human rights is not on the agenda."

BONN, Germany – Developing nations on Friday sharply criticized a new document put forth by negotiators at U.N. climate talks, and environmentalists said it did not reflect much progress in efforts to battle global warming. As two weeks of talks in Bonn drew to a close, the chair of a negotiating group, Margaret Mukahanana-Sangarwe, published her proposal for a new compromise text. While it mentions all issues relevant to keeping Earth from overheating — from cutting greenhouse gases to financial aid and technology exchanges from rich to poor countries — it also leaves all the major sticking points unresolved. Bolivian Ambassador Pablo Solon said the new text favors developed countries and incorporated too much of the so-called Copenhagen Accord, a political declaration brokered by President Barack Obama at the troubled U.N. conference in the Danish capital last December. "This is not a basis for negotiations," he said. "We are in the middle of a very complicated situation." While U.N. experts and other key players postponed official comments while the proposal was being analyzed, environmental groups were not impressed. "This text has moved very little," Wendel Trio of Greenpeace told reporters. "On content, we don't see the progress we need," said Antje von Broock of Friends of the Earth. It also remained unclear if the document would be accepted as an official negotiating text for further talks leading up to the U.N. climate summit in Cancun, Mexico, at the end of this year. The text says, for example, that industrialized countries should aim to cut greenhouse gases 25 to 40 percent by 2020 — which scientists say is necessary to slow down global warming. But the document does not set a year when that comparison should start. Scientists say the base line should be 1990, while the United States has argued for 2005. Solon said poorer nations were also worried that references to the 1997 Kyoto Protocol — the international climate change agreement setting targets for industrialized countries to cut their emissions greenhouse gases — were eliminated.

Southeast Europe

TIRANA, Albania -- Edi Rama, leader of the opposition Socialist Party (SP), warns that party members and supporters will resume protests demanding transparency in relation to the June 2009 general elections. At a party gathering in Korca on Sunday (June 6th), Rama briefed members on political developments and insisted the SP is determined to pursue the cause. He says the government is ruining the economy and the economic crisis stems from a lack of governing transparency. Prime Minister Sali Berisha rebutted the claims, saying his cabinet is working to reassure the SP that it has the determination to resolve the ten-month long political crisis.

TIRANA, Albania -- The government is taking another run at lifting the immunity of lawmakers to allow investigations into possible violations. Prime Minister Sali Berisha said on Monday (June 7th) that the cabinet supports a law on the issue, unlike the opposition Socialist Party (SP), which has objected to it. "I hope that the SP accepts it because it will serve the country well," Berisha said during a meeting with lawmakers from his ruling Democratic Party. During discussions last year, the SP rejected the law, insisting it violates parts of the constitution

TIRANA, Albania -- Parliament adopted a law Tuesday (June 8th) that regulates procedures related to the pardon of prisoners. Under the legislation, the interior minister will be in charge of selecting potential inmates to be pardoned by the president. Prisoners serving life sentences will not be eligible, while those who committed serious crimes will have to have served a third of their sentence before they can apply. Pardons can be sought for convicts who are seriously ill, pregnant or are minors.

TIRANA, Albania -- Membership to NATO means more defence spending, local media reported on Monday (June 7th). To meet the criteria to join the Alliance, the government had to double defence spending, from about 9m euros in 2005 to about 19m euros in 2009. The money reportedly was used to modernise the military infrastructure, pay army salaries and buy goods and services in the sector. The bill is expected to rise over the next ten years: a study by the Institute for Economic and Legal Consultancy forecasts that Albania will invest about 3 billion euros in its defence sector by 2020.

TIRANA, Albania -- The administration has completed the additional answers requested by the European Commission (EC), as part of the process of seeking EU candidate status. Government sources said on Monday (June 7th) that Integrations Minister Majlinda Bregu is expected to travel to Brussels soon to deliver the responses to 180 additional questions requested in May. The deadline is Thursday. Experts will then visit Albania to verify the information. Though the EC has announced no timeframe, Albania hopes to be granted candidate status by the end of the year

BRUSSELS, Belgium -- The European Parliament (EP) will offer a draft solution to Albanian leaders aimed at ending the longstanding stalemate, saying otherwise they risk seeing the country's EU integration process blocked. Two main EP groups -- the European People's Party and the Group of the Progressive Alliance of Socialists and Democrats -- will send the draft to Tirana. If rejected, "the EU will halt all integration processes related to Albania, including the visa liberalisation process," Victor Bostinaru, vice-chairman of the delegation for relations with Balkans countries, said on Thursday

(June 10th). The stalemate is over transparency issues stemming from the June 2009 general elections.

THE HAGUE, Netherlands – Two Bosnian Serbs were convicted of genocide and sentenced to life imprisonment Thursday for the 1995 massacre of some 8,000 Muslims in Srebrenica — the harshest judgment ever delivered by the U.N. war crimes tribunal on the Balkan wars. A third Bosnian Serb officer was given a 35-year prison sentence for aiding and abetting genocide. Two others were acquitted of genocide charges but convicted of extermination, murder and persecution, while a final two officers were found guilty of lesser charges of war crimes. Sentences for those four ranged from four to 19 years. It was a dramatic conclusion to the largest trial conducted by the tribunal, set up in 1993 to prosecute the worst war crimes offenders even while fighting was still under way among ethnic groups in the disintegrating Yugoslavia. The slaughter of the Muslim men and boys around Srebrenica was the worst massacre on European soil since World War II. Tens of thousands of Muslim civilians were evicted from their homes in that area in what the U.N. court has called a deliberate attempt to wipe out the Muslim community there. Thursday's verdict could indirectly affect another trial, that of former Bosnian Serb leader Radovan Karadzic, which began last year following his capture in Belgrade in 2008. Karadzic, a key figure throughout the Balkan wars of the early 1990s, also is accused of genocide for the Srebrenica slaughter.

Judges on Thursday wrote that the defendants' most brutal crimes were carried out under a directive issued by Karadzic to create "an unbearable situation of total insecurity with no hope of further survival" for the Srebrenica population. Vujadin Popovic and Ljubisa Beara, convicted of the worst crime in the war crimes statute, were high-ranking security officers with the Bosnian Serb army that overran Muslim forces and thinly armed U.N. troops in the Srebrenica enclave. Drago Nikolic, convicted of aiding and abetting genocide, was a brigade security commander. All three served under Gen. Ratko Mladic, the Bosnian Serb commander who remains a fugitive 15 years after his indictment.

SARAJEVO, Bosnia and Herzegovina (BiH) -- Experts began exhuming bodies from a mass grave near the eastern town of Bratunac on Wednesday (June 9th). The site was discovered on May 25th during construction work in the area. The victims are believed to be Bosniaks killed by Bosnian Serb forces at the beginning of the 1992-1995 conflict.

SARAJEVO, Bosnia and Herzegovina (BiH) -- Prosecutors filed charges Tuesday (June 8th) against three people suspected of crimes against humanity committed during the 1992-1995 Bosnian conflict. Milun Kornjaca, Milorad Zivkovic and Dusko Tadic allegedly were involved in 1992 attacks against Muslim civilians in the Cajnice municipality. Prosecutors say they also took part in the killing of 11 people. All three suspects are in custody.

SARAJEVO, Bosnia and Herzegovina (BiH) -- US Brigadier General David Enyeart assumed command of NATO headquarters in Sarajevo on Wednesday (June 9th) from Brigadier General John Bullard. At the ceremony, Enyeart said that the Alliance will continue to support BiH's Defence Ministry and armed forces. In his farewell speech, Bullard praised the country's progress in reforming its defence sector. NATO

Commander of Allied Joint Force Command Naples Admiral Mark Fitzgerald -- as well as other senior military and civilian officials -- attended the ceremony at Camp Butmir.

SARAJEVO, Bosnia and Herzegovina (BiH) -- Republika Srpska (RS) Prime Minister Milorad Dodik on Friday (June 4th) rejected a statement by Kosovo Foreign Minister Skender Hyseni, who said BiH will soon recognise Kosovo's independence. "I don't see a reason for BiH not to recognise independence and I expect this to happen soon," Hyseni said at a meeting of EU foreign ministers in Sarajevo last week. Dodik, however, said the comment was from a minister of an illegal, self-declared state. "I can guarantee that BiH will never do that," Dodik said.

BRUSSELS, Belgium -- European Parliament (EP) Rapporteur for Croatia Hannes Swoboda on Wednesday (June 9th) urged EU officials to ease the requirements for Croatia's accession negotiations on the judiciary and competition chapters. The opening of talks on both chapters is still pending. Swoboda was speaking to journalists in Brussels after meeting with Croatian State Secretary for European Integration Andrej Plenkovic. Regarding the judiciary, Swoboda thinks the country should be allowed to proceed with negotiations despite the fact that full co-operation with the UN war crimes tribunal has not been achieved. This would allow the cabinet to demonstrate the full extent of judicial reform, Swoboda said. As for the competition chapter, he spoke of the sensitivity of the shipyards issue. He noted that in light of the economic recession, the cabinet should be given more time to restructure the industry.

ZAGREB, Croatia -- The Croatian People's Party (HNS) and the Croatian Pensioners' Party (HSU) will form a coalition for next year's parliamentary elections, party leaders announced on Tuesday (June 8th). On paper, the new alliance represents a significant chunk of votes: the HNS is the third most popular party in the country, while the HSU ranks fifth or sixth. Leader Radimir Cacic says his HNS would be open to expanding the coalition to include more centre-left parties. HSU leader Silvano Hrelja says he expects the two parties to be an important factor in shaping the government after the elections.

ZAGREB, Croatia -- Prime Minister Jadranka Kosor on Sunday (June 6th) called on labour unions to return to participate in negotiations on amendments to labour-related laws. She insisted that the proposed changes would strengthen -- not abolish -- collective bargaining, giving unions the chance to negotiate new terms. In addition, she stressed that the economic recession necessitated a change in these agreements. Under the proposal, all parties would have six months to conclude new collective agreements after the current ones expire, instead of automatic renewals. After this deadline, workers' rights are to be cancelled and are to be separately agreed with employers. Ozren Matijasevic, chairman of the trade unions association, called Kosor's invitation for talks "a positive reaction" on the part of the government and added that his association will attend a meeting scheduled for Tuesday.

ZAGREB, Croatia -- Parliament backed a draft set of constitutional amendments Thursday (June 10th), proposed by the constitutional committee, with input from the cabinet and opposition parties. In all, 123 lawmakers supported the changes, two members abstained, and three voted against them. A vote on the final version is expected

next week. The amendments include a number of legislative changes that are necessary to complete the EU accession negotiations.

ZAGREB, Croatia -- Minister of Agriculture, Fisheries and Rural Development Petar Cobankovic visited flooded areas in Slavonski Brod on Friday (June 4th), meeting with local farmers. The heavy rainfall in eastern Croatia that started about a week ago has brought damages totalling least 138m euros, according to initial estimates quoted by local media. The figure will increase after estimates of infrastructure damages, which will also be considerable. Although the water levels are subsiding, local authorities warn that dangers persist due to potential overflows from some of the rivers in the region

ZAGREB, Croatia -- Authorities extradited Slovenian national Franc Kos to Bosnia and Herzegovina on Thursday (June 10th), for suspected genocide committed in Srebrenica in 1995. Kos was arrested on April 19th, based on arrest warrant issued by BiH. As a member of the Bosnian Serb forces, he allegedly participated in killing Bosniaks in Srebrenica. Born in Slovenia, he also holds Bosnian citizenship

PRISTINA, Kosovo -- The next European Commission (EC) Progress Report on Kosovo could be more favourable if concrete achievements are made, EC official Domenica Bumba noted on Wednesday (June 9th). Speaking at the fifth Ministerial Council for European Integration, Bumba made clear that the 2010 Progress Report -- expected in October -- will not focus on draft laws or political plans. Prime Minister Hashim Thaci expressed confidence that there will be clear improvement in this year's progress report.

PRISTINA, Kosovo -- Kosovo's judiciary is still too weak to handle the challenges it faces, and its reform capabilities are too fragile, EULEX said in a report on Friday (June 4th). The Programme Report 2010 is based on 12-month surveillance by EULEX monitors placed within Kosovo justice, police and customs institutions. "Improvement of the rule of law cannot be solved in a matter of months. This takes time and a lot of hard work, particularly from the institutions that we are working with," Deputy Head of EULEX Roy Reeve said when presenting the report. Earlier in the day, the International Crisis Group issued a similar document indicating that 200,000 of a total of 300,000 lawsuits in the country have not been settled yet. According to the ICG, even if no new cases are filed, Kosovo would need over eight years to clear up the backlog at the present rate.

PRISTINA, Kosovo -- EULEX has intensified an investigation into possible abuse of state funds in the ministry of education, science and technology. EULEX prosecutors have quietly visited the ministry for the past month over a suspected misuse of resources, local media reported on Monday (June 7th). Sources say some of Minister Enver Hoxhaj's most loyal advisers have resigned due to this investigation. Officials from the ministry neither denied nor confirmed the reports. The EU Rule of Law Mission has stepped up field work to gather evidence in government offices in order to fulfil its mandate to fight organised crime and corruption. In late April, EULEX raided the offices and the private property of Transport Minister Fatmir Limaj, who is suspected of abuse in relation to road construction contracts.

A European diplomat accredited in Pristina, speaking on condition of anonymity, confirmed on Sunday that a long process of political consultations has led to a formula by which EULEX can start arresting officials this week.

BRUSSELS, Belgium -- As expected, the Council of the EU on Tuesday (June 8th) extended EULEX's mandate by two years, until June 2012. EULEX chief Yves de Kermabon and EU Special Representative Pieter Feith were in Brussels to brief the ambassadors of EU member states in the Political and Security Committee on the work of the EU mission and the co-operation with Kosovo authorities. They said that state building and combating corruption and organised crime remain the priorities. The two officials praised Prime Minister Hashim Thaci's "constructive approach" to EULEX investigations concerning government officials. De Kermabon confirmed that he will remain head of the mission until the end of the year, unless a replacement is found earlier. His official mandate ends on June 14th.

SKOPJE, Macedonia -- The Democratic Union of Integration (DUI), a partner in Macedonia's ruling coalition, marked the eighth anniversary of its establishment on Friday (June 4th) with a ceremony in the town of Gostivar. In a speech marking the occasion, party leader Ali Ahmeti said there is no alternative to EU and NATO membership. He said accession would provide a firm guarantee of stability and security.

PODGORICA, Montenegro -- Police have arrested an ethnic Serb wanted by Croatia for war crimes committed in 1991, media reported on Tuesday (June 8th). Marin Krivosic, 45, was detained on Saturday based on an arrest warrant issued by Zagreb. He is suspected of involvement in the killing of 56 Croatian civilians in the village of Bacin early in the 1991-1995 Croatian war. A former Serb paramilitary member, Krivosic will remain in custody pending extradition procedures.

BUCHAREST, Romania -- The government faces a self-imposed confidence vote Monday (June 7th) during a joint session of parliament. The procedure was required to have a set of fiscal austerity measures adopted faster, without the necessity of two readings in each chamber. One bill reduces expenses in the public administration -- cutting salaries by 25%, as well as subsidies to state-owned companies. The other one, involving the state social security system, would cut pensions and unemployment benefits by 15%. Still unclear is whether the ruling Liberal Democratic Party (PDL) is unified behind Prime Minister Emil Boc. This is probably why President Traian Basescu summoned the PDL's parliamentary caucus at the weekend. Local press reported that Basescu has issued an ultimatum to PDL members, saying that they either back the cabinet, or face going into opposition. Basescu also indirectly confirmed rumours that a cabinet shuffle is in the works, as was hinted by Ioan Olteanu, vice president of the PDL.

BUCHAREST, Romania -- The Constitutional Court on Monday (June 7th) struck down the so-called lustration law, which aimed to ban senior officials during the communist-era regime -- 1945-1989 -- from holding ranking public posts now. The legislation, adopted by parliament on May 19th, bars such personnel from holding or running for important government positions for a period of five years after the law is enforced. Once parliament approved it, 29 members of the senate and 58 lawmakers from

the chamber of deputies challenged its constitutionality. The Court's decision is binding and final. Chamber of Deputies Speaker Roberta Anastase says amendments would be made to bring the bill in line with the constitution after the Court explains its ruling

BUCHAREST, Romania -- The cabinet officially submitted two bills to parliament on Monday (June 7th) that would implement controversial austerity measures, hammered out with the IMF. Two of the most drastic measures would reduce salaries in the public sector by 25%, and pensions and unemployment benefits by 15%. According to a procedure requested by the cabinet itself, a vote of confidence follows, likely early next week. Hundreds of labour union members protested outside parliament as the government submitted its plan. They demanded that the cabinet resign or that lawmakers vote no-confidence in the government. Protests resumed again on Tuesday.

TIRANA, Albania -- Romanian President Traian Basescu urged Albanian authorities on Tuesday (June 8th) to recognise Aromanians as a national minority in Albania. "The Aromanians have proven to be trustworthy Albanian citizens and have shown this throughout history," Basescu said after meeting with counterpart Bamir Topi in Tirana. The Aromanians, or Vlachs, account for about 1% of the Albanian population and are currently recognised as a language or cultural minority. Basescu and Topi also discussed Kosovo, with Basescu reiterating that his country does not recognise Kosovo's 2008 independence declaration, as it does not comply with relevant UN resolutions and international law. Topi, on the other hand, predicted "Kosovo will get new recognitions soon."

BELGRADE, Serbia -- Members of Serbian minority communities head to the polls on Sunday (June 6th) to elect their representatives in national minority councils. These are the first elections organised under the 2009 law on national minority councils. Direct elections are to be held for 16 national minority councils. Three of the minorities -- Croats, Macedonians and Slovenes -- will elect their representatives indirectly.

BELGRADE, Serbia -- The Central Elections Commission (CIK) announced on Wednesday (June 9th) the final results of direct elections for 16 national minority councils, held on June 6th. CIK President Rozalija Torde said that overall turnout was 54.5%. The highest turnout was registered among the Greek minority -- 77.05%, while the lowest was among the Ashkali minority, at 38.85%. The Croatian and Slovenian national minorities elected their representatives indirectly, through an electoral assembly, while the Macedonian minority will vote on June 20th. These elections are the first since the enactment of a law on national councils. This aim is to give minorities more influence on state policy in the fields of education, culture, information provided in the languages of national minorities and official use of those languages.

BELGRADE, Serbia -- The Anti-Corruption Agency posted on its website the asset statements of more than 700 top officials Thursday (June 10th). According to the report, President Boris Tadic declared a monthly salary of 143,000 dinars (1,375 euros), no apartment, no car and no bank savings. Prime Minister Mirko Cvetkovic declared 10,000 dinars less than the president, but two apartments, a car, savings and shares in a

company. The list, being published for the first time, contains declarations from members of the government, mayors and parliamentary officials.

BELGRADE, Serbia -- Police detained and questioned the wife of former Bosnian Serb commander Ratko Mladic on Tuesday (June 8th) for possession of suspected illegal weapons. Bosiljka Mladic's lawyer, Milos Saljic, told the Belgrade-based daily *Vecernje Novosti* that the weapons were seized during a December 2008 raid of the family home in Belgrade. He insists her detention is in response to efforts by the family to have Mladic declared dead. Rasim Ljajic, head of Serbia's national council for co-operation with The Hague war crimes tribunal, denies that, saying the government is applying no pressure on Mladic's family.

Visiting Sarajevo last week, Serbian President Boris Tadic urged Southeast European countries to cheer for the Serbian national team at the World Cup. Heeding his call won't be a problem in Republika Srpska (RS), where most view the Serbian team as their own. But what about the rest of Bosnia and Herzegovina (BiH)? "Considering that BiH didn't qualify, in South Africa I'll support Serbia. We are close neighbours, which binds a similar mentality and customs," said Avdo, a Bosniak fan. Zvonko, in Mostar, will also cheer for Serbia -- not, he says, because his wife is Serbian, but because attacker Marko Pantelic is his favourite. Football has often been coloured by the national and interethnic quarrels that cost so much bloodshed in the former Yugoslavia. Clashes in stadiums are hardly uncommon. In late April, for instance, 40 people were injured during riots between fans of Sarajevo and Siroki Brijeg. Their fans also clashed in October 2009, and one person was killed. Muslims make up the majority of Sarajevo supporters, while Siroki Brijeg fans are predominantly Croats. "The fans were the ones who channelled official policy and nationalism in the early 1990s in the former Yugoslavia," psychologist Srdjan Puhalo told *SETimes*. In the international context, though, fans may be ready to put aside differences in the name of regional solidarity. "I do not believe that the relations between the three peoples in BiH have dramatically [changed], but the alternative is simply missing," Puhalo said. "Who will you support -- France, Italy, England or Serbia?" "Perhaps we are now at the beginning of a new process ... both in politics and in sports and in life in general. Your neighbour is closer than someone who is far away, and you're also related to him," he said. RS Vice-President Adil Osmanovic, a Bosniak, has already accepted Tadic's suggestion and said that he will support Serbia at the World Cup.

LJUBLJANA, Slovenia -- Slovenians are voting in a referendum on Sunday (June 6th) on an agreement on settling their country's border issues with neighbouring Croatia via binding international arbitration. The deal was signed by Slovenian Prime Minister Borut Pahor and his Croatian counterpart Jadranka Kosor in November 2009 in Stockholm. It has been ratified by the parliaments of the two countries, but Slovenia decided to hold a referendum to let its citizens have a final say in the issue. About 1.7 million Slovenians are eligible to vote, and turnout is expected to be around 60-65%.

LJUBLJANA, Slovenia -- By a majority of just 3%, Slovenians on Sunday (June 6th) approved an arbitration agreement on their country's maritime border dispute with Croatia. The deal was approved by 51.5% of the voters, while 48.5% voted against.

Turnout was about 41%. Authorities in both countries expressed satisfaction with the result, commenting that it represents an important step forward in bilateral relations. European Commission President Jose Manuel Barroso also welcomed the outcome, which clears the way for Croatia's further EU integration process. "This is an important step forward ... We now look forward to a final settlement of the dispute," Barroso said in a statement.

LJUBLJANA, Slovenia -- The foreign ministry says Slovenia may prevent Croatia from closing its competition chapter in EU accession negotiations over the Nova Ljubljanska Banka (NLB). Ministry spokesman Milan Balazic explained on Thursday (June 10th) that the NLB is not allowed to operate in Croatia, which Balazic says impedes the free movement of capital. The central bank blocked access until the former Ljubljanska Banka (LB) settles its debts to Croatian citizens. The NLB was established as a separate entity as a result of a 1994 decision by the Slovenian parliament, while all unsettled liabilities remained with the LB. Croatia has not yet opened that competition chapter.

Oceania

SYDNEY (AFP) – Australia's centre-left government is headed for defeat in upcoming elections after a sharp drop in support blamed in part on a controversial new mining tax, polls indicated on Monday. A Nielsen survey showed the ruling Labor Party six percentage points behind the conservative opposition, while a Newspoll survey found concern over the tax could cost the government enough marginal seats to lose power. Prime Minister Kevin Rudd, who is expected to call the election in coming months, admitted he faced a "huge" task in turning around the slide. Rudd took power in late 2007 and had led in polls until recent weeks. "The truth is if these polls were reflected on election day, (opposition leader Tony) Abbott will become the prime minister," Rudd told public radio. "So the challenge for me and for the government is to work harder into the future. I've got a huge amount of work to do to explain my plans as opposed to Mr. Abbott's plans." Rudd's support has ebbed since he shelved a carbon trading scheme and a programme to provide free home insulation, and unveiled a 40 percent tax on the mining industry -- which is heavily invested by shareholders and pension funds. The government is now in danger of becoming the first since before World War II not to secure a second term. "The Australian electorate has delivered its first political death threat to Kevin Rudd," wrote Sydney Morning Herald political editor Peter Hartcher in a front-page comment.

SYDNEY (AFP) – The Australian government has ordered a police investigation into Internet giant Google over alleged privacy breaches, Attorney General Robert McClelland said Sunday. Communications Minister Stephen Conroy last month accused the company of committing the "single greatest breach in the history of privacy" by collecting private wireless data while taking pictures for its 'Street View' mapping service. McClelland said the government had asked the Australian Federal Police to investigate after receiving numerous complaints. "Obviously I won't pre-empt the outcome of that investigation but they relate in substantial part to possible breaches of the Telecommunications Interception Act, which prevents people accessing electronic

information other than for authorised purposes," McClelland said. Whether any charges are laid is up to the police, but the government felt "there were issues of substance that required police investigations", McClelland said. Google said it collected the data in error. "This was a mistake. We are talking to the appropriate authorities to answer any questions they have," a spokeswoman said in a statement.