

Report 132
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

- Incumbent Backed by Obama Wins Colorado Primary
- Fed Move on Debt Signals Concern About Economy
- Market Drop Signals Fears About Global Recovery
- Pentagon Plans Steps to Reduce Budget and Jobs
- George Friedman, “Arizona, Borderlands and U.S.-Mexican Relations,” *Stratfor*, August 3, 2010
- Across Nation, Mosque Projects Meet Opposition
- Decision expected on plug for BP's broken oil well
- U.S. Lawmakers Aim to Block Lebanon Military Aid
- U.S. and Iraqi Interests May Work Against Pullout
- U.S. Military Seeks Slower Pace to Wrap Up Afghan Role
- Conservatives slip, Liberals gain: poll
- Conservatives backtracks slightly on census
- Canadian court rejects Taser challenge of inquiry
- Canada intercepts migrant ship on Pacific coast

Western Europe

- Socialists want US-style primaries for commission president candidate
- Britain Reels as Austerity Cuts Begin
- Brussels rebukes Slovakia over Greek u-turn
- Greek economy shrinking faster than expected
- Member states propose austerity budget for EU
- Germany sees fastest growth since reunification
- In Germany, a Broad Recovery Is Under Way
- Spain confirms timid economic recovery
- European shares drop despite record German GDP
- Germans upset by Google Street View
- Britain: Antiterror Commercial Banned
- British Officers Charged in Attack on Suspect
- Mosque Used by 9/11 Plotters Is Closed

- Rotterdam court rejects Muslim scholar's lawsuit
- France dismantles illegal Roma camps
- Portugal Gives Itself a Clean-Energy Makeover
- Wildfires spread in Portugal's national parks
- EU foreign ministers to upgrade Pakistan effort
- UK defense chief plans cuts, major changes
- Russian missile diplomacy surprises EU

Oceania

- Australian election headed for cliffhanger
- Australian leaders to face 'Battle of Rooty Hill'
- Australian opposition vows uranium for India
- China urges closer military ties with Australia
- Australia's Qantas optimistic despite profits dip
- Amnesty urges Australia to end racial discrimination

Report Summary

US/Canada

Political Issues

The on-going election primaries in the U.S are portrayed as a challenge between the establishment and change vanguard. The two larger political parties have been politicizing everything possible in a bid to woo as many voters, come midterm elections.

As Defence Secretary Robert Gates pushes for a cut in Pentagon spending, he is more likely to meet the irritation of the Congress and the Department bureaucracy. Obama's administration welcomes the proposal as an alternative for funding the two exhausted wars. The cut will affect many sections and functions will be eliminated or reassigned.

George Friedman argues in his article "Arizona, Borderlands and U.S.-Mexican Relations" published in Stratfor that U.S-Mexican relation comes a long way. The U.S might have militarily defeated Mexico, but the trend of both legal and illegal immigration across the border from Mexico into United States is a cultural reconquest by the Mexican of the American society.

Political fluctuation in Canada puts both ruling conservative and liberal opposition at a weak end. Having a majority vote is the benchmark of ruling the parliament solely, which both parties do not have. The conservative is reviewing its plan of converting Canadian mandatory census for to voluntary form. The proposed change has been a setback and brought the government under fire. The government believes the change will protect privacy, but rejected by the people.

Economic Issues

The slow pace of economic recovery recorded by the Federal Reserve Open Market Committee could be dangerous for the Obama's administration and Democrat party come midterm elections. Americans are not satisfied with their level of joblessness and low level spending. This is ominous for the government.

The interconnectedness of global economy remains undisputed as global market saw a drop due to slow pace of the American economy and the cooling of Chinese economy. The economic concern accentuates the fear of how long global recovery will take before stabilization.

Social/Humanitarian Issue

As tension mounts across American states over intended public visibility of Muslim, the trend appears to be a crossover syndrome from Europe where similar tension particularly on veiled women has increased more recently. Americans are divided on this debate and the question of singling out a particular faith is surfacing.

A Canadian judge rejected Taser International Inc's bid to quash the findings of a government inquiry that said stun guns could be lethal and which urged police to restrict their use.

The recent action by the Canadian government on immigrant ship destined for Canada is said to be hyper as the government failed to ascertain the authenticity and exigent need of the boaters before rejecting them.

Food, Environment and Energy Issue

Geostrategic Issues

Some members of the U.S Congress are against the decision of sending military assistance to the Lebanese army on ground that it might end up with Hezbollah. This heightens Lebanese's grievance that Washington is playing an unfair game simply because of Israeli involvement.

It was seen as a fulfillment of campaign promise, but the policy of Iraq withdrawal is expected to affect the war torn country. Iraq is believed not to be ripe enough for withdrawal owing to the numerous issues contending the country and as a former Iraqi leader observed, American withdrawal will amount to leaving the country to wolves. Similarly, American military officers in Afghanistan are worried for any troop withdrawal because situation in the country does not warrant such troop reduction.

Western Europe

Political Issues

It appears the European Socialist Party is losing grip of popular support as demonstrated by the last EU election. In a bid to reorganize itself, the party is proposing to adopt U.S-style primaries for electing EU commission president.

Economic Issues

The austerity measures unfolding in the UK is a clear indication that the British government is not undertaking anything novel from the trend across Europe. The new British government has planned cutting public spending and closing up certain sections of the economic sectors. Like elsewhere in Europe, Britons are not that comfortable with the austerity plans.

Solidarity is yet to gain full ground within the European Union, the Greek financial crisis gives a testimony to that fact and the recent retraction by the Slovak government not to contribute in the whole €110 billion EU-IMF package for weak economies like Greek further enunciate the situation. Meanwhile, Brussels is geared at cutting of its bureaucratic finances, a demand by member states, asking Brussels to undertake austerity measures as seen across Europe.

Despite enjoying the financial bailout of EU-IMF and keeping austerity measures, the Greek economy is reported to be shrinking and faces 12% of unemployment

Meanwhile the German economy was reported with a surge, a record high since the reunification of the Germany. The growth of the German industrial sectors and competitiveness within the Eurozone contribute to soar. Economy growth is also true for Spain but punctuated by pessimism due to fluctuation in the economy. European market however recorded a drop in shares.

Social/Humanitarian Issue

Britain's advertising watchdog has banned the anti-terrorism advert asking neighbours to be vigilant and to report people acting inwardly in the neighbourhood to police. The ban is intended to curb erroneous reporting and unnecessary harassment of good citizens.

Still in Britain, the immunity granted to security officers to treat suspected terrorist wickedly will no more be condone. The British Crown Prosecution Service has ordered the trial of Scotland Yard policemen who criminally maltreated Babar Ahmad, suspected for terrorism.

Hamburg authorities finally shut down Masjid Taiba in Hamburg, known previously as Al Quds mosque, purportedly used by 9/11 attackers. Hamburg intelligence suggests it is grooming Germans for violence.

Tariq Ramadan could not prove himself right before the court, as an Amsterdam court threw out his wrongful dismissal lawsuit. The court observed that Ramadan does not recognise the gravity of his programme aired by an Iranian channel on the public.

The trouble of Google, the Internet giant is yet to be over in Europe over its Street view programme. Germans are opting out from Google's programme on the ground their privacy is not protected by the programme.

The expulsion and destruction of Roma's houses from France further rings the bell that troubles for Roma are unfinished. The extent to the expulsion plan will favour French President Nicolas Sarkozy politically is an unanswered question.

Food, Environment and Energy Issue

The Portuguese government is diverting attention more closely to renewable resources as a way of reducing dependence on fossil fuel and creating a cleaner environment. The oil spill at the Gulf of Mexico is making governments to having a rethink over fossil fuel and at the same time facilitating a diversified energy source.

Geostrategic Issues

The European Union is on the verge of reconsidering its relations with Pakistan. The bloc is expected to boost economic ties with Pakistan by adding Islamabad into its Generalised System of Preferences (GSP) scheme but quality production will determine Pakistan's eligibility to the scheme. Meanwhile the bloc has not closed its eye for humanitarian aid for flood victims.

An international peace mediation workshop was recently organized by the European Commission (EC) and the Crisis Management Initiative (CMI) in Jakarta to promote cooperation between ASEAN and the European Union (EU) on conflict mediation and prevention in the region.

The plan by the British government to cut military budget cannot be disconnected from the wave of economic situation and budget cut across Europe. The proposal comes amid the announcement of U.S Defense Secretary planning to reduce Pentagon's spending.

As EU-Russia relation moves around mutual understanding, it was a surprise for the bloc to know that Russia has stationed S-300 ground-to-air missiles in Georgia's disputed Abkhazia region. Both parties are not in mood of brawl but Russia's action suggest Moscow still want its hegemony recognise in the neighbourhood

Oceania

Political Issues

As the nation prepares for knife-edge elections, the ruling labour and liberal opposition parties wrestle over the best domestic and foreign policies for Australia. According to polls, the outcome of the election could result to the first hung parliament in 70 years.

The ruling party sees China and Asia-Pacific region as focal point, while the opposition believes Canberra should reduce reliance on Beijing and plans to sell uranium to India if elected even though it is against Australia's policy to sell its substance to country outside the NPT. China is calling for a new level of military relations with Australia with the aim of fortifying the Pacific and Asia in general; although such level of military ties might not go down well with the U.S.

Economic Issues

Australia economy was one of the least affected by the recent past global financial crisis. The economy was fortified and quickly recovered along with other larger Asian economies. Nonetheless, Qantas, Australia largest airliner reported a profit drop, but still optimistic owing to its financial backup.

Social/Humanitarian Issue

Australian Labour government under ex-PM Rudd Kevin made a landmark apology to the aborigine community for ills done against them, despite the apology according to Amnesty International the aborigine communities are still lagging behind. The plight of this community is said to be missing in the election talk as parties woo voters.

Food, Environment and Energy Issue

Report Detail

US/Canada

DENVER — The predictions of doom for incumbents and establishment candidates this campaign season are proving to be more complex in the real world. On Tuesday, Senator Michael Bennet of Colorado, a Democrat who had hitched his star to the fortunes of President Obama, survived a bitter primary challenge. But in this state's Republican primary, a Tea Party-backed insurgent, Ken Buck, upended the candidate endorsed by Washington Republicans, Jane Norton, a former lieutenant governor. The two victories suggested that the anticipated wrath of the American voter might not be quite ready to sweep away all before its path — but the tide is still strong. Mr. Bennet's victory over Andrew Romanoff, a former speaker of the Colorado House, by 54 percent to 46 percent with 78 percent of the precincts reporting, was hardly cause for incumbent complacency. And Mr. Buck, a county prosecutor who forged his campaign message around the idea that the political establishment and both major parties must change, highlighted the challenge Republicans face this year as they try to paint themselves as the alternative to Democrats, who control both ends of Pennsylvania Avenue. "We are going to reach out our hand for those independent voters and Democrats who are also fed up with Washington, D.C.," he said in his victory speech. In another primary-night upset — in Connecticut — Dannel P. Malloy, a former mayor of Stamford, defeated Ned Lamont, a multimillionaire who tried unsuccessfully to oust Senator Joseph I. Lieberman four

years ago. But it was the race in Colorado that was perhaps more telling for the national political landscape, as it saw Democrats backing the national party's candidate and Republicans picking the insurgent. In a sign of voter interest in the race, officials said the turnout even before Tuesday — through mail-in balloting — had surged. Of the state's 64 counties, 46 were conducting elections entirely by mail under a law passed by the legislature last year intending to cut counties' costs in running elections. As of Monday, nearly 598,000 ballots had already arrived in the offices of county clerks and recorders around the state. That compares with about 488,000 votes cast in the entire 2008 primary, according to figures from the Colorado secretary of state. This year's high turnout was probably only partly due to the ease of voting from home, said Rich Coolidge, a spokesman for the secretary. "We also haven't seen these kinds of contested primaries in some time," he said. The challenge for incumbents and establishment-backed candidates — to distance themselves from Washington — was clear in the tone of Mr. Bennet's victory speech. Though he was appointed to the Senate last year to fill a seat vacated by Ken Salazar, now Mr. Obama's interior secretary, and had Mr. Obama's support, Mr. Bennet said at Mile High Station in Denver, "I know one thing: Washington has a lot to learn from Colorado."

WASHINGTON — Federal Reserve officials, acknowledging that their confidence in the recovery had dimmed, moved again on Tuesday to keep interest rates low and encourage economic growth. They also signaled that more aggressive measures could follow if the job market and other indicators continued to weaken. With short-term interest rates already close to zero, the Fed's policy makers have relatively few tools available to encourage consumer and corporate spending. So they now plan to use the proceeds from the Fed's huge mortgage-bond portfolio to buy long-term government debt. That action may put downward pressure on long-term interest rates and stimulate borrowing. For consumers, it means mortgage rates are likely to remain at record lows for some time. Though the immediate impact is likely to be modest, the decision is a turnabout from only a few months ago, when officials were discussing when and how to begin to raise interest rates and gradually shrink the \$2.3 trillion balance sheet amassed through the Fed's response to the 2008 financial crisis. In buying at least \$10 billion a month in new Treasury securities — a small fraction of the roughly \$700 billion in Treasury debt the Fed holds — the central bank is trying to help keep money readily available in the financial markets. With Congress seemingly unable to agree on substantial new stimulus spending, the Fed could face a far tougher decision later this year: whether to take more drastic steps to pump money into the economy and make credit even cheaper. "We're in a lousy middle between the economy picking up on its own and falling off a cliff," said Cathy E. Minehan, a former president of the Federal Reserve Bank of Boston. "And that makes policy-setting really hard." The announcement on Tuesday, after the scheduled meeting of the Fed committee that sets interest rates and monetary policy, confirmed what had been widely discussed among economists and business leaders in recent days: the Fed would move more decisively if the economic picture darkened. The Fed, led by Ben S. Bernanke, its chairman, has shifted away from its more optimistic outlook earlier this year. "The pace of recovery in output and employment has slowed in recent months," said the Federal Open Market Committee.

The statement added that the nation's economic recovery was "likely to be more modest in the near term than had been anticipated."

As economic recovery wavers in the United States, evidence is mounting that growth abroad is also slowing and may be unable to sustain the fragile rebound here. At the New York Stock Exchange on Wednesday, when the Dow Jones average slid 265 points, erasing its gains for the year. It is down nearly 0.5 percent this year. Concerns about flagging global growth weighed heavily on Asian stocks Thursday, while European markets opened flat. Japan's Nikkei index dropped more than 2 percent Thursday before recovering some of those losses, which came after steep declines Wednesday in American and European equities. Those market drops followed a spate of developments signaling a slowing economy both in the United States and abroad. On Tuesday, Federal Reserve officials warned that the pace of recovery in the United States had slowed. Then on Wednesday came news from China suggesting its fast-growing economy was cooling. And later that day, the Bank of England reduced its already diminished forecast for the British economy. Finally, new trade figures from Washington showed that American exports were faltering, a sign that hard-pressed domestic manufacturers could not rely on overseas markets to ease their pain at home. Those reports sent the Dow Jones industrial average tumbling in a 265-point decline, moving it back into the red for the year. The broad market fell 2.8 percent. And those declines carried into Asia on Thursday morning. The optimism that had pervaded Wall Street only weeks ago has faded quickly. In its place is a growing realization of what many Americans have been feeling in their bones: this is not the economic recovery the nation had hoped for. While the economy is growing again, it is growing too slowly to create many jobs or to increase household incomes. Given the uneven rebound in the United States, and now signs that the world's other economic engines are slowing, economists say Americans may confront high unemployment and lackluster growth for some time to come.

"This is going to be a long slog," said David H. Resler, the chief United States economist at Nomura Securities International. The trade report from the Commerce Department, which showed exports fell in June, prompted economists to sharply reduce their estimates of how fast the economy had been growing this year.

WASHINGTON — Defense Secretary Robert M. Gates said Monday that he would close a military command, restrict the use of outside contractors and reduce the number of generals and admirals across the armed forces as part of a broad effort to rein in Pentagon spending. Mr. Gates did not place a dollar figure on the total savings from the cutbacks, some of which are likely to be challenged by members of Congress intent on retaining jobs in their states and districts. But they appear to be Mr. Gates's most concrete proposals to cut current spending as he tries to fend off calls from many Democrats for even deeper budget reductions, and they reflect his strategy of first trying to squeeze money out of the vast Pentagon bureaucracy. While large headquarters have been combined and realigned over the years, Pentagon officials could not recall a time when a major command was shut down and vanished off the books, even though some jobs will probably be added elsewhere to carry on essential parts of the mission. The White House, which is under intense political pressure to address the rapid increase in the national debt, quickly stepped in to back Mr. Gates, saying his plan would free money that could be better spent on war fighting. "The funds saved will help us sustain the

current force structure and make needed investments in modernization in a fiscally responsible way,” President Obama said in a statement. The potential savings Mr. Gates outlined are likely to be relatively modest in the context of a total Pentagon budget, including war fighting costs, projected to top \$700 billion next year. The most significant step — in symbol and in substance — was his plan to close the military’s Joint Forces Command in Norfolk, Va. The command includes about 2,800 military and civilian positions supported by 3,000 contractors at an annual cost of \$240 million. Its responsibilities, which include managing the allocation of global forces and running programs to press the armed services to work together on the battlefield, will be reassigned, mostly to personnel working under the chairman of the Joint Chiefs of Staff at the Pentagon. Mr. Gates also called for a 10 percent annual reduction in spending on contractors who provide support services to the military, including money for intelligence-related contracts, and he placed a freeze on the number of workers in the office of the secretary of defense, other Pentagon supervisory agencies and the headquarters of the military’s combat commands. And he went after one of the military’s most sacrosanct personnel structures, placing a cap on the number of generals, admirals and senior civilian positions. Beyond that immediate freeze, the Defense Department will move to cut at least 50 general and admiral posts and 150 senior civilian positions over the next two years. There are now just under 1,000 general and flag officers, a growth of more than 100 since the attacks of Sept. 11, 2001.

Arizona’s new law on illegal immigration went into effect last week, albeit severely limited by a federal court ruling. The U.S. Supreme Court undoubtedly will settle the matter, which may also trigger federal regulations. However that turns out, the entire issue cannot simply be seen as an internal American legal matter. More broadly, it forms part of the relations between the United States and Mexico, two sovereign nation-states whose internal dynamics and interests are leading them into an era of increasing tension. Arizona and the entire immigration issue have to be viewed in this broader context. Until the Mexican-American War, it was not clear whether the dominant power in North America would have its capital in Washington or Mexico City. Mexico was the older society with a substantially larger military. The United States, having been founded east of the Appalachian Mountains, had been a weak and vulnerable country. At its founding, it lacked strategic depth and adequate north-south transportation routes. The ability of one colony to support another in the event of war was limited. More important, the United States had the most vulnerable of economies: It was heavily dependent on maritime exports and lacked a navy able to protect its sea-lanes against more powerful European powers like England and Spain. The War of 1812 showed the deep weakness of the United States. By contrast, Mexico had greater strategic depth and less dependence on exports. The American solution to this strategic weakness was to expand the United States west of the Appalachians, first into the Northwest Territory ceded to the United States by the United Kingdom and then into the Louisiana Purchase, which Thomas Jefferson ordered bought from France. These two territories gave the United States both strategic depth and a new economic foundation. The regions could support agriculture that produced more than the farmers could consume. Using the Ohio-Missouri-Mississippi river system, products could be shipped south to New Orleans. New Orleans was the farthest point south to which flat-bottomed barges from the north could go, and

the farthest inland that oceangoing ships could travel. New Orleans became the single most strategic point in North America. Whoever controlled it controlled the agricultural system developing between the Appalachians and the Rockies. During the War of 1812, the British tried to seize New Orleans, but forces led by Andrew Jackson defeated them in a battle fought after the war itself was completed. Jackson understood the importance of New Orleans to the United States. He also understood that the main threat to New Orleans came from Mexico. The U.S.-Mexican border then stood on the Sabine River, which divides today's Texas from Louisiana. It was about 200 miles from that border to New Orleans and, at its narrowest point, a little more than 100 miles from the Sabine to the Mississippi. Mexico therefore represented a fundamental threat to the United States. In response, Jackson authorized a covert operation under Sam Houston to foment an uprising among American settlers in the Mexican department of Texas with the aim of pushing Mexico farther west. With its larger army, a Mexican thrust to the Mississippi was not impossible — nor something the Mexicans would necessarily avoid, as the rising United States threatened Mexican national security.

In Murfreesboro, Tenn., Republican candidates have denounced plans for a large Muslim center proposed near a subdivision, and hundreds of protesters have turned out for a march and a county meeting. In late June, in Temecula, Calif., members of a local Tea Party group took dogs and picket signs to Friday prayers at a mosque that is seeking to build a new worship center on a vacant lot nearby. In Sheboygan, Wis., a few Christian ministers led a noisy fight against a Muslim group that sought permission to open a mosque in a former health food store bought by a Muslim doctor. At one time, neighbors who did not want mosques in their backyards said their concerns were over traffic, parking and noise — the same reasons they might object to a church or a synagogue. But now the gloves are off. In all of the recent conflicts, opponents have said their problem is Islam itself. They quote passages from the Koran and argue that even the most Americanized Muslim secretly wants to replace the Constitution with Islamic Shariah law. These local skirmishes make clear that there is now widespread debate about whether the best way to uphold America's democratic values is to allow Muslims the same religious freedom enjoyed by other Americans, or to pull away the welcome mat from a faith seen as a singular threat. "What's different is the heat, the volume, the level of hostility," said Ihsan Bagby, associate professor of Islamic studies at the University of Kentucky. "It's one thing to oppose a mosque because traffic might increase, but it's different when you say these mosques are going to be nurturing terrorist bombers, that Islam is invading, that civilization is being undermined by Muslims."

Feeding the resistance is a growing cottage industry of authors and bloggers — some of them former Muslims—, who are invited to speak at rallies, sell their books and testify in churches. Their message is that Islam is inherently violent and incompatible with America. But they have not gone unanswered. In each community, interfaith groups led by Protestant ministers, Catholic priests, rabbis and clergy members of other faiths have defended the mosques. Often, they have been slower to organize than the mosque opponents, but their numbers have usually been larger.

NEW ORLEANS – Officials could know by early Friday if BP's broken oil well in the Gulf of Mexico has been sealed for good. An analysis of tests on the well done

Thursday was scheduled to be completed within 24 hours, letting the federal government and BP PLC know if work last month that was meant to be temporary had the unexpected effect of permanently plugging the gusher. Retired Coast Guard Adm. Thad Allen, the Obama administration's point man on the oil spill, scheduled a news conference in Schriever, La. for 12:45 p.m. CDT to give an update on the operation. On Thursday, Allen said it's possible that the long-discussed final fix, known as a "bottom kill," won't be necessary. After a temporary cap was placed on top of the well last month, heavy drilling mud and cement were pumped in from above in what's called a "static kill." Some of the cement may have gone down into the reservoir, come back up and plugged the space between the inner piping and the outer casing — which is what engineers were hoping to do with the bottom kill, Allen said. "A bottom kill finishes this well. The question is whether it's already been done with the static kill," he said. However, he cautioned it's more likely that drilling will continue on two relief wells, which have long been said to be the only way to ensure the blown-out well doesn't leak again. That work has been delayed because of bad weather and wouldn't resume for about another four days, if testing shows it's needed. Calling off the drilling may be justified by the testing, but it would be a hard sell to a public that's heard for weeks that the bottom kill is the only way to ensure the well is no longer a danger to the region.

WASHINGTON — Several members of Congress have moved to block United States aid to the Lebanese military, saying they are concerned that it may be working with Hezbollah in light of last week's deadly skirmish between Lebanese and Israeli soldiers on the border between the two countries. The United States has pledged hundreds of millions of dollars in aid to the Lebanese armed forces in recent years, but members of Congress have often expressed unease that the weapons could fall into the hands of Hezbollah, the militant Shiite movement that fought a monthlong war with Israel in the summer of 2006. Representative Howard L. Berman of California, the Democratic chairman of the House Foreign Affairs Committee, put a hold on \$100 million in appropriations to the Lebanese Army on Aug. 2, a day before the border clash, and expressed further concerns on Monday. "Until we know more about this incident and the nature of Hezbollah influence on the L.A.F. — and can assure that the L.A.F. is a responsible actor — I cannot in good conscience allow the United States to continue sending weapons to Lebanon," Mr. Berman said in a statement. At least three other members of Congress have placed holds on the money or called for the Obama administration to review military aid to Lebanon, including Representative Nita M. Lowey, Democrat of New York, and two Republicans, Representatives Howard P. McKeon of California and Eric Cantor of Virginia. A hold has no legal effect on the aid, which has already been appropriated, but it is rare for an administration to ignore one. A senior Israeli officer, two Lebanese soldiers and a Lebanese journalist were killed in the firefight on Aug. 3, which broke out while Israeli soldiers were pruning a tree on the border. The Lebanese claimed the Israelis had crossed onto their territory, but the United Nations peacekeeping force in south Lebanon later concluded that the Israelis were in fact on their side of the border.

BAGHDAD — In a recent speech President Obama took credit for delivering on his promise to end the official combat mission on schedule, and vowed to meet

America's next deadline of moving all American forces off Iraqi soil by the end of 2011. "As agreed to with the Iraqi government, we will maintain a transitional force until we remove all our troops from Iraq by the end of next year," the president said. American soldiers helped train their Iraqi counterparts in the use of guns on the tanks that Iraq had recently purchased. The reality in Iraq may defy that deadline, because many American and Iraqi officials deem the American presence to be in each nation's interest. "For a very long period of time we're going to be on the ground, even if it's solely in support of its U.S. weapons systems," said Ryan C. Crocker, who was the American ambassador in Baghdad until 2009 and helped to negotiate the agreement that tethers the two countries and mandates that all American troops leave Iraq by the end of 2011. Even as that deadline was negotiated, he said, a longer-lasting, though significantly smaller, presence of American forces had always been considered to be likely. At the moment, five months after national elections, there is still no Iraqi government to begin talking about what any post-2011 arrangement might entail. But many Iraqi officials deem it quietly necessary on a number of fronts: Iraq is buying more and more sophisticated American weapons, like tanks and warplanes, and will need Americans here for training and maintenance. At the same time, training is intensifying for the Iraq Army to learn not only how to battle internal insurgents, but also how to protect its national borders — a project that will take many years. And many Americans, most notably Vice President Joseph R. Biden Jr., have long argued that it is not in America's interest to withdraw completely — even if Mr. Obama rose to national prominence opposing the Iraq war and ran for president promising to end it. The decision will bear directly on the payoff America could yet reap for all its spent blood — more than 4,000 American lives — and treasure, in the form of a democratic ally in a combustible region that would be a check on Iranian power and offer American access to Iraq's vast oil reserves.

WASHINGTON — American military officials are building a case to minimize the planned withdrawal of some troops from Afghanistan starting next summer, in an effort to counter growing pressure on President Obama from inside his own party to begin winding the war down quickly. Gen. David H. Petraeus, the new commander in Afghanistan, visited a bakery in Kabul last month. He opposes a rapid withdrawal of American troops. With the administration unable yet to point to much tangible evidence of progress, Gen. David H. Petraeus, who assumed command in Afghanistan last month from Gen. Stanley A. McChrystal, is taking several steps to emphasize hopeful signs on the ground that, he will argue, would make a rapid withdrawal unwise. Meanwhile, a rising generation of young officers, who have become experts over the past nine years in the art of counterinsurgency, have begun quietly telling administration officials that they need time to get their work done. "Their argument," said one senior administration official, who would not speak for attribution about the internal policy discussions, "is that while we've been in Afghanistan for nine years, only in the past 12 months or so have we started doing this right, and we need to give it some time and think about what our long-term presence in Afghanistan should look like." Defense Secretary Robert M. Gates signaled the military's position recently when he said that the initial troop withdrawals next summer "will be of fairly limited numbers." General Petraeus, who has kept a low profile for the past six weeks while conducting a countrywide assessment, is expected to amplify the message during the media offensive he will begin on Sunday, when he is to

appear on the NBC News program "Meet the Press." He is expected to say that the last of the 30,000 additional troops Mr. Obama ordered to Afghanistan last December will not arrive until later this month, and that the counterinsurgency strategy has not been given enough time to succeed. Administration officials said they were hopeful that General Petraeus's stature in Congress and in allied capitals in Europe and the Middle East would buy him the time and flexibility to try to make the counterinsurgency strategy he devised — and carried out in Iraq — work in Afghanistan.

OTTAWA (Reuters) – The opposition Liberals are closing the gap in popular support against Canada's governing Conservatives, a poll published on Tuesday showed, but neither party has enough support to form a majority government, The Ipsos Reid poll, conducted for Postmedia News and Global Television from August 4 to 9, gave the Conservatives, whose minority government is led by Prime Minister Stephen Harper, the support of 34 percent of voters, down 1 point from last month. The Liberals had the support of 31 percent of voters, up 2 points and rising for a second straight month as leader Michael Ignatieff continues a cross-country tour. The left-leaning New Democrats would receive 15 percent of the vote if an election were to be held now, unchanged from last month, while the Green Party would get 9 percent, down 1 point.

The race between the Conservatives and Liberals continues to be "razor-thin" in Ontario, Canada's most populous province, with support at 36 percent and 35 percent, respectively, the poll showed. Under Canada's first-past-the-post electoral system, a party typically needs at least 40 percent of public support to capture a majority of the 308 seats in the House of Commons

VANCOUVER (Reuters) – Canada's Conservative government backtracked slightly on Wednesday over its plan to change next year's census, which has drawn both political and legal fire and may be hurting it in the polls. But Industry Minister Tony Clement said the government is sticking with its overall plan to convert part of the mandatory census, which collects more-detailed information on Canadians every five years, into a voluntary survey. The government says the "long-form" census, which went to about 20 percent of the population and asked detailed questions about families and households, was an invasion of privacy and should be made voluntary.

Critics say making it optional will undermine the accuracy of data used by business, government and social planners. In a surprise announcement on Wednesday, Clement said questions about the languages used in the home will now be asked on the shorter version of the census form that is sent to most Canadians and remains mandatory.

"Our government believes that this fair and reasonable approach is a better balance between collecting necessary data and protecting the privacy rights of Canadians," Clement said in a statement. French language groups have asked a court to keep the long-form census mandatory, saying that making it voluntary would cut data about the needs of French-speaking citizens in Canada, which has both English and French as official languages.

VANCOUVER (Reuters) – A Canadian judge on Tuesday rejected Taser International Inc's bid to quash the findings of a government inquiry that said stun guns could be lethal and which urged police to restrict their use.

The British Columbia Supreme Court dismissed Taser's argument that safety concerns about the weapon were unreasonable as well as the company's assertion that it should have been able to challenge the inquiry's findings before they were released publicly.

"It is quite clear to me that there were presentations made to the (inquiry) commissioner by medical experts and others to the effect that such weapons can cause serious harm and even death in exceptional circumstances," Judge Robert Sewell ruled.

Sewell also rejected Taser's complaint it was treated unfairly in the inquiry, which was set up by the British Columbia provincial government. The inquiry was launched because of the death of a Polish immigrant at Vancouver airport after police shot him with a stun gun several times. Taser argued the inquiry had not considered safety studies supplied by the company, and complained the report could cost it sales

VANCOUVER (Reuters) – Canadian authorities intercepted a cargo ship on Thursday carrying nearly 500 people thought to be Tamil migrants who have fled Sri Lanka in a bid to enter Canada as refugees. The government initially announced the ship MV Sun Sea was boarded at midday when it veered toward land, but police later said it was not boarded until evening as the ship was being guided to a naval base on Canada's Pacific coast. Official said the ship reported it had 490 people on board and they were seeking to be declared refugees. If confirmed to be carrying Tamil migrants, it would be the second ship in less than a year to reach Canadian shores with people from war-torn Sri Lanka making the perilous voyage across the Indian and Pacific oceans.

Canadian officials have warned they may take a hard line with the latest arrival in order to discourage other ships carrying human cargo. They also said they will be on the lookout for members of the Tamil Tigers militant group, which is considered a terrorist organization by Ottawa. "Human smugglers and human traffickers are now watching Canada's response to judge whether or not they can continue to take advantage of us," Public Safety Minister Vic Toews said in a statement. Canada will "send a message loud and clear" to human smugglers "if you do this you will be prosecuted to the fullest extent of the law," Toews said. Tents have been set up at the Esquimalt naval base near Victoria, British Columbia for immigration officials to process the passengers -- who will also be taken into police custody. Hospitals in the Victoria area have been warned to be prepared to treat people who may have taken ill on the long voyage, and a jail near Vancouver is being prepared to hold the the migrants.

Western Europe

EUOBSERVER / BRUSSELS - European social democracy is in the doldrums and the members of the continent's centre-left think that a major change at the top of the Party of European Socialists is the solution. After a rout of the centre-left in last year's European elections, activists with the centre-left Party of European Socialists (PES) have launched a campaign to push for US-style primary elections within the party to select their candidate for the presidency of the next European Commission in 2014. Frustrated with the failure of the PES to nominate any candidate at all ahead of the June 2009 elections, a pair of long-time activists have rolled out a movement that is proposing that the members of the various social democratic parties across Europe vote to choose who the party will nominate as its presidential candidate. The "Campaign for a PES Primary"

was kicked off on 26 July by Desmond O'Toole, a member of the Irish Labour Party's Central Council, and Jose Reis Santos, a Lisbon city councillor, and, according to the pair, has met with a "huge response." Its Facebook group has 570 members and is growing at a rate of about 200 a week. The pair has also set up a Twitter feed to promote the campaign, although Mr O'Toole was keen to stress: "It's not just a few kids playing around with some Facebook group. This is serious." "Even in the middle of August, we are pleasantly surprised at how this is growing," he told EUobserver, adding that the idea will really take off in September when people return from their summer holidays. The pair also argues that such a move will go a long way to counter the bloc's infamous "democratic deficit." "There have long been questions about democracy within the EU and these are only increasing," Mr O'Toole said. "European Parliament elections do matter now more than in the past. But only the [centre-right] EPP put forward a candidate. The PES didn't and we clearly lost out as a consequence. The activists are unsatisfied." The Strasbourg defeat is only a recent example of European social democracy's steady decline in popular support over the last 30 years.

LONDON — Last month, the British government abolished the U.K. Film Council, the Health Protection Agency and dozens of other groups that regulate, advise and distribute money in the arts, health care, industry and other areas. It seemed shockingly abrupt, a mass execution without appeal. But it was just a tiny taste of what was to come. Like a shipwrecked sailor on a starvation diet, the new British coalition government is preparing to shrink down to its bare bones as it cuts expenditures by \$130 billion over the next five years and drastically scales back its responsibilities. The result, said the Institute for Fiscal Studies, a research group, will be “the longest, deepest sustained period of cuts to public services spending” since World War II. Until recently, the cuts were just election talking points, early warnings of a new age of austerity. But now the pain has begun. And as the government begins its abrupt retrenchment, the implications, complications and confusions in the process are beginning to emerge. “It feels like they’re just sticking a finger in the air and guessing,” John Mutton, leader of the City Council in Coventry, said of the government’s methods for deciding which programs to cancel and which to cut. In June, the government announced its first round of cuts, removing about \$10 billion from the current year’s budget.

While that is a drop in the bucket compared to the final goal, the reduction measures have already had severe consequences. Public sector workers across the country, except for the lowest paid, will have their salaries frozen for the next two years. Oxfordshire, facing a nearly \$1 million trim in its road safety budget, has been forced to shut down all of its 161 traffic speed cameras. Nottinghamshire plans to close three recycling facilities and some of its day care centers. The city of Coventry, which already cut spending in January, is trying to find \$5.6 million more to cut from its current child services budget. But far worse cuts await in October, when the government issues its long-term budget plans. Mr. Mutton, the Coventry official, predicted that the next round of cuts would cost the city at least 10,000 jobs. Analysts have estimated that about 600,000 public-sector jobs could be lost nationwide. Mr. Mutton said that the most recent news — which included the cancellation of a multimillion-pound program to build new schools and refurbish crumbling old ones in Coventry — had come so abruptly that

carefully wrought plans and partnerships had to be torn up overnight. "It's impossible to plan," he said. "We believe in trying to plan our budget for three years, particularly in order to give our voluntary and private-sector partners some stability. But we can't do that at the moment. We haven't a clue." They are not the only ones. The urgency of the task has sent cabinet ministers scrambling to find cuts so quickly that speed may be overtaking sober reflection, critics say.

EUOBSERVER / BRUSSELS - The European Commission has sharply rebuked Slovakia for backing out of its promise to loan Greece €16 million as part of a wider EU-IMF rescue package. "The eurogroup's decision [to create the Greek bail-out fund] was a crucial act at a critical moment to safeguard financial stability of the euro area as a whole, including Slovakia. I can only regret this breach of solidarity within the euro area and I expect the eurogroup and the [economic and finance ministers'] Council to return to the matter in their next meeting," economic affairs commissioner Olli Rehn said in a statement on Wednesday [11 August]. He stressed that Slovakia's decision does not jeopardise the whole €10 billion EU-IMF package: "This development does not put in danger the loan to and the reform programme of Greece, which is proceeding rigorously." The Finnish politician's remarks come after Slovakia's new centre-right government in a parliamentary vote earlier the same day overturned the previous centre-left administration's Greek deal. The vote crushed the Greek loan by 69 to two. Speaking in parliament, Slovak finance minister Ivan Miklos criticised the unfairness of poorer countries being roped in to bail out richer ones and euro area policy makers' lack of accountability. "I do not consider it solidarity if it is solidarity between the poor and the rich, of the responsible with the irresponsible, or of tax payers with bank owners and managers," he said. "It's true the top politicians in the eurozone are not excited by our position and that we have irritated them quite a lot. But this is only because they have been creating alibis for themselves and we have held up their behaviour to a mirror."

With austerity measures and an EU-IMF bail-out now in place, figures show that the Greek recession deepened in the second quarter as GDP shrank by 1.5 percent and unemployment rose to 12 percent. The GDP contraction of 1.5 percent accelerated in the three months to June after shrinking by 0.8 percent in the first quarter, the Greek statistical office reported on Thursday (12 August). Economists had forecast just a 1 percent quarterly drop. The statistical office said in a press release the main reasons for the fall was decrease in investments in assets and public spending cuts. The statistics agency also reported the unemployment rate rose to 12 percent in May from 11.9 percent in April. The total decline in GDP during 2010 was predicted by the European Union in its spring forecast to hit 3 percent, but the Greek government expects a 4 percent overall decline. "We think the largest hit to private consumption from tighter fiscal policy is probably still ahead of us," Citigroup economist Giada Giani told Reuters news agency. "We expect growth to remain negative for the rest of the year, with an average decline of around 3.5 percent for 2010." Greece agreed in May to reform its tax system and reduce social security programs and public spending in order to receive a €10 billion three-year loan from the EU and IMF designed to help the government make its sovereign debt repayments. "The measures imposed by the International Monetary Fund and the European Union were expected to impact the economy substantially, so the

figures are not a shock even if slightly worse than expected," Diego Iscaro, a senior international economist at IHS Global Insight, told the Wall Street Journal.

EUOBSERVER / BRUSSELS - A billion euros fewer than the European Commission wanted for the EU's poorest regions, €13 million less for schooling EU officials' children and a near freeze on recruitment in Brussels are among the 2011 EU budget proposals put forward by member states. Coming in the midst of politically painful cutbacks by EU capitals at home, the EU budget blueprint, adopted by written procedure on Thursday (12 August), will still see spending go up by almost three percent to €26.6 billion next year. But the member states' plan envisages putting €3.6 billion fewer into the common pot than earlier requested by the commission, with reductions across the board. The biggest casualties are to come in the fields of cohesion funds for poor regions (minus €1.1 billion), cash for stimulating economic growth and employment (minus €41 million) and support for EU farmers (minus €20 million).

With the EU working to put Haiti back on its feet and mulling a new 10-year recovery plan for flood-struck Pakistan, a further €203 million is at the same time to be taken out of the bloc's emergency aid reserve. The EU institutions themselves are to take a €162 million hit. The lion's share (€73 million) is to come out of the commission's pocket. European schools, the Brussels-based academies which educate EU civil servants' children, are to lose €13 million. Pensions payments for retired EU officials are to lose €22 million. Thursday's budget document also rules out granting a 1.85 percent pay increase for EU staff, pending a challenge in the EU court in Luxembourg, and "not accepting any new post requested by the institutions," with the exceptions of 184 new jobs for EU agencies around Europe, Croatia pre-accession staff and jobs in the EU Council, which represents member states' interests in Brussels.

BERLIN – Germany's economy surged ahead in the second quarter, growing 2.2 percent — the fastest pace for at least two decades and beating market forecasts — as a global recovery fed demand for its exports. The first-quarter growth figure for Europe's biggest economy also was revised upward Friday to 0.5 percent — more than double the initial reading of 0.2 percent. "The recovery of the German economy, which lost momentum at the turn of 2009/2010, is really back on track," the Federal Statistical Office said as it released the preliminary second-quarter figures. It was the strongest performance since the reunification of West Germany and communist East Germany two decades ago, the office said. The previous best was 1.9 percent growth in the first quarter of 1992. Economists had expected second-quarter growth of 1.3 percent. In year-on-year terms, output rose by 3.7 percent. While foreign trade was one of the key drivers of growth, household and government consumption also contributed to the rise in gross domestic product, the statistical office said. An improving global economy has fed demand for German exports, while industrial orders and business confidence have been rising. The economy shrank by a painful 4.9 percent last year — easily the worst performance since World War II.

MADRID (AFP) – Spain confirmed its timid recovery from recession on Friday with 0.2 percent growth in the second quarter but analysts warned the upturn may be short lived as austerity measures bite. On a year-on-year basis, Spanish Gross Domestic

Product still shrank 0.2 percent but this was better than the contraction of 1.3 percent in the first quarter, the National Statistics Institute (INE) said in provisional data. The figures were in line with estimates published last week by the Bank of Spain. The INE will release definitive figures on August 26. Spain slumped its worst recession in decades at the end of 2008 as the global financial meltdown compounded a crisis in the once-booming property market and only just recovered with first quarter growth of 0.1 percent. However, the upturn, already substantially weaker than in Germany and France, where second-quarter growth was 2.2 percent and 0.6 percent respectively, is expected to grind to a halt in the third quarter. Socialist Prime Minister Jose Luis Rodriguez Zapatero conceded on Tuesday that "the third quarter will not be as good as the second." The government predicts the economy will contract 0.3 percent in 2010 and then expand 1.3 percent in 2011. Other organisations are far more pessimistic, raising doubts over the government's ability to rein in its massive public deficit.

FRANKFURT — Norbert Reithofer, the chief executive of BMW, often boasted that he was among the first to start trimming jobs in 2007 when he saw a downturn coming in the automobile industry. On Tuesday, BMW hung out the help-wanted sign after reporting that its net profit rose more than sixfold in the second quarter. German exports are booming again and so is employment. The country's unemployment rate is 7.6 percent, almost at the pre-crisis level, and down from 9.1 percent in January. Companies, including the electronics and engineering giant Siemens, the truck maker MAN or the carmaker Daimler, are ramping up worker hours. BMW said it was seeking 1,000 people in Germany to work in research and development as well as purchasing and sales. As a country adding workers, Germany's image stands in stark contrast to five years ago when unemployment was above 13 percent, more than five million people were jobless and the country was a symbol of labor-market inflexibility. Germany's unexpectedly strong economy is generally considered good news for the rest of Europe, which depends on German demand for its goods. So is the drop in joblessness, which should help increase consumer confidence and encourage Germans to take vacations in Spain and Greece, channeling euros to two places that need them. But Germany's success is also a significant point of contention with leaders in France and other countries who believe that some of it comes at their expense. Germany exports far more than it imports, in part benefiting from easier access to credit than in the heavily indebted countries. Some economic experts argue that Germany's economic policies are exacerbating tensions in the euro zone. "By cutting its budget deficit and resisting a rise in wages to compensate for the decline in the purchasing power of the euro," George Soros, the prominent investor, wrote in a recent essay in *The New York Review of Books*, "Germany is actually making it more difficult for the other countries to regain competitiveness."

LONDON (AFP) – European equities slipped into the red on Friday, wiping out earlier gains as nervous investors paused after a torrid trading week despite record second-quarter economic growth in Germany. Frankfurt stocks dropped 0.66 percent, London fell 0.40 percent and Paris erased 0.77 percent in late morning trade, falling back after an early round of bargain hunting. Global share prices have slumped this week as many investors ditched risky assets in favour of safe-haven trades amid mounting fears of

a double-dip recession. Later on Friday, investors will switch their focus towards crucial US consumer price index (CPI) inflation and retail sales data -- key figures after a series of poor US indicators. "Investors remain tense and are exercising caution ahead of US retail and CPI data," said trader Chris Purdy at Spreadex in London. He added: "Germany's outstanding GDP growth has provided a beacon of hope for the recovery in general though, as the economic powerhouse outshone other eurozone member states." The German economy grew 2.2 percent in the second quarter of 2010, the biggest quarterly expansion since reunification, official data showed Friday. Other data showed that the French and Spanish economies also expanded in the second quarter, with modest growth of 0.6 percent and 0.2 percent respectively. In addition, economic growth across Europe's core euro currency zone hit 1.0 percent in the second quarter.

Thousands of Germans have requested their homes be removed from Google Street View before the new service is launched in 20 German cities by November. Even the country's conservative minister for consumer affairs, Ilse Aigner, has requested to be excluded. In a country long wary of surveillance, with memories of the Nazis' Gestapo and East Germany's Stasi secret police not forgotten, the response to Street View has been overwhelmingly negative compared to other European countries. An announcement from Google earlier this week that it would allow Germans to opt out of Street View seems to have failed to allay fears that privacy would be compromised.

The EU justice commissioner Viviane Reding stepped into the dispute on Thursday (12 August), telling German daily Bild: "Every citizen holds under EU law the right of appeal against Google Street View. I expect that Google respect European rules on data protection - anywhere in Europe. The best way is a citizen friendly and non-bureaucratic tool for appeals." Ms Reding also said she found the period offered for appeals should be "at least six weeks long." Under pressure, Google has conceded to allowing people in the 20 cities to opt out of the scheme, but this option will close on midnight on 15 September. Written letters with a request to be excluded from Street View will be accepted only if sent to Google before 21 September. Peter Schaar, Germany's federal commissioner for data protection, also expressed concerns. In his blog, he wrote that up to 10,000 people have contacted Google so far objecting to parts of Street View. Google hopes that once people know the service better they will understand how useful it is for themselves, for local businesses and for tourists.

Britain's advertising watchdog has banned an antiterrorism commercial that urged radio listeners to watch out for people who keep their curtains drawn, keep away from their neighbors and pay with cash instead of debit or credit cards, behavior that senior police officers said could "potentially be linked to terrorist activities." The Advertising Standards Agency, an industry-appointed body, said it made the ruling after concluding that law-abiding people with similar habits could be offended. The advertisement, paid for by the Association of Chief Police Officers, featured a narrator saying: "The man at the end of the street doesn't talk to his neighbors much because he likes to keep to himself. He pays with cash because he doesn't have a bank card, and he keeps his curtains closed because his house is on a bus route." The narrator concluded, "If you suspect it, report it."

LONDON — One of Britain's longest-running terrorism cases took a sharp turn on Thursday when the Crown Prosecution Service announced that four Scotland Yard police officers would face trial for carrying out what Britain's top police officer previously admitted was a "prolonged attack" on the chief suspect. The decision came after nearly seven years of controversy in the case and appeared likely to further delay moves to extradite the man involved, Babar Ahmad, to the United States. Mr. Ahmad is wanted in Connecticut on charges of running militant Islamic Web sites that the authorities say were used to recruit and raise money for terrorists and to serve as a conduit for supplies of gas masks, night vision goggles and other equipment to terrorist groups. Mr. Ahmad and his lawyers have maintained in British court hearings that the officers punched and kicked him, subjected him to a "life-threatening" neck hold, pulled his testicles and mocked his Islamic faith. At one point, he said, they forced him into a praying position while one officer shouted, "Where is your God now? Pray to him!" and at another point, an officer was said to have told him, "You will remember this day for the rest of your life." The four officers — Nigel Cowley, John Donohue, Roderick James-Bowen and Mark Jones — will appear in court on Sept. 22. All were members of a specially trained unit, the Territorial Support Group, that was sent to arrest Mr. Ahmad in December 2003. The prosecution said it had considered bringing charges against a fifth officer but had decided not to because there was "insufficient evidence for a realistic prospect for conviction." Mr. Ahmad, 36, an engineering graduate specializing in digital technology, has been detained without trial since 2004, longer than any other detainee caught up in the multiple terrorism cases that have come to court in Britain since the 9/11 attacks. Throughout that time, he and his lawyers have said that he was criminally assaulted by the Scotland Yard team that made the original arrest at his south London home. United States prosecutors say the groups supported by the Web sites that Mr. Ahmad oversaw included Al Qaeda, Chechen rebels and the Taliban in Afghanistan. But British prosecutors concluded by 2006 that there was "insufficient evidence" to charge him with any criminal offense in Britain, shifting the legal battle to the American bid for extradition. In 2005, the British government approved the extradition, but Mr. Ahmad appealed. He took his case to the European Court of Human Rights in Strasbourg, France, which last month imposed a temporary ban on any further moves to extradite him.

BERLIN — The authorities in Hamburg said Monday that they had shut down the mosque where several of the hijackers involved in the Sept. 11 attacks had met, asserting that it remained a source of radicalization nearly a decade later. The Masjid Taiba mosque in Hamburg, known at the time of the hijackings in 2001 as Al Quds mosque, was "closed effective immediately," according to a statement by the Hamburg Interior Ministry. German television showed blue-uniformed police officers carrying computers out of the mosque in the St. Georg neighborhood. That the small mosque near Hamburg's main train station was still in operation and still, according to law enforcement officials, indoctrinating young people with a form of Islam that encouraged violence demonstrated the challenges faced by Western democracies like Germany in controlling extremism without impinging on civil rights and religious freedom. The mosque had been under surveillance for years, but efforts to close it received new urgency after a group of radicalized young people associated with the mosque, most of them German citizens with roots in Muslim countries, traveled last year to the region along the border shared by

Afghanistan and Pakistan. Officials said clearing the legal and bureaucratic obstacles to closing a mosque was a slow process, one that finally succeeded Monday. German intelligence officials have expressed concerns over the growing number of young Germans drawn into militant Islam and the possibility that they could return from the Pakistan-Afghanistan border region to commit acts of terror. "Today we closed the Taiba mosque because young men were being turned into religious fanatics there," said Christoph Ahlhaus, secretary of the interior for the city of Hamburg, at a news conference. "Behind the scenes, a supposed cultural organization shamelessly used the freedoms of our democratic rule of law to promote holy war." Mr. Ahlhaus said, "Hamburg cannot become a cradle for Islamists capable of violence." Police officers searched the mosque and the apartments of leading mosque members starting at 6 a.m., and seized their assets. The door to the mosque was sealed after the searches, and the group's Web site yielded only an error message on Monday. The authorities also banned the cultural association that ran the mosque, which was founded in 1993. The name of the mosque was changed from Al Quds to Masjid Taiba in 2008. The mosque achieved worldwide notoriety after the attacks on Sept. 11, 2001. Mohamed Atta, Marwan al-Shehhi and other members of the group that carried out the attacks had used the mosque as a meeting place. A report released in May by the Interior Ministry said that the mosque "remains the central attraction for the jihadist scene." According to the report, a group of 11 people who met at the mosque traveled from Hamburg to the region along the Pakistan-Afghanistan border in March 2009, probably with the goal of training at a militant camp there. One of the 11 was detained in Pakistan and sent back to Germany.

AMSTERDAM – A Dutch court has rejected a wrongful dismissal lawsuit brought by prominent Muslim scholar Tariq Ramadan, saying the city of Rotterdam had good reasons for ending his contract. The Swiss-born Ramadan was dismissed from positions at Erasmus University and the city in August 2009 after he hosted a program on Iranian state television. The city said Ramadan's TV appearance could be seen as endorsing the regime as it cracked down on protestors following presidential elections. Ramadan had asked for euro84,048 (\$109,000) in pay and damages. His contract ran through 2011. He now has a professorship at Oxford. The court in Rotterdam said Wednesday Ramadan failed to understand the size of the problem and his public support was gone.

PARIS, France -- Authorities started dismantling illegal Roma settlements on Friday (August 6th), following an order by President Nicolas Sarkozy. The first targeted camp, inhabited by 100 Romanian gypsies, was in the central city of Saint-Etienne. Paris announced last month its plan to remove 300 unauthorised gypsy camps within three months and to repatriate Roma who have committed crimes. The move came after a violent clash between Roma and police in early July.

LISBON — Five years ago, the leaders of this sun-scorched, wind-swept nation made a bet: To reduce Portugal's dependence on imported fossil fuels, they embarked on an array of ambitious renewable energy projects — primarily harnessing the country's wind and hydropower, but also its sunlight and ocean waves. José Cristino, a farmer, said the wind farm project was "good for the country because it's clean energy and it's good

for the landowners who got money, but it hasn't brought me any good." He said, "I look at these things day and night." Today, Lisbon's trendy bars, Porto's factories and the Algarve's glamorous resorts are powered substantially by clean energy. Nearly 45 percent of the electricity in Portugal's grid will come from renewable sources this year, up from 17 percent just five years ago. Land-based wind power — this year deemed "potentially competitive" with fossil fuels by the International Energy Agency in Paris — has expanded sevenfold in that time. And Portugal expects in 2011 to become the first country to inaugurate a national network of charging stations for electric cars. "I've seen all the smiles — you know: It's a good dream. It can't compete. It's too expensive," said Prime Minister José Sócrates, recalling the way Silvio Berlusconi, the Italian prime minister, mockingly offered to build him an electric Ferrari. Mr. Sócrates added, "The experience of Portugal shows that it is possible to make these changes in a very short time." The oil spill in the Gulf of Mexico has renewed questions about the risks and unpredictable costs of America's unremitting dependence on fossil fuels. President Obama has seized on the opportunity to promote his goal of having 20 to 25 percent of America's electricity produced from renewable sources by 2025. While Portugal's experience shows that rapid progress is achievable, it also highlights the price of such a transition. Portuguese households have long paid about twice what Americans pay for electricity, and prices have risen 15 percent in the last five years, probably partly because of the renewable energy program, the International Energy Agency says. Although a 2009 report by the agency called Portugal's renewable energy transition a "remarkable success," it added, "It is not fully clear that their costs, both financial and economic, as well as their impact on final consumer energy prices, are well understood and appreciated."

LISBON, Portugal – Authorities in Portugal struggled Thursday to contain wildfires sweeping across northern parts of the country. The Civil Protection Service said it was fighting 29 wildfires in forests parched by weeks of hot, dry weather, including the hottest July in almost 80 years. More than 600 firefighters, more than 200 vehicles and nine aircraft were deployed, the Civil Protection Service said on its website. Army bulldozers were cutting firebreaks in the northern Peneda-Geres protected nature reserve where they helped extinguish one of two wildfires. Four blazes scorched areas of the Serra da Estrela hills — a national park — in central Portugal. Flames came within meters (yards) of homes in the hill village of Sandomil, 200 kilometers (120 miles) northeast of the capital, Lisbon. Officials complained that local people had not cleaned brush from around their houses as instructed by authorities during the winter. Interior Minister Rui Pereira said the emergency services were doing "all they can" in difficult conditions which included gusting winds and temperatures above 30 degrees Celsius (86 Fahrenheit). He said the government has contracted two more heavy firefighting helicopters from abroad — "the only ones available on the market" as summer blazes are also affecting other southern European countries and Russia. "As far as the equipment available is concerned, we've been doing everything we can," Pereira told a news conference. "The weather is obviously an uncontrollable factor and is particularly adverse at the moment." Wildfires are common in Portugal during the summer. Almost 10,000 fighters and 56 aircraft are on standby this year.

EUOBSERVER / BRUSSELS - EU foreign relations chief Catherine Ashton has sent a letter to the bloc's 27 foreign ministers asking to discuss a long term aid plan for Pakistan at an informal meeting next month. The letter envisages a lunchtime debate on the flood-struck Asian country at a so-called "Gymnich" gathering of EU foreign policy heads to be held in Brussels on 11 September. Ms Ashton has also invited aid commissioner Kristalina Georgieva, development commissioner Andris Piebalgs and trade commissioner Karel De Gucht to the session to explore a multi-pronged EU effort. Mr De Gucht will earlier the same day take part in an informal get-together of EU trade ministers in the EU capital, enabling him to bring group-of-27-endorsed proposals on trade options to the table. "The idea is to come up with a sustainable, long-term approach to how we can help Pakistan, instead of just a one-off humanitarian relief effort. It's the same approach as the 10-year plan for Haiti," an EU official said. "This is the European External Action Service at its best, bringing together politicians, a military and defence aspect, as well as humanitarian aid and trade under one roof." EUobserver has learned that two options under consideration are to extend low trade tariffs to Pakistan by including it in the EU's generalised system of preferences (GSP) scheme, or to tailor a one-off arrangement helping it to export a core set of six or so product categories, such as textiles, to the union. Italy earlier this year urged EU states to give Pakistan GSP status, but the country has so far been excluded because its economy has been judged to be too highly developed to qualify. Floods in northwestern and central Pakistan have affected 14 million people, caused some 1,600 deaths and destroyed crops, with the UN calling for €350 million in emergency international aid and saying the fallout could be worse than from the 2010 Haiti earthquake and the 2004 Asian tsunami combined. The EU has so far given Pakistan a modest €40 million in short term flood aid, prompting criticism from charities.

LONDON – Britain's defense secretary said Friday that senior military posts could be axed as he prepares major spending cuts and a sweeping overhaul of the country's armed forces. Liam Fox, who visited Afghanistan this week to talk with troops, must decide within weeks how to slash his department's budget, as the country's coalition government seeks to quickly reduce record national debts. "The prime purpose of what we are doing is to make sure that our armed forces on the front line have everything they need, and all the support they require, to carry out their mission successfully and safely," Fox said, making a speech in London. "That means that the back room sometimes has to do without to make sure that the front line gets what it wants." Fox indicated there are likely to be job losses among both military and civilian staff as the defense ministry undergoes a "cultural shift which will see a leaner and less centralized organization." Analysts predict about 30,000 of Britain's 175,000 armed forces personnel are likely to be cut — probably 20,000 from the army, and about 5,000 each from the air force and navy. Fox said a review due to be completed by October will consider trimming the number of personnel in senior ranks. "We cannot demand efficiency from the lower ranks while exempting those at the top," he said. Britain's military is carrying out the first major review of its capabilities and priorities since 1998, and attempting to find savings of up to 9 billion (\$14 billion) to its annual budget of about 36 billion pounds (\$56 billion).

EUOBSERVER / BRUSSELS - Russian foreign minister Sergei Lavrov neglected to mention to his EU counterpart Catherine Ashton on the phone on Wednesday (11 August) that Moscow was about to make a major security announcement on Georgia. The pair in a well-publicised exchange spoke at length on Wednesday afternoon on the subject of Russian wildfires, with Ms Ashton voicing condolences for victims, while Mr Lavrov thanked the EU for member states' support. But the union was surprised to learn shortly after in a statement by Russian colonel general Alexander Zelin to the Itar-Tass, Interfax and RIA Novosti news agencies that Moscow has stationed S-300 ground-to-air missiles in Georgia's disputed Abkhazia region. "He [Mr Lavrov] said nothing on the subject. Within an hour or so later, we got the news," a source in the EU institutions told EUobserver. The US State Department on Wednesday noted "it's our understanding" that Russia has had S-300s in Abkhazia for two years but could not confirm if they are being upgraded. The EU's monitoring mission in Georgia told this website that it is also unable to confirm the Russian media reports because its officers are denied entry into the Abkhazia region. "The situation is calm at the moment but it is unpredictable. Certainly events like this give input to further tensions," a contact in the mission said. "I was told by military experts they are simply air defence systems, they are not strategic missiles, which means they can only be used to target aircraft." Despite the on-the-ground calm, EU diplomats are considering whether or not to make a formal complaint.

Oceania

CANBERRA (Reuters) – Australia's August 21 election is looking too close to call, raising the possibility of the first hung parliament in 70 years and confusion over policy issues vital to investment in the resource-dependent economy. With nine days left, Prime Minister Julia Gillard and conservative rival Tony Abbott are having to concentrate their energies on marginal seats where policies on mining and carbon tax, immigration and broadband Internet investment could well determine which way the vote goes. Gillard, campaigning on Wednesday in the key battleground of Sydney's western suburban fringe, tried to focus on her economic credentials. But she had to fend off questions that have dogged her campaign in the wake of a June party coup which unseated predecessor Kevin Rudd. "We all make judgments in our lives. I made a judgment and I stand by it," Gillard said. A Reuters Poll Trend found her Labor Party with 50.1 percent support on a two-party basis, compared to 49.9 percent for Abbott's conservative coalition, pointing to the closest election since 1998. The Poll Trend, however, found Gillard was 11 points clear of Abbott as preferred leader, with 48.9 percent support compared to 38 percent for Abbott, a former trainee priest and endurance triathlete who has upset many voters with strongly conservative views on marriage, feminism and homosexuality. Gillard has come out fighting after a poor start, appearing confident this week before another live audience that had previously unsettled Rudd, presaging the disastrous slide in his polling support that led to Gillard's rise. Abbott, who launched his campaign at the weekend, has in contrast been widely criticized over an interview in which he confessed to know little about his coalition's key policy for faster broadband, saying he was "no tech-head" in a vast continent where communications are a major issue.

SYDNEY (AFP) – Australia's Prime Minister Julia Rudd and opposition leader Tony Abbott faced a televised grilling from sceptical voters Wednesday, answering questions on climate change, gay marriage and trust. In the town hall-style debate at a social club in Rooty Hill in the heart of the key electoral battleground of western Sydney, Gillard withstood an hour of questions -- and sometimes jeers -- from a crowd of 200 undecided voters. The first question addressed her brutal ousting of former Labor prime minister Kevin Rudd in a party coup in June, and another asked whether voters could trust that she too would not be removed by party leaders. Gillard, a feisty, flame-haired former lawyer, said she became the country's first woman prime minister because she had the support of her political colleagues. "We all make judgments in our lives. I made a judgment and I stand by it," she said, adding that she had the confidence of the left-leaning Labor Party. Asked about same-sex marriage, Gillard, who has never married and lives with her male partner, said it was her view that marriage involved a man and a woman. "I know saying that is not going to please you because you'd like to see something different happen, but what we have done as a government is we have moved across the area of federal legislation to equalise treatment for same-sex couples," she told her questioner. Same-sex civil unions are allowed in some Australian states but the government has said it will not change the marriage law, which says weddings must be between a man and a woman. The conservative Abbott, who has dragged Gillard to within a whisker of a shock election defeat in the August 21 polls, faced the same 200 voters half an hour later and immediately ditched the prepared stage in favour of standing on the same level as the crowd. He faced questions on the cost of living and his ideals, including whether he still supported the radical labour law changes which saw the conservatives ousted by Labor at the last election in November 2007. "WorkChoices is gone," he said, referring to the labour reforms. "I've said it is dead, buried, cremated and that's not just a sneaky word game." The colourful Abbott had publicly challenged Gillard to two more head-to-head debates at their only election clash in July, when he was trailing in the polls. But after drawing level with Gillard, Abbott said his busy campaign schedule did not allow for another debate, despite both later agreeing to be quizzed by voters at Sydney's Rooty Hill ex-serviceman's club for live TV.

SYDNEY (AFP) – Australia's opposition Thursday vowed to sell uranium to nuclear power India if elected this month and cautioned against over-reliance on China, the country's top trading partner. Foreign Minister Stephen Smith and his conservative, opposition rival Julie Bishop debated foreign policy for the first time ahead of knife-edge August 21 elections, laying out contrasting visions. Smith touted his government's record since taking office in 2007, saying Labor had restored "neglected" ties with the United Nations and key countries in the Pacific, including Papua New Guinea and the Solomon Islands. Australia had withdrawn combat troops from Iraq while maintaining good relations with the United States, which Smith described as "the bedrock of our strategic security and defence arrangements". It had also played a key role in establishing the G20 as the premier international economic institution, which he said was "the most significant achievement of Australian foreign policy since APEC became a leaders' meeting". "This is the century of the Asia-Pacific: economic, strategic, security, military, influence is moving in our direction," Smith said. When prime minister, Kevin Rudd saw China as

a key partner and the Mandarin-speaking former diplomat made ties with Beijing a priority of his rule, cut short by a June coup which rudely forced him from office.

But Smith said Labor was not "starry-eyed" about relations with China, which were strained by the jailing of a Rio Tinto executive in Shanghai and decision by Australia to grant Uighur dissident Rebiya Kadeer a visa. "There have been tensions in the relationship with China because we do, as different countries and different people, share different values and virtues," he said.

Bishop described China as a country fraught with challenges and said some poorer nations in the region were "over-reliant" on Chinese aid, implying they had been forced to open up to Chinese investment in exchange for assistance. But she rejected an official assessment that "conventional warfare with China" was the nation's greatest long-term security threat and said "ongoing military, strategic co-operation with China is essential". Bishop put Japan, the United States and Indonesia at the centre of the Liberal-National coalition's foreign policy, and urged greater engagement with India, Australia's eighth-largest trading partner. "We will reinstate the in-principle decision to sell uranium to India and we will resume a free trade agreement and greater defence co-operation: we are natural maritime partners," she said. Australia has 27 percent of the world's uranium reserves but the centre-left Labor government has said it will be sold only to nations that are signatories to the Nuclear Non-Proliferation Treaty, which does not include India.

BEIJING – A leading Chinese general urged closer ties with Australia's military on Monday, amid a continuing freeze on Beijing's contacts with the Pentagon.

Gen. Liao Xilong pledged Monday to "beef up military exchanges" with Australia, during a meeting in Beijing with Australian Air Vice-Marshal Margaret Staib, the official Xinhua News Agency reported. The People's Liberation Army "hopes to expand its cooperation with the Australian armed forces to push bilateral military ties to a new level," said Liao, who is head of logistics for the 2.3 million-member PLA and sits on Communist Party commission that oversees the military's operations. The outreach to a top U.S. ally in the region contrasts starkly with Beijing's approach toward Washington — continuing its demands that the U.S. cancel a \$6.4 billion arms sale to Taiwan, and take other unspecified steps to repair relations and allow military exchanges to resume.

China suspended the contacts in January in retaliation for the sale and in recent months has grown increasingly vocal in complaining about U.S. military movements in Asia.

U.S. officials, including Defense Secretary Robert Gates, have expressed frustration at the suspension, saying the sides need regular contacts to build trust and avoid conflicts.

SYDNEY (AFP) – Australia's Qantas Airways Thursday announced a 4.3 percent drop in full-year net profits but voiced cautious optimism for the industry after its battering in the financial crisis. Net profits were 112 million dollars (101 million US), down from 117 million a year earlier, while underlying pre-tax profits rose three-fold to 377 million after last year's massive cost-cutting. "While global trading conditions remained challenging, they continued to improve, and the Qantas Group has delivered a strong result, more than tripling its full year profit year-on-year," Chief Executive Alan Joyce said. "International demand and yield across the business and leisure sectors continue to improve and domestic business demand is also strengthening," he added. Joyce said all sectors of the group, including budget offshoot Jetstar, were profitable, and

that the company expects to increase capacity in the first half of next year. But Qantas did not pay a dividend to shareholders for the second year running, and declined to forecast future profits "given the volatility and uncertainty of the aviation market".

Joyce said the company, which pledged to dramatically slash costs as profits dived 88 percent last year, was seeing "encouraging signs" as freight and premium travel improve.

"We are seeing some very good signs of improvement. Our freight business has seen a real improvement and our premium business has seen a recovery," he told public broadcaster ABC. "We've seen some very encouraging signs. We're starting to become more optimistic about the future," Joyce added. The Qantas group controls about two-thirds of the domestic market and some 30 percent of international passenger movements in Australia. Analysts said the result was largely as expected, although Qantas's share price dropped 1.99 percent to 2.46 dollars in the wake of the announcement

SYDNEY (AFP) – Human rights group Amnesty Tuesday urged Australia to end policies it said racially discriminated against Aborigines and asylum seekers, saying the country was failing its international obligations. In a report to a Geneva-based UN committee monitoring racial discrimination, Amnesty said that Australia's so-called "intervention" in Aboriginal communities to protect the vulnerable was of particular concern. The plan, which was first rolled out in 2007 under the previous conservative government, introduced compulsory income management and banned the sale of alcohol and pornography in more than 70 Outback Aboriginal townships. Although the current Labor government, which in 2008 made a historic apology to the nation's indigenous for past wrongs, made some changes to the policy, rights had not been fully reinstated, Amnesty Australia said. "We are seriously concerned about the impact of what we have found to be racially discriminatory policies against Aboriginal and Torres Strait islander people," national director Claire Mallinson said. "There are thousands of indigenous Australians who do not have equal rights." Indigenous communities are the country's most disadvantaged -- suffering higher rates of incarceration, unemployment, illness and child mortality -- but the issue has been largely absent from Australia's current election campaign.