

# 1915 Protecting 2010 global biodiversity

**O**ver the past few decades, human activity in the name of development has adversely affected global biodiversity in an unprecedented way. The absence of satisfactory measures to check or reverse this trend has been brought out by the recently released Global Biodiversity Outlook 2 report of the United Nations Convention on Biological Diversity. The fact that extinction rates for species are shooting up by as much as 1,000 times the background rates, and that 12-52 per cent of species belonging to certain higher groups face the threat of extinction, highlights the role of human activities in the destruction of biodiversity. Also, the ability of biological resources to renew themselves to match human demand for resources has been reduced by 20 per cent. If the current extinction rates continue, planet earth will witness the first mass extinction induced by human activity. Against this backdrop, the Convention on Biological Diversity, a global treaty created in 1992 and strengthened by the Conference of Parties in 2002, set 2010 as the target to achieve significant reduction in the current rate of biodiversity loss at all levels and ensure that the resultant benefits lead to poverty alleviation and help all life forms. According to the report, the success achieved in translating the various provisions of the Convention into policies and practices is far from satisfactory.

Reasonable progress has been made in promoting international cooperation for supporting the Convention and the report makes special mention of initiatives by the scientific community to put the policies to work. Yet much needs to be done to involve and enlist the support of international and national organisations. The report calls for increased awareness of biodiversity and its value for human well-being at all levels. It highlights the lack of involvement of indigenous and local communities across the country in the endeavour to achieve the target. Participation by local communities is vital especially because poverty alleviation, one of the guidelines of the Convention, can be achieved only with their active involvement. This becomes clear from the fact that the poor and marginalised sections of society, which depend on local ecosystems for their livelihood, bear the brunt of human exploitation and the consequences of biodiversity destruction. While sustainable agricultural practices will help everyone, the compelling need for preventing overexploitation of resources and restoring critical ecosystems that will benefit the poor cannot be overlooked. Even as the needs of development cannot be ignored, encouraging ecosystem conservation, and putting it to sustainable use should be the watchword. Meeting the 2010 target is "by no means...impossible", but the biodiversity report, cautioning that there is no room for complacency, concurs with the Millennium Ecosystem Assessment report on the need for "unprecedented additional efforts" at all levels to meet the target.

19 MAY 2006

# Blair, Chirac sign N-power plants deal

London, June 10

BRITISH PRIME Minister Tony Blair gave the strongest signal yet of his intention to green-light a new generation of nuclear power plants by signing an agreement with France to share expertise on the controversial technology.

The Franco-British Nuclear Forum agreed with President Jacques Chirac at a summit in Paris will initially involve exchanges of technical know-how, but is expected to lead to contracts for French firms to take a share in the construction of the estimated 12 plants needed to replace the UK's ageing reactors.

Blair said Britain had a lot to learn from France, which has heavily invested in nuclear power since the '70s and now derives 80 per cent of its electricity from that source. The PM insisted he was not pre-empting the results of next month's government energy review, but said future generations would not forgive him for ducking the "obvious" answers to Britain's energy problems.

Speaking at a press conference in the Elysee Palace during the annual Franco-British summit, Blair said that the nuclear power stations which currently provide 20 per cent of Britain's electricity would be phased out within 20 years, while the UK would go from being 80-90 per cent self-sufficient in gas and oil to 80-90 per cent dependent on imports.

"Therefore if I look at it from the point of view of energy security, or the point of view of clean energy and climate change, to be in a position where we can't even replace the existing nuclear capacity seems to me to be a very big problem that we have to address," he said.

The Guardian



REUTERS

Jacques Chirac with Tony Blair in Paris on Friday.

THE HINDUSTAN TIMES

Bumpy

# Prodi forms new Italian government

REUTERS

ROME, MAY 17

ITALY's incoming Prime Minister, Romano Prodi, formed a new government today, hours before he was due to formally take power and end a five-week political vacuum.

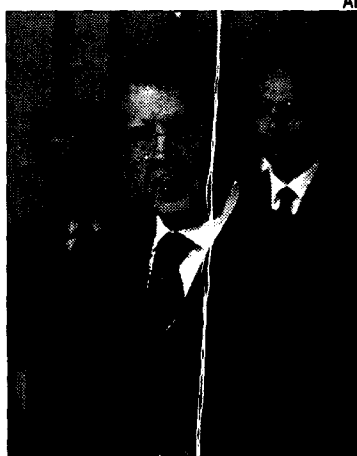
Prodi, who was given the mandate to govern yesterday, presented his cabinet list to President Giorgio Napolitano following negotiations with his Centre-Left coalition partners over the distribution of portfolios.

Prodi and his cabinet were to be sworn in at 4.30 pm local time, the president's office said.

Ten years to the day since he began his first stint as prime minister, Prodi named former European Central Bank board member Tommaso Padoa-Schioppa as economy minister, responsible for tackling Italy's flagging economy and debt mountain.

Massimo D'Alema, from the biggest party in Prodi's coalition, was given the Foreign Ministry and will share the role of deputy prime minister with Daisy Party leader Francesco Rutelli. Giuliano Amato, a former PM, will head the Interior Ministry. Six women, fewer than promised by Prodi, were also in the cabinet.

Prodi spent most of today morning putting the final touches to his team



after late-night talks with his allies who had squabbled over top jobs since their "Union" coalition won Italy's closest post-war election.

The infighting laid bare the problems that Prodi will likely face as he governs with a wafer-thin parliamentary majority stretching from Roman Catholic moderates to communists.

His government needs to get down to work quickly as rating agencies have threatened to downgrade Italy's debt unless overdue but unpopular reforms are enacted soon.

But outgoing PM Silvio Berlusconi has vowed to lead a head-on opposition, and analysts say Prodi will have difficulty pushing through far-reaching reforms.

INDIAN EXPRESS

18 MAY 2006

18 MAY 2006

# Berlusconi resigns, paves way for Prodi to take over

REUTERS  
ROME, MAY 1

ITALY'S Prime Minister Silvio Berlusconi handed in his resignation on Tuesday, ending weeks of political uncertainty and opening the way for centre-Left leader Romano Prodi to form a new government.

Berlusconi had contested Prodi's razor-thin victory in a national election last month but was forced to concede after lawmakers elected centre-left speakers for parliament at the weekend, showing Prodi can control the assembly with his slim majority.

The resignation marked the end of a turbulent five-year spell as prime minister for the billionaire media magnate who won power promising an economic miracle but instead presided over a long period of stagnation.

It also signalled the start of a swing to the Left for the euro zone's



**Berlusconi arrives at his HQ in Rome**

third largest economy as Prodi brings to power his cumbersome coalition which ranges from old school communists to Roman Catholic moderates.

President Carlo Azeglio Ciampi asked the media tycoon to remain in office as caretaker until a new government is sworn in, the president's palace said in a statement.

03 MAY 2006

## A challenge for democratic institutions

The victory of Italy's centre-left coalition in the recent general election, confirmed by the Interior Ministry after incumbent Prime Minister Silvio Berlusconi alleged fraud in the counting of the ballot, has been validated further by the Republic's Supreme Court. But even before it has assumed office, the alliance is faced with an immediate test of its leadership in the form of the impending election of a successor to the country's President, Carlo Azeglio Ciampi, whose term ends soon. The choice of Head of State is the collective responsibility of the Italian Parliament (comprising the House of Deputies and the Senate) and representatives from the regions. But it is highly unlikely that the rival camps will agree on a common candidate, given Berlusconi's hostile reaction to the outcome in the poll, which has varied from an outright rejection of the popular mandate to description of the scenario as one where there are neither winners nor losers and to an offer of a grand coalition government with Mr. Prodi's alliance on the ground that the opposing platforms won an almost equal share of the ballot. The idea of a grand coalition is mischievous as Mr. Prodi's alliance has an undisputed majority in both the Houses, a scenario most unlike in Germany after the 2005 election. Mr. Ciampi has announced that since his seven-year term in office ends in May, his successor, rather than he, should discharge the constitutionally ordained responsibility of swearing in the new Prime Minister. Such a stance may be morally upright from the standpoint of Mr. Ciampi. But the current fluid situation leaves the floor open for fresh manoeuvring between the two coalitions as the Italian Presidency empowers the incumbent to veto legislation.

The centre-right is only too aware of the significance of the President's role, given that the centre-left enjoys a meagre lead of two seats in the upper house of Parliament. Mr. Berlusconi is also waiting to exploit latent differences that may surface among his opponents, especially on economic policy, to upstage the new government. But there is no serious challenge to the election of the centre-left nominee, as the coalition can have its way in the fourth round of the Presidential poll, by winning a simple majority even if it fails to obtain two-thirds of the total votes in the earlier rounds. A more pressing task ahead of the Parliament's joint session on April 28, however, is for the centre-left to choose its nominee from the two contenders, both former Prime Ministers, one from the Democrats of the Left party, the largest partner in the coalition, and another a socialist. Italy is known for the stability of its democracy, despite the notorious instability of the country's post-war governments. However, this democratic foundation cannot be taken for granted, particularly when the lust for power transcends all reasonable limits as witnessed in the Berlusconi era and in the days after.

THE FINCH

26 APR 2006

# Berlusconi refuses to concede defeat

Italian Prime Minister threatens to paralyse incoming coalition government

Barbara McMahon

**ROME:** Still refusing to concede defeat in the Italian general election, Silvio Berlusconi put on another bravura performance at the weekend by serenading his supporters and then threatening to paralyse the incoming government.

The former cruise ship crooner took to the stage in a hotel restaurant in Trieste in northern Italy, singing a medley of Neapolitan ballads. He also treated his audience, who ap-

plauded wildly, to a song he said he had composed in the wake of the election result, in which he talks about going to live on a tropical island.

## Attack on Prodi

Afterwards he returned to attacking Romano Prodi, whose Centre-Left camp narrowly won the election two weeks ago and whose victory has been upheld by two Italian courts. Mr. Berlusconi said the incoming coalition of nine parties would be unable to govern, adding that he

would arrive for work as normal at the Prime Minister's office when the new parliamentary session opened on Friday.

"The Centre-Left won't be able to govern, they are just passers-by. Without our accord in the Senate, not even one provision will pass," he said.

British Prime Minister Tony Blair and the leaders of China, Russia, the U.S., Argentina, Japan and all of the major European countries have formally telephoned Mr. Prodi to offer congratulations. Mr. Berlusconi

has shrugged off the calls, saying they reflect Italy's good standing on the world stage. At his home in Bologna on Sunday, Mr. Prodi said Mr. Berlusconi's refusal to acknowledge that the centre-left had won the election was "not my problem, it is his". He said his coalition would govern for the next five years. "We won the election and we have the right and the duty to govern. We will do so in the service and interests of all the country." — ©Guardian Newspapers Limited 2006

# Italy's Supreme Court confirms Prodi win



AGENCE FRANCE PRESSE

ROME, APRIL 20

ITALY'S Supreme court today confirmed centre-Left leader Romano Prodi's lower house election win, all but ending Prime Minister Silvio Berlusconi's five-year grip on power. Prodi's Union coalition won 19,002,598 votes in the lower house to 18,977,843 for outgoing PM Silvio Berlusconi's House of Freedoms coalition, the *Corte di Cassazione* said.

Official confirmation of the senate vote, which the centre-Left won by a two-seat majority, is still awaited by individual courts of appeal within the coming days. Italian politics had been in a state of suspended animation for nine days since the election, which provisional results had shown the centre-Left winning by a razor-thin margin. Berlusconi, Italy's richest man, had steadfastly refused to concede defeat, crediting Prodi's narrow poll win to "irregularities", and insisting the Supreme court review contested votes.

Prodi's new government, which will include moderate Catholics, Communists and Liberals from his multi-hued Union coalition, is set to assume power in mid-May.

The new parliament, which convenes on April 28, must first elect a new state President to replace the outgoing 85-year-old Carlo Azeglio Ciampi, whose seven-year term ends on May 18.

The new Italian President's first task will be to swear-in Prodi's government.

Prodi, a 66-year-old former European Commission President, faces an uphill task of putting together a durable government capable of sending a strong signal to the markets and kickstart a stagnant

21 APR 2006

INDIAN EXPRESS

# Political turmoil in Italy as Berlusconi contests Prodi's victory claim

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A torn electoral poster of PM Silvio Berlusconi in Rome on Wednesday. AP

ALESSANDRA RIZZO  
ROME, APRIL 12

CENTRE-Left leader Romano Prodi said that talks on selecting a Cabinet would begin in the next few days, insisting he had the necessary majority to govern despite PM Silvio Berlusconi's refusal to concede defeat in parliamentary elections where official results released by the Interior Ministry gave the Centre-Left a thin majority in both Houses of Parliament.

"We already have had preliminary meetings" among allies, Prodi said in an interview with France's Europe 1 radio from his Rome headquarters. "We will reflect together and then I

alone will make the decision."

Prodi again rejected Berlusconi's suggestion that the two coalitions form a "grand coalition" to govern, as occurred in Germany, as the *APCOM* news agency quoted him during an interview.

In the 315-member Senate, Prodi has won 158 seats; the Center-Right 156, and an Independent, in a narrow winning margin of Berlusconi's 49.7 per cent.

With a margin of 25,000 over the 38 million votes cast, Berlusconi, speaking of the vote of Italians abroad, which proved decisive in assigning the Senate, said "there are many irregularities and therefore it's possible that this is not a vote we can say is

valid." The procedures could take weeks.

The Interior Ministry has stressed the results must still be confirmed by Italy's highest court, and that parliament's election committees would have to rule on any challenges.

"Italy is a country that has been divided since 1948, but it has never been so on the line" said analyst Edoardo Novelli from Milan University.

It is up to the president of the republic to give the head of the winning coalition a mandate to form a government after having consulted with party leaders. The mandate of the current president, Carlo Azeglio Ciampi, ends in mid-May.

—Associated Press

170 100

INDIAN EXPRESS



THURSDAY, APRIL 13, 2006

## Mr. Berlusconi's clear defeat

**T**he majority secured by Italy's centre-left coalition, headed by Romano Prodi, former Prime Minister and President of the European Commission, in both houses of Parliament mirrors strong popular disapproval of the ruling centre-right alliance's abysmal performance in the past five years. Current Prime Minister Silvio Berlusconi's reported demand for a repoll, alleging that the roughly 25,000 vote margin in the lower house (Chamber of Deputies) was too narrow, falls into a familiar pattern of the billionaire business tycoon hoodwinking Parliament and the judiciary right through his flamboyant political career. In this latest instance, he is merely attempting to make use of the inherent possibility of fractured verdicts under the system of Proportional Representation (PR) by exploiting the margin of votes, even though it translates into a clear lead of over 50 seats for the rival camp. The return to full PR — replacing a system that combined the first-past-the-post with PR — was itself surrounded by controversy as the move was widely perceived as an attempt by the centre-right coalition to minimise the losses in the general election after its rout in the regional elections last year. For the average Italian, Mr. Berlusconi's invocation of the old-fashioned mantra of low taxes and the malicious propaganda against communists in his poll campaign offered little hope of the kind of urgent measures needed to rescue the country from economic deceleration. Mr. Berlusconi's frequent references to Mr. Prodi as a "frontman for ultra-communists" and his arguably racist reference to the Chinese leadership of the 1960s were only matched by the intent of one of his ministers to provoke hate by wearing T-shirts bearing the cartoons of Prophet Muhammed. Mr. Berlusconi's rather sudden promise, towards the end of his electioneering, to abolish property tax on owners for their first house, a key source of revenue for local government, showed him up as a man who is out of touch with the issues of the day.

In contrast, Mr. Prodi's proposal to reduce employers' social security contribution as a means to cut the unit cost of labour, despite the potential for controversy within his left alliance, is a more honest attempt to come to grips with real issues. In his forthcoming second term as Prime Minister — after a short-lived tenure between 1996 and 1998 — Mr. Prodi can be expected to combine political acumen with leadership to hold together a disparate coalition. Given the slender majority that his alliance enjoys in the upper house, the test of his commitment to the announced reform programme will be his ability to balance the economic liberalism of former Christian Democrats with the antipathy of the Communists in the alliance to free-market policies. This balancing act will be rendered all the more difficult by the fact that Signor Prodi, though the consensual leader of a grouping of parties, does not himself seem to enjoy a mass base.

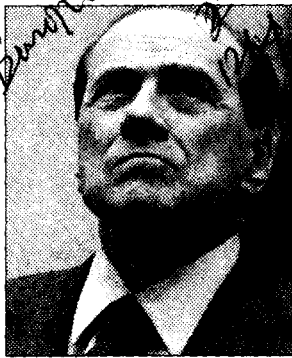
THE HINDU

# Prodi says he's won, PM says no



**Until the very end we were left in suspense, but in the end victory has arrived**

~ Mr Romano Prodi



**Nobody now can say they have won... there were many irregularities**

~ Mr Silvio Berlusconi

## Associated Press

ROME, April 11: Mr Romano Prodi won enough seats in Italy's parliamentary election to become Prime Minister, official results showed today, but Premier Mr Silvio Berlusconi refused to concede defeat and claimed there were "many irregularities" in the vote.

Mr Prodi's Centre-Left coalition won four Senate seats chosen by Italians voting abroad, the Interior Ministry confirmed, giving him the margin he needs to win both houses of Italy's parliament.

But Mr Berlusconi disputed the results, declaring: "Nobody now can say they have won." He said the overseas vote that decided the final Senate seats was far from decided, saying there were "many irregularities and it's possible that we won't be able to confirm that it has been a valid vote". "We won't hesitate to recognise the political victory for our adversaries but only once the necessary legal verification procedures have been completed," he said.

Mr Berlusconi suggested Italy could follow

Germany's lead and create a "grand coalition" of Left and Right if final results show neither side in control of both houses of parliament. "I think that we may need to take the example of another European country, perhaps like Germany, to see if there's not a case to unify our forces to govern in agreement," he said.

Final returns had already given Mr Prodi's coalition a slim majority by 25,000 votes in the lower Chamber of Deputies. But Mr Berlusconi's forces contested that result also, calling for a recount of the 38 million votes cast.

Mr Prodi said his government would be "politically and technically" strong, rebutting concerns that such a slim margin of victory would make it too tough to enact the reforms needed to bring Italy out of an economic slump.

Mr Prodi claimed victory well before the Senate figures were in, saying early today: "Until the very end we were left in suspense, but in the end victory has arrived."

The former European Commission president also said his government would put Europe at the centre of its policies.

# Prodi vows to form strong regime

Berlusconi allies to challenge the official results, demand recount of votes

Vaiju Naravane

**ROME:** After a photo-finish, Romano Prodi's Centre-Left alliance appears to have beaten Prime Minister Silvio Berlusconi's conservative House of Freedom alliance to wrest power in the most closely and bitterly fought general election in Italian history.

Mr. Prodi's Centre-Left alliance has won the lower House or Chamber of Deputies by a whisker — a mere 25,000 votes of the nearly 38 million ballots cast, while results for the Senate now depend on votes cast by Italians residing abroad who hold the key to six Senatorial seats. Early reports suggest that

Mr Prodi's grouping has won five of the six seats. However, this has yet to be officially confirmed.

## Victory speech

In a victory speech on Tuesday afternoon, Mr Prodi said he would lead a strong government, making Europe and peace his priorities. Despite a projected wafer-thin margin of victory over Mr. Berlusconi, Mr. Prodi said his government would be "strong politically as well as technically."

Mr. Berlusconi and his Right-wing allies have decided to contest the official results for the lower House announced by the Interior Ministry. They are demanding a recount of some

500,000 votes that were declared invalid. Mr Prodi's alliance, being the formation that polled the most votes, will automatically be accorded 340 seats in the 630-member Chamber of Deputies, allowing him to form a stable government.

If the Senate were to fall into the hands of the Conservatives, Italy would become ungovernable since the upper House, elected by direct, universal suffrage, has almost as much power as the Chamber of Deputies.

Monday was a day of wild yo-yoing with Mr Prodi up one moment and down the next. From the moment the polls closed at 3 p.m. local time until 6 p.m., pollsters kept on predicting an easy

win for Mr. Prodi's alliance and the Prime Minister-in-waiting was getting ready to make a victory declaration.

## Tough poll battle

And then, as more and more results came rolling in, the situation began to change. A little past midnight the two political formations were running neck-and-neck.

The exit polls couldn't have got it more wrong. What was predicted to be an easy win for the Centre-Left alliance almost

became a historic comeback for Mr. Berlusconi. In many ways this is a Pyrrhic victory for Mr. Prodi who was placed ahead by almost five points throughout

the campaign. The last week of campaigning was the toughest. Mr. Berlusconi used every trick in the book to fight back and managed to reduce the five-point lead to a wafer-thin margin.

His TV stations repeatedly violated the "equal air time" rule and his party sent out thousands of SMS messages and made hundreds of telephone calls on the eve of the election — totally banned under electoral rules.

With the threat of new legislation that would change laws he passed giving himself immunity from prosecution and which furthered his own business interests, Mr. Berlusconi is unlikely to give in without a tough fight.

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Handwritten: 1/10/05

## Will it or won't it? 11/4

**I**f a ceasefire is meant to be permanent, it should be properly termed a cessation of hostilities. By declaring a “permanent ceasefire,” the Basque separatist group Euskadi Ta Askatasuna (ETA) has used an intriguing, perhaps deliberately contradictory, phrase. It apparently signals the end of the armed struggle but could imply that the conflict is alive pending a final settlement of the organisation’s demands. While the formulation of the unilateral announcement has raised questions about ETA’s sincerity, it does seem like a face-saving move by a group finding itself increasingly marginalised. Fighting to establish an independent state in the Basque areas of northern Spain (and, to a lesser extent, south-west France), ETA was under tremendous public pressure to give up violence and terrorism. Support for its methods eroded even before the horrific Al Qaeda-linked March 2004 train bombings in Madrid that killed 192 people and caused a national outpouring of anger against terrorism. The post-9/11 atmosphere was a huge challenge to ETA, as it was to several extremist or terrorist groups (including the Liberation Tigers of Tamil Eelam) in other parts of the world. There has been no ETA killing since 2003.

Last year, people demonstrated against the Spanish Government starting negotiations with the Basque separatist group; and the country’s Parliament eventually voted that no talks would begin unless it disarmed. ETA has declared numerous ceasefires over time, only to break them later. Following joint action by Spanish and French security forces, the group is considerably weakened. There is some apprehension that the separatist organisation may use the ceasefire to regroup and hit back, especially as it has not said anything about disarming. However, its use of the word “permanent” to describe the latest truce puts pressure on Prime Minister Jose Luis Rodriguez Zapatero to come up with a clear response – such as an announcement of the government’s willingness to begin a new peace process – as much as it makes it difficult for the separatist group to go back on its truce declaration. If self-administering opportunities were the true political goal, it must be recognised that the Basque region of Spain enjoys more autonomy than any of the country’s other regions. With ETA indicating in the ceasefire statement that it is prepared to settle for less than independence, there is enough space for finding a democratic political solution. For now, the ETA story is a lesson in the diminishing returns of violence in ethno-nationalistic struggles.

# Separatism in Spain

SPAIN is holding its breath as its government determines the veracity of the cease-fire announcement by the separatist group, Eta. If this proves to be permanent and results in a productive peace process, it will mark a watershed in the disappearing violence among European nationalists. Of course, Eta's activities have been waning - its last deadly outrage was in May 2003. But with Spanish and French police responding with a wave of arrests, continuance of its operations had become all but untenable.

Eta has waged an unrelenting campaign for independence for the Basque region of Spain and southwest France for over four decades - indeed since General Franco's repressive regime - killing more than 800 people. It has thus earned the notoriety of being declared a "terrorist" body by the European Union and the United States. It proclaimed an "indefinite" discontinuance of its armed struggle in 1998, but abandoned this after talks with the Spanish government proved abortive.

In Northern Ireland, the Provisional Irish Republican Army put their weapons beyond use last year. In Turkey, the PKK, the Kurdistan Workers Party, has been in disarray after the arrest of its leader, Abdullah Ocalan, in 1999. It has even renamed itself Kadek. Earlier, Left-wing organisations, such as the Red Army Faction in West Germany, the Red Brigades in Italy, small as they were, indulged in urban protests against capitalism. Today, they have virtually vanished.

The economic prosperity experienced by member countries of the EU and the political co-operation established by it, including the virtual erasure of physical borders, have taken the wind off nationalist tendencies. In the EU, populations are free to live anywhere. Besides, its stringent standards of human rights and the enforcement of these have contributed to reducing tensions in disaffected areas. Concessions to fissiparous tendencies have also helped. Another factor is war-fatigue, together with a realisation among the fighters that they cannot defeat the state and that their own sympathisers now prefer political action. Neither Eta nor the IRA have managed to break

## EYE ON EUROPE

ASHTIS RAY

**There is a lesson here for dissidents in India, whether they exist in Kashmir or the North-east. If they could not make headway when the Indian republic was considerably weaker in every respect, they have no chance whatsoever of achieving their avowed objective now.**

the constitutional links with the unions they opposed. Last but not the least, the exhibition of Islamic intolerance in recent years has worked against such separatists. The sheer intensity and scale of bloodletting by Muslim extremists has shocked Europeans. The 2004 Madrid bombings are still fresh in most Spaniards' memory. They have, thus, developed an abhorrence of incontinent methods.

But the socialist Spanish government has, not surprisingly, only cautiously welcomed the Eta pronouncement. Prime Minister Jose Luis Rodriguez Zapatero, who entered office after his conservative predecessor, Jose Maria Aznar, was voted out for supporting the US-led invasion of Iraq, had made an end to violence by Eta a pre-condition to any dialogue. However, the President of the Basque region, Juan Jose Ibarretxe, expressed relief. And the French President, Jacques Chirac, is also hopeful. The Spanish Opposition leader,

Mariano Rajoy, though, is more skeptical and thinks Eta's move is not a renunciation of the past. The country's Association of Victims of Terrorism has also rejected the proclamation. Yet, public support for negotiations is likely to override such reservations. The question is: can the authorities concede Eta's demand for a referendum? It probably can't.

There is a lesson here for dissidents in India, whether they exist in Kashmir or the North-east. If they could not make headway when the Indian republic was considerably weaker in every respect, they have no chance whatsoever of achieving their avowed objective now. If India's economic growth benefits people in the sensitive tracts, politics could be fast forgotten. And sponsorship from Pakistan and China, particularly from the former, is no longer guaranteed, though there is a new irritant in Bangladesh. New Delhi, on its part, must realise that giving in to unharmed demands does not constitute a defeat. It must also respect human rights.

Trouble in Kashmir flared up in 1989 because of an unnecessarily rigged election and a fear in the Valley that if a superpower like the Soviet Union had been forced to retreat from Afghanistan, India had little prospect of holding out against a Western and Pakistani-backed offensive. This was, precisely, Islamabad's propaganda, which swayed even pro-India Kashmiris. The last thing they wanted was to be caught on the wrong side, when, as they believed, forces from across the Line of Control overran the Indian resistance.

With the subsequent collapse of communism in the Soviet Union and the dismemberment of it, Kashmiris can be forgiven for apprehending a capitulation by a friendless India. After all, PV Narasimha Rao's foreign policy initiatives to rescue India out of its isolation in the immediate post-cold war period, that of establishing diplomatic relations with Israel and building bridges with the USA, Europe, Asean and China, were only implemented from 1991.

*(The writer is Editor-Director of RayMedia Ltd, London. He was previously Consultant Editor with CNN.)*



11 APR 2006

THE STATESMAN

# New time-table to revive Ulster peace

Hasan Surroor

*summary 200 IA*  
**LONDON:** In what was described as a last throw of the dice to revive the Northern Ireland peace process, British Prime Minister Tony Blair and his Irish counterpart Bertie Ahern on Thursday announced a new time-table for restoring popular rule in the province.

Speaking at a joint press conference, they also set a six-month deadline for political leaders in Northern Ireland to reach an agreement on a power-sharing arrangement failing which the British and Irish Governments would take things in their own hands to implement the Good Friday agreement.

This could be some form of direct rule from London and Dublin.

In the first phase, the Provincial Assembly at Stormont, which was suspended in October 2002 following allegations of a Republican spy ring, would be recalled next month and parties would be given two chances

to reach an agreement on forming a government. If they fail, the salaries of the members would be stopped and British and Irish Governments would then work on "partnership arrangements" to push the peace process forward.

Mr. Blair called it the "ultimate decision" and said the current political uncertainty could not be allowed to continue indefinitely.

He urged the two main blocs—the Protestant Democratic Unionist Party and the Catholic Sinn Fein, political wing of the Irish Republican Party—to set aside mutual "suspicions" in the larger interest of the people of Northern Ireland.

"Either we resolve (this)...or we take time on it," he warned.

For more than three years, Northern Ireland has been without a local government because the hardline DUP refuses to share power with Sinn Fein demanding that the IRA should disband first. They have dismissed IRA's resolve to give up arms as a tactical fudge.

07 APR 2006

THE HINDU

# Berlusconi fights hard to retain power

Opinion polls show Prime Minister's alliance tralling

Vaiju Naravane

ROME: With just 48 hours to go before 50 million Italian voters go to the polls on Sunday, Prime Minister Silvio Berlusconi was fighting hard to retain his hold on power. The last opinion polls showed his conservative alliance was trailing five points behind the Centre-Left grouping led by former Italian Prime Minister and E.U. Commission president Romano Prodi.

The two men are to hold their final election rallies on Friday, Mr. Prodi in Rome and Mr. Berlusconi in the southern port city of Naples. Political analysts say that 25 per cent of the 50-million-strong electorate remains undecided.

An increasingly emotional Mr. Berlusconi has lost control of himself several times, using foul language and accusing Mr. Prodi's Left wing alliance of "harbouring Communists". Using Bush-style rhetoric, the Prime Minister said Mr. Prodi posed a threat "to the freedom" of Italians.

In his latest outburst on Thursday, a furious Prime Minister launched an extraordinary attack on prosecutors saying they were plotting against him in a bid to influence voters. At a special news conference, Mr. Berlusconi lambasted magist-

• Analysts say electorate remains undecided

• Berlusconi hits out at magistrates

• Direction of economy main concern of voters

rates in Milan who have tried to indict him for bribing a witness in exchange for favourable evidence in 1997. The case also involves British lawyer David Mills, the estranged husband of Tessa Jowell, a Minister in Tony Blair's Government.

Mr. Berlusconi said the legal moves, which date from February, showed the judiciary was being used against him for political purposes. "I am deeply outraged," he said.

## Prodi hits back

But an unflappable Mr. Prodi said: "This campaign began with Berlusconi's insults against the magistrates and is finishing with his insults against the magistrates".

Mr. Prodi's ally, Massimo d'Alema who heads the PDS or Left Democratic Party, said: "Berlusconi is a man fighting against the whole country. I don't know how he can govern Italy in this way, and in fact I

think he won't be governing it any more".

Italy is in a deep economic crisis with a huge national debt, an annual growth rate of 1.5 per cent and rising unemployment. Mr. Berlusconi's coalition partners, particularly the racist and xenophobic Northern League have tended to blame immigrants for the country's woes.

Mr. Berlusconi's Centre-Right coalition has turned every trick in the book to cling on to power, using its comfortable parliamentary majority to change the electoral law, restoring proportional representation, which critics say will increase the risk of political fragmentation.

The new voting system is also likely to make it very difficult for the Left, which depends on the support of small parties, to govern alone if they win the election.

The war in Iraq, though deeply unpopular in Italy, has not been a major campaign issue as Italians worry more about the direction of the economy. Gianfranco Fini, head of the Right-wing National Alliance in Mr. Berlusconi's coalition and his Foreign Minister, led the party's final campaign rally in Rome on Thursday evening, warning: "The Centre-Left means taxes."

07 NOV 2006

THE HINDU

# Luxembourg law is 'not anti-Mittal and pro-Arcelor'

By Rashmee Roshan Lal/TNN

**Brussels:** The impending change in Luxembourg's corporate takeover laws is "not anti-Mittal and pro-Arcelor", a key member of its government has explicitly told TOI ahead of the first kiss-and-make-up bilateral visit in eight weeks of high drama and emotion over the world's biggest steel boardroom battle.

The tiny grand duchy of Luxembourg, Europe's richest country, will also suggest India forgive and forget the "emotions" generated by Mittal's 18.6-billion-euro takeover bid for Arcelor and move instead to raking in hundreds of billions of euros via Luxembourg for badly-needed infrastructure investment funds.

Luxembourg's visiting economy and foreign trade minister Jeannot Krecke begins aggressive diplomatic and financial overtures to his counterparts Kamal Nath and P Chidambaram from Tuesday. He is also expected to meet steel minister Ram Vilas



Lakshmi Mittal Jeannot Krecke

Paswan to discuss, of all things, "joint ventures such as steel".

The Delhi discussions begin just six days after Luxembourg's parliament nodded through changes in takeover law for early April. The most important change will prevent a bidder from re-submitting a takeover offer for a Luxembourg-listed company during a 12-month period. But Krecke denied, in an exclusive interview here, just days before he left for the sensitive Delhi talks, that this was a backdoor way of defending Arcelor and pre-

venting Mittal swallowing up his country's prize company.

"We have to do this, the European Union has issued a directive and May 20 is the date all (EU) countries have to fulfil the directive but we made it clear it should not be an anti-Mittal, pro-Arcelor law," he insisted. He denied his government had handed a legislative shield to Arcelor, which could now move to a rights issue without prior shareholder approval, thus forcing Mittal to re-submit his bid only after May 2007.

Luxembourg's proposed new economic deal for India will presuppose New Delhi plays ball by signing the Double Taxation Avoidance Agreement (DTAA), which has been hanging fire for 10 years. Luxembourg's sensitivity over the DTAA, which it calls "crucial worth billions to Luxembourg companies", reached trigger point after TOI revealed that New Delhi may be considering punitive action over legislative attempts to block Mittal's takeover bid.

THE TIMES OF INDIA

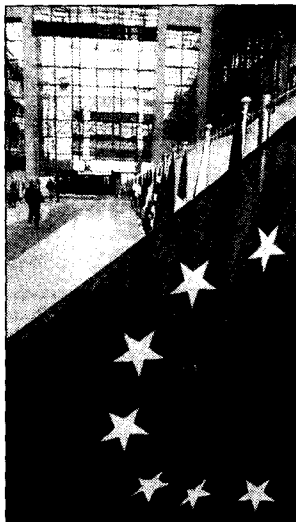
28 MAR 2006



# 'Protectionism' issue will make EU summit stormy

**Brussels:** European Union leaders risked another bad-tempered summit after weeks of protectionist sniping over attempts to shield companies from takeovers cast doubt on the EU's much-vaunted border-free market.

The renewed bout of "economic nationalism" in a supposedly integrated bloc of 25 nation has added to an identity crisis for the EU as it struggles to cope with voter rejection of its draft constitution and dwindling public support



for plans to bring in Turkey and Balkan nations as new members.

Topping the official agenda at the two-day summit beginning on Thursday are economic reforms designed to underpin a tentative recovery of European growth, confront global challenges spearheaded by the emergence of China and India as world trade powers and secure supplies of energy after a winter of concern fueled by rising prices and disrupted Russian gas supplies.

But Europe is divided by those who say an injection of labour market flexibility is vital to keep the EU competitive in the global economy,

and critics who fear a dismantling of cherished job protection and social security. Underscoring the public concern, French government efforts to introduce labor market reforms have been confronted by a wave of protests by students objecting to a new law making it easier for employers to hire and fire younger workers.

The European Commission is seeking approval for a package of plans, including cutting business red tape, boosting investment in research and education and boosting youth employment.

The summit will also aim to agree on a plan calling for national power markets to function as a single energy grid across the 25-nation bloc. Aside from the energy cases, Poland has faced criticism for seeking to block an Italian expansion into its banking and even little Luxembourg—usually a champion of European integration—has opposed a bid for its steel giant Arcelor by Netherlands-based rival Mittal Steel. AP

Review  
10.18  
28/3

## Italy at the crossroads

**T**he issues ahead of the Italian polls (April 9-10) to elect the 15th Parliament are as much about tackling the country's daunting economic challenges as about the restoration of the credibility of democratic institutions. The trust has been undermined by the obvious conflict of interests involved in the incumbent Prime Minister Silvio Berlusconi, who controls 90 per cent of the media conglomerates, occupying the high office. The contest between the ruling centre-right House of Freedoms coalition, including the Union of Christian Democrats and Forza Italia, on the one side, and, on the other, the centre-left grouping, The Union — made up of former communists and progressive Christian Democrats — is at the same time a contest between sharply contrasting personalities and comes in the wake of an overwhelming victory for the centre-left in the regional elections held last year. The newly appointed President of the Italian Central Bank recently sounded alarm bells on the health of Europe's fourth largest economy, which registered a meagre average annual economic growth under the current government, the highest fiscal deficit in nearly a decade and public debt that rose last year for the first time since 1994. But even such a grim diagnosis does not overshadow the serial abuse of a parliamentary majority by Prime Minister Berlusconi to enact laws tailor-made for advancing his personal and business interests. The law giving the Prime Minister immunity from prosecution (which was eventually quashed by Italy's highest court) is perhaps the most typical instance of his proclivities to manipulate the system — two other examples are portraying the judiciary as "red judges" and imposing curbs on its authority. Whereas last year's electoral reform reverting the country to total proportional representation, which was discarded in the 1990s to ensure the stability of elected governments, is being viewed as a loser's last gambit, the controversial overhaul of the Italian Constitution embarked upon by Mr. Berlusconi seeks to accord legal sanction to the anti-immigrant and regionalist agenda of his centre-right coalition.

Although opinion polls in recent weeks have consistently shown a clear lead for the centre-left, the opposition's task of taking along a nine-party coalition in the face of the ruling right's near total monopoly over media space and Mr. Berlusconi's invocation of religion in the election campaign cannot be underestimated. But in a shrewd move, Mr. Berlusconi's challenger, former President of the European Commission and Italy's Prime Minister between 1996-1998, Romano Prodi, called a U.S.-style primary election last October to decide the centre-left prime ministerial candidate, polling nearly 75 per cent of the vote. With that overwhelming victory, Mr. Prodi may have seized the advantage with the electorate, while at the same time stamping his authority over the coalition. There is much at stake in the Italian election for Europe's left, which has witnessed divisions since the collapse of the Soviet Union.

# আর্সেলর অধিগ্রহণ ঠেকাতে আইন সংশোধনে উদ্যোগী লুক্সেমবুর্গ

শ্রাবণী বসু

লন্ডন, ১৫ মার্চ: লক্ষ্মী মিস্তলের আর্সেলর অধিগ্রহণ ঠেকাতে এ বার দেশের সংস্থা-অধিগ্রহণ সংক্রান্ত আইনই সংশোধন করাতে উদ্যোগী হচ্ছে লুক্সেমবার্গের চেম্বার অব কমার্স। আগামী শুক্রবার লুক্সেমবার্গের সংসদের এক রুদ্ধদ্বার বৈঠকের আগে শেষ মুহূর্তে চেম্বারেরই উদ্যোগে গতকাল এ ব্যাপারে একটি সংশোধনী প্রস্তাব আনা হয়েছে। স্বাভাবিক ভাবেই এই উদ্যোগের বিরুদ্ধে তীব্র প্রতিক্রিয়া জানিয়েছে মিস্তল গোষ্ঠী। সংস্থার এক মুখপাত্র বলেছেন, শুধুমাত্র মিস্তলকে বাধা দেওয়ার ইচ্ছাই এই প্রস্তাবের মধ্য দিয়ে প্রকাশ পাচ্ছে। এটি ইউরোপীও ইউনিয়নের নীতিরও পরিপন্থী।

ওই সংশোধনী প্রস্তাব অনুযায়ী,

অধিগ্রহণের পুরোটাই মেটাতে হবে নগদ টাকায়। নতুবা অধিগ্রহণকারী সংস্থার এক-চতুর্থাংশ শেয়ার 'লিকুইড' হতে হবে। অর্থাৎ, বাজারে ওই পরিমাণ শেয়ার থাকতে হবে অধিগ্রহণকারী সংস্থার। সেই অংশের সমান ভোটাধিকারও থাকতে হবে।

কিন্তু পরিবার-ভিত্তিক সংস্থা মিস্তলদের ব্যবসার মাত্র ১২ শতাংশ 'ফ্রি-ফ্লোট', অর্থাৎ ওই পরিমাণ অংশ রয়েছে বাজারের হাতে। সংস্থা পরিচালনায় ৯৮ শতাংশ ভোটের অধিকারই ভারতীয় বংশোদ্ভূত এই ব্যবসায়ী পরিবারেরই করায়ত্ত। সে ক্ষেত্রে ওই সংশোধনী গৃহীত হলে মিস্তলের আর্সেলর অধিগ্রহণের বিষয়টি সঙ্গে সঙ্গেই বাতিল হয়ে যাবে বলে সংশ্লিষ্ট মহলের বক্তব্য। অন্য দিকে, এই হাতবদল নগদে করতে হলে

সেটাও মিস্তলদের পক্ষে ব্যয়সাপেক্ষ হয়ে দাঁড়াবে। উল্লেখ্য, এই কেনাবেচায় বর্তমানে মিস্তল গোষ্ঠীর প্রস্তাব, ২৫ শতাংশ মেটানো হবে নগদে। বাকিটা দেওয়া হবে শেয়ারের মাধ্যমে।

এই পরিস্থিতিতে মিস্তলকে ঠেকাতে মাঠে নেমে পড়েছে লুক্সেমবুর্গ চেম্বার। চেম্বারের সভাপতি মাইকেল ওয়ার্থ আর্সেলরের একজন উচ্চ পদস্থ কর্মী। আবার চেম্বারের বাজেটের বড় অংশই আসে আর্সেলরের ওই স্টিল গোষ্ঠীর তরফ থেকেই। সব মিলিয়ে চেম্বারটি স্বশাসিত হলেও, সংসদের সিদ্ধান্তের ক্ষেত্রে তাদের একটা ভূমিকা থাকবে বলেই মনে করছে ওয়াকিবহাল মহল। ওয়ার্থের দাবি, দু'টি ভূমিকায় থাকলেও, এ ক্ষেত্রে তাঁর কাছে সংস্থা নয়, দেশের স্বার্থই বড় কথা। তবে এ সবার পিছনে লুক্সেমবার্গের প্রধান জা-

রুদ জাঁকারের কোনও রকম ভূমিকা রয়েছে কি না, তা পরিষ্কার নয়। যদিও তিনি স্পষ্ট জানিয়ে দিয়েছেন, অধিগ্রহণের ব্যাপারে রাষ্ট্রের ভেটো প্রদানের সম্পূর্ণ অধিকার রয়েছে।

শেষ পর্যন্ত যাই ঘটুক না কেন, মিস্তলরা এই উদ্যোগে সফল হলে তাঁদের যে প্রায় তেতো গেলার মতো অবস্থা হবে সে ব্যাপারে খুব একটা সন্দেহ নেই আর্সেলরের উচ্চপদস্থ কর্মীদের। তাঁরা আগেই সফ জানিয়ে দিয়েছেন, যে পদ্ধতিতে মিস্তলরা সংস্থা পরিচালনা করেন, এবং আর্সেলরকে যে পদ্ধতিতে চালানো হয়, তার মধ্যে আকাশ পাতাল তফাত। তাই আর্সেলর পরিচালনায় মিস্তলদের অনুপ্রবেশে কোনও পরিবর্তন হোক, তা তাঁরা চান না। এ জন্যই মিস্তলের প্রস্তাব পুরোপুরি বাতিল করে দিয়েছেন তাঁরা।

# Liberalising services within the EU

**T**he European Parliament's recent approval, by a huge majority, of a draft directive that seeks to liberalise markets in the services sector within the European Union (EU) comes after its emphatic rejection in January of the directive to open port services for competition. Together, they represent a temporary victory for the champions of the so-called social model over the advocates of free market in the ongoing debate to recast an enlarged Europe in a globalising world. Given the serious social ramifications of the absence of a uniform legal framework governing labour markets in the EU's old and new member-states, it is hardly surprising that the Parliament should have focussed more on further diluting the watered-down version of the original Bolkestein Directive of 2004 under its consideration — resulting in the removal of the contentious country of origin principle and the inclusion of fresh restrictions on trade in services on grounds of public health and environmental safety.

The controversial principle was at the centre of the French and German resistance to the original service directive authored by former Internal Market Commissioner Fritz Bolkestein, culminating in its rejection by the EU Council in the 2005 Spring Summit. It had raised legitimate fears over the likely consequences. First, it led to an outcry that businesses from the industrialised west would relocate to the relatively under-developed economies of the former Eastern Europe to escape the stringent domestic labour, environmental, and social protection regulations. Secondly, European trade unions were apprehensive that, governed by weak regulatory regimes obtaining at home, firms from the east would undercut the cost of labour. While the country of origin principle is unlikely to be revived in any future version of the directive, EU institutions are expected to grapple in the coming months with the question whether public services should at all be brought within the purview of the directive. It is obvious that a harmonised legal regime across the entire union alone could be an effective counter to the tendencies for protectionism and the surest guarantee of realising one of the core objectives of the 1957 Treaty of Rome — the creation of a Europe-wide market in services, in addition to those in goods, capital and people.

# Greeks protest as poverty deepens

Helena Smith

**ATHENS:** Attempts by Greece's conservative government to slash public spending and unravel two decades of socialist rule are set to unleash a wave of strikes as Greeks protest over growing economic hardship.

Union leaders meeting said walkouts by bank workers and seamen this week would be just a foretaste of the industrial turmoil set to grip the country.

With prices soaring since the introduction of the euro four years ago, ever more Greeks are finding it difficult to pay the bills. The National Centre for Social Research estimates that 21 per cent of the population live below the poverty line, compared with 19 per cent in Portugal, which had long held the last place in the E.U. wealth scales. Runaway profits in banking and shipping have also helped the gap between rich and poor to grow.

"There are bigger social inequalities in Greece today than any of the 15 E.U. members [before the 2004 enlargement]," said Yiannis Papagopoulos, senior official at the 2 million-strong Confederation of Greek Workers, the country's largest labour organisation. "We are heading for more strikes, more social conflict and really big clashes between the haves and have-nots."

Under pressure to cut a budget deficit that ballooned to 6.6

• **Wave of strikes planned**

• **Rich, poor divide grows**

• **More social conflict warned**

per cent of GDP – almost twice that permitted in the eurozone – last year, the centre-right Government has enacted a series of unpopular Thatcherite measures. Since their election in March 2004, the New Democrats have sought to end the jobs-for-life deal in the bloated public sector, privatise state utilities and liberalise once sacrosanct labour laws.

A controversial incomes policy foresees below-inflation wage rises for civil servants, which trade unionists say is testimony to the Government's "austerity programme" encumbering workers while benefiting business. Growing anger has been reflected in a string of attacks on government buildings. In December, a militant group calling itself Revolutionary Struggle bombed the Finance Ministry in Athens to protest at "economic terrorism."

Similar assaults were staged against the Labour Ministries.

The group said the Finance Ministry attack was a response to the "growing wretchedness" of thousands of workers. —

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## An expensive reversal

**F**or the second time in three years and amid violent protests by trade unions in Strasbourg, the European Parliament recently vetoed by four to one the European Union (EU) draft directive to allow competition among the continent's ports. The rejection of the proposal — conceived by the European Commission (EC) as part of the Lisbon Agenda to make Europe the world's most competitive economy by 2010 — reflects yet again the growing opposition to the so-called market-oriented reform of the Union's social model, a movement that has succeeded in blocking many major initiatives, including a Constitution, since the EU's largest-ever enlargement of 2004. While the setback on the ports directive could stall efforts to create a single market in services in the 25 member-states, the Parliament's vote is yet another instance of the Brussels-based EC's remoteness from popular sentiment in different countries on key European issues. This is especially true in the case of resistance to the current directive which envisages an end to the monopoly enjoyed by Europe's mostly state-owned seaports in discharging functions such as cargo-handling, pilotage, and towing of ships. Even though the more controversial move to privatise pilotage services was dropped from the revised version, the proposals nevertheless came under fresh attack from the Committee for Consumer Protection and the Committee for Employment and Social Affairs which questioned the terms of competition for different service providers. The ire of trade unions over the move to facilitate self-handling of cargo by vessel crews, rather than dockworkers, endangering jobs and social safety had forced Parliament to put the original proposal on hold in 2003.

Exhibiting a familiar divergence of perceptions on economic reforms among interest groups, European importers and exporters have welcomed the cost-cutting liberalisation package for the port sector which, according to the EC, handles more than 90 per cent of the bloc's trade with third countries, and around 30 per cent of intra-EU traffic, besides over 200 million passengers every year. Conversely, dockworkers' unions have steadfastly resisted the new measure, calling it a ploy for "social dumping" and a race to the bottom in terms of labour and technical standards, even though they have benefited from increased traffic across ports owing to a surge in European exports. The response within member-states to the emergence of the single market in the EU has been lukewarm when it has threatened to break monopolies and favourable where it has opened access to new markets. To the extent that opposition has already coalesced against a law to liberalise EU markets in the services sector — which is said to account for two-thirds of the Union's GDP — Parliament's vote on the measure in February could prove another costly reversal of the Lisbon Agenda.

# Russia gas row sends chill down Europe

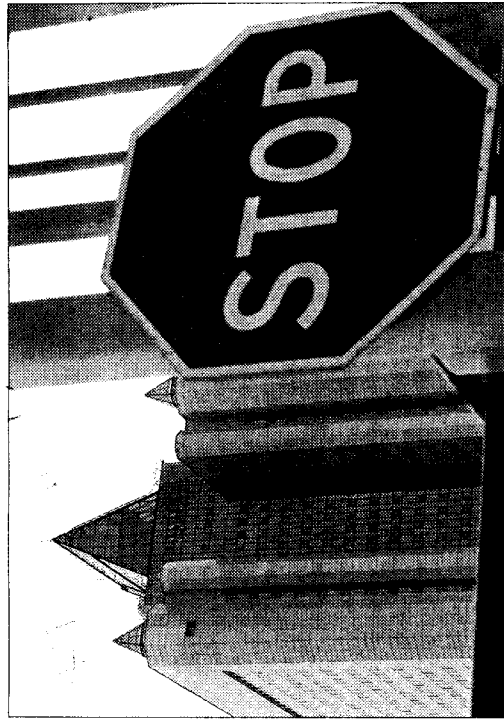
**AGENCE France-Presse**  
Moscow/Berlin, January 2

EUROPE FELT the chilling effects on Monday of Russia's politically charged gas dispute with Ukraine as midwinter deliveries to major European nations fell markedly, prompting calls for a swift end to the row.

With key importers Germany and France reporting a drop in supplies, Russian energy giant Gazprom, which had cut deliveries to Ukraine over pricing, promised to increase exports westward to make up the gap. "We have taken all necessary measures to supply Europe with gas according to contracts," Gazprom's deputy chairman Alexander Medvedev was quoted as saying by Russian news agencies.

"By tomorrow evening," he added, "full supply to Europe in accordance with these contracts will be restored."

Gazprom said it would raise supplies in its export pipeline by 95 million cubic metres a day in order to make up for Ukraine



EPA

The headquarters of Russian gas monopoly Gazprom in Moscow. Gazprom has cut gas supplies to Ukraine in the middle of winter.

"stealing" the natural gas bound for European countries.

Ukrainian President Viktor Yushchenko met with ambassadors of the European Union, Japan and the US to discuss the

crisis. He said Kiev would call for international experts and arbitration in the price dispute.

The EU's foreign policy chief Javier Solana was in touch with Kiev and Moscow to urge a re-

sumption of talks, a spokeswoman said, ahead of a meeting on Wednesday of EU energy officials to discuss supplies.

Europe imports a quarter of its natural gas from Russia, with 90 percent of those imports delivered via Ukraine.

The crisis has raised questions among Western officials and analysts about Europe's dependence on Russian imports, as well as about Moscow's policies as it takes the helm of the G-8 group of leading industrialised nations in 2006.

The disruptions also raised fears of shortages for gas-dependent industries and of heating problems in the middle of winter.

Hungary noted a 40 percent drop in Russian gas, Poland almost as much and Austria 30 percent. Slovakia, Romania, Croatia also reported reductions.

In western Europe, Italy saw Russian supplies drop 24 percent and France — which gets 21 percent of its gas from Moscow — a fall of 25-30 percent.

# Europe nervous as Russia cuts gas to Ukraine

**Moscow:** Russia began cutting off gas supplies to Ukraine on Sunday, a move that could hit deliveries to a winter-bound Europe on the day Moscow debuts as chairman of the Group of Eight (G8) industrialised nations.

Russian Gazprom said it would turn off the taps to Ukraine at 10 am (12.30 IST) after Kiev refused to pay the increased amount Moscow was demanding for gas and last-ditch efforts to resolve the row failed. Russian news said the state-controlled firm had already started reducing pressure in the gas pipeline to its ex-Soviet neighbour before the deadline.

Gazprom supplies 25% of western Europe's gas—much of it via Ukraine. It said deliveries to western Europe would not be affected but Italy's gas importer said Gazprom had warned it disruption was possible. Ukraine's Western-leaning government has complained Moscow was using its control over massive energy resources as a political weapon. Russia rejects the allegation but it is a suggestion that is being viewed with concern from Berlin to Washington.

Russia's President Vladimir Putin had offered late on Saturday to postpone the price increases until April if Ukraine agreed to the new terms, but a Gazprom spokesman said that offer was rejected. "The plan to cut supplies from... 10 o'clock



**CAUGHT IN THE POLITICS OF POWER: An Ukrainian unloads firewood from a cart near Kiev** is still in force," said spokesman Sergei Kupriyanov. West European states, drawing 80% of their Russian deliveries from the same pipeline network crossing Ukraine, have expressed concern over the dispute, as has Washington. Moscow insists it can cut Ukrainian gas while safeguarding supply to others. The danger, in theory, was that Ukraine could nonetheless tap off gas to which it feels it was entitled, thus effectively reducing the

flow onwards to western Europe.

Moscow took over the rotating G8 chairmanship from Britain on Sunday, the first time it has held the role and one of the main themes of its tenure will be security of energy supply. Moscow is seeking a rise in the price of gas it sells to Ukraine to \$230 per 1,000 cubic metres from the current \$50—a level that reflects Soviet-era subsidised rates. Ukraine agrees in principle but wants a transitional period.

Ukrainian officials accuse Moscow of using the issue to punish Kiev for its drive to join both the European Union (EU) and NATO a year after mass protests helped propel Viktor Yushchenko to a presidential election victory—beating a Kremlin-backed candidate. Italian oil and gas firm Eni said it had been warned by Gazprom that supplies could be disrupted. Central European states set up contingency plans. Poland said it had at least a week's reserves of gas to guard against supply interruptions.

The EU has called a January 4 meeting of energy officials from member states. Putin's period in office has been marked by an increasingly assertive foreign policy that appears aimed at regaining some of the influence Moscow has lost in former Soviet republics since the collapse of the Soviet Union in 1991. *Reuters*



# Russia gas row makes Europe shiver

Moscow, Jan. 1 (Reuters):

Russia cut gas supplies to Ukraine today in a dispute that appeared to hit deliveries to a wintry Europe just as Moscow takes over as chairman of the Group of Eight hoping to showcase its reliability as an energy source.

The Russian state monopoly, Gazprom, said it had cut supplies to Ukraine by a quarter — the level of Ukraine's own imports — after Kiev refused to sign a new contract requiring it to pay four times as much.

The switch-off already appeared to be having an effect farther west. Hungary's gas wholesaler MOL said its Russian deliveries via Ukraine had fallen by more than 25 per cent, forcing it to order big consumers to switch to oil where possible from Monday. Western Europe imports 25 per cent of its gas from Russia and most of that is delivered by pipelines running across Ukraine. The European Union said it did not expect shortages but was concerned by the standoff.

Ukraine's Naftogaz energy company accused Russia of brinkmanship that was jeopardising Europe's supplies, arguing Europe's demand is near European gas demand is near peak levels because of freezing weather.

Though Russia says it is purely a business dispute, the row has fed concern that the Kremlin is prepared to use its vast energy resources as a political weapon.

Ukraine's western-leaning President, Viktor Yushchenko, has irked Moscow by trying to take his ex-Soviet state on Russia's western border

## CONTINGENCY PLANS

### GERMANY

Gets more than one third of its natural gas from Russia. Has reserves for 75 days

### ITALY

Gets around 29 per cent of its gas from Russia. Supplies could be at risk

### FRANCE

Considering precautionary measures

### POLAND

Has a week's reserves

### CZECH

Domestic supplies can last several weeks

### HUNGARY

Sufficient reserves to avert disruptions to households

A gauge at the main pipeline carrying gas from Russia to Ukraine in a village near Kiev. (Reuters)



into Nato and the European Union.

Ukrainian officials say that is why the Kremlin is punishing Ukraine with such a huge price increase while letting more Moscow-friendly ex-Soviet states such as Belarus

pay far less.

Russia took over the annual presidency of the G8 club of industrialised democracies for the first time from Britain on New Year's Day, and its tenure will come under close scrutiny.

"Russia wants to make energy security its key message to the G8 community, and simultaneously it is becoming a source of danger," said Valery Nesterov, energy analyst at the Troika Dialog brokerage in Moscow.

French industry minister Francois Loos said Russia had given assurances about its gas exports, and that its presidency meant it would act with a "sense of responsibility".

Yushchenko struck to his stand-off.

Moscow wants to raise the price of gas it sells to Ukraine to \$290 per 1,000 cubic metres from the current \$60 — a level that reflects Soviet-era subsidised rates.

position that Ukraine was prepared to pay Moscow's asking price, but not immediately. "Ukraine is ready to move to a market price from 2006. We do not need loans, we are ready to pay... But it should not be a virtual price but a real price following the European model," he said after a three-hour crisis meeting with top officials.

Gazprom spokesman Sergei Kupriyanov said exports to Ukraine had been cut by 120 million cubic metres a day — equivalent to Ukraine's normal import volume.


He said enough gas was still being piped via Ukraine to maintain deliveries to other countries, and if they were not getting all their gas, it meant Ukraine was tapping into it. Eighty per cent of Russian gas exports to western Europe pass through Ukraine.

"We have information from the ground that shows Ukraine has started illegally siphoning off Russian gas destined for European consumers," Kupriyanov said.

The chief European importers of Russian gas are Germany, Italy and France, which would have to draw down reserves or seek alternative supplies if there was a major supply disruption.

Energy ministers of Germany, Italy, France and Austria have made a joint appeal to Moscow and Kiev to ensure a steady flow of gas despite the stand-off.

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February 7, 2006

## A Year Later, Ulster Reopens Coalition Talks

By THE ASSOCIATED PRESS

HILLSBOROUGH, Northern Ireland, Feb. 6 (AP) — Negotiations to revive a Catholic-Protestant administration for Northern Ireland resumed Monday after a 14-month break caused by the robbery of a Belfast bank that was believed to have been carried out by the Irish Republican Army.

In the interim, the group handed over its weapons to disarmament officials and pledged never to resume "armed struggle," major achievements on the road to lasting peace in this long-contested British province.

The governments of Britain and Ireland, which jointly oversaw Monday's discussions with rival local leaders at Hillsborough Castle, near Belfast, hope that such actions by the I.R.A. will eventually permit Protestants to work again with Sinn Fein, the I.R.A.-linked party that represents most of Northern Ireland's Roman Catholic minority.

After the meeting on Monday, officials in both governments said they would reconvene talks on Feb. 20 and set an April target for a deal to revive power-sharing, the central aim of the Northern Ireland peace accord of 1998.

But the Democratic Unionist Party leader, the Rev. Ian Paisley, the leading Protestant politician in position to share power with Catholics, said the I.R.A. remained criminal and terrorist, and Sinn Fein a political pariah.

Leaving the castle after talks with the British Northern Ireland secretary, Peter Hain, and the Irish foreign minister, Dermot Ahern, Mr. Paisley said his party would not cooperate with Sinn Fein until the I.R.A. disappeared. For now, the Democratic Unionist negotiators will continue refusing to negotiate directly with Sinn Fein officials, he said.

Mr. Paisley cited the conclusions of an expert international commission, published last week, that the Irish Republican Army had halted most activities but was still running criminal rackets and spying on rival politicians, intelligence agencies and government departments.

"I don't think the Sinn Feiners should be at talks to set up a government of Northern Ireland when they are still at their criminal activity," Mr. Paisley said.

The Sinn Fein delegation did not respond to his comments on Monday, but over the weekend Gerry Adams and Martin McGuinness, Sinn Fein leaders, said they expected Britain and Ireland to push Mr. Paisley toward a new deal, or to impose one on him.

"Are the governments in charge or is Ian Paisley in charge?" Mr. Adams asked.

A four-party coalition that was led by moderates, not the hard-line Democratic Unionists and Sinn Fein, governed Northern Ireland in fits and starts from December 1999 to October 2002. But the coalition, which allotted fewer positions to the hard-liners, proved chronically unstable because of arguments over the I.R.A.

The Democratic Unionists came close to reaching an accord with Sinn Fein in December 2004, but it failed when the I.R.A. refused to permit any public record of its disarmament. Within days, trust was shattered when a hostage-taking gang stole \$50 million from the Northern Bank, a raid for which authorities blamed the Irish Republican Army.

washingtonpost.com

## Poland's Leader Hopes to Gain From Support Of U.S. Policies

By Craig Whitlock  
Washington Post Foreign Service  
Tuesday, February 7, 2006; A15

WARSAW -- Poland's new president, Lech Kaczynski, said his country might keep troops in Iraq until sometime in 2007 if necessary, in an extension of its military commitment there, even as other nations are withdrawing or making plans to do so.

In an interview in advance of a visit this week to Washington, where he is to meet President Bush and other U.S. officials, Kaczynski said Poland had no second thoughts about joining the multinational invasion and occupation of Iraq. He defended the removal of Saddam Hussein as "the right thing to do," despite the failure to find weapons of mass destruction and the continuing Iraqi insurgency.

At the same time, Kaczynski said he would look for reassurance from Washington that Poland's strong support of U.S. policy would be rewarded with military aid, increased trade and other benefits. Poland stands out in Europe as one of America's most reliable allies, although opinion surveys show that many Poles feel their backing of the United States has not paid off as much as they would like.

"Poland is, and knows how to be, a loyal ally," Kaczynski said during an hour-long interview Friday at the presidential palace here. "But we also want a similar loyalty shown toward us. We hope we will have a strategic partnership with the United States in areas that are most important for Poland as well."

Poland had announced last year that it would withdraw the remainder of its 1,500 troops -- which oversee a multinational force that patrols a section of central Iraq -- by the start of this year. But last fall, voters elected a new government dominated by Kaczynski's Law and Justice Party, which agreed to revisit the decision.

Shortly after taking office in December, Kaczynski said he would permit Polish forces to stay in Iraq until the end of 2006, although the number of troops would be whittled down to 900. The timing of the announcement was noteworthy, coming days after Bulgaria and Ukraine announced that they had completed a pullout of their forces from Iraq and other nations said they were looking to leave as well.

In the interview, Kaczynski said a Polish contingent could stay even longer, until sometime in 2007, although he did not make a firm commitment. "I hope that in the general course of changes in Iraq, they won't be necessary," he said. "We could extend it for a period. I do not exclude it as a possibility, but it would only be for a short time."

Surveys show that Poland is a pro-American bastion in Europe. A July poll commissioned by the

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German Marshall Fund of the United States found that 52 percent of Poles approved of Bush's foreign policy -- by far the highest level in Europe and higher even than for Americans who were questioned in the same survey.

Kaczynski is scheduled to meet with Bush on Thursday in his second official foreign trip as president. In Bush's fiscal 2007 budget request unveiled Monday, Poland would receive \$30 million "to continue defense reform" -- the same amount as in 2006 -- although the proposal cut the overall budget for military aid in Europe.

While he has pledged to maintain strong ties with the United States, Kaczynski faces pressure to demonstrate that he can win more tangible signs of support, especially in light of Poland's steadfast backing of U.S. policy in Iraq. Many Poles are angry that they must cope with expensive and cumbersome requirements to obtain U.S. visas -- for example, paying a \$100 nonrefundable application fee -- unlike residents of most West European nations. They would also like to see more direct economic benefits, analysts said.

Jacek Kucharczyk, deputy director of the Institute of Public Affairs in Warsaw, said Kaczynski himself was among those who had criticized his predecessor, Aleksander Kwasniewski, for not winning more concessions from Washington, such as contracts for Polish firms to help rebuild Iraq.

"One thing is clear: People think Poland did not get as much out of this alliance as it should have," he said. "Now Kaczynski will have the opportunity to put his money where his mouth is, and we'll see how much better he can perform where Kwasniewski failed."

Kaczynski came from behind to win the presidency in a runoff in October. His identical twin brother, Jaroslaw, was in line to become prime minister when their stridently anti-communist Law and Justice Party won a plurality of seats in Parliament, which would have given the Kaczynski twins control over the top two jobs in government.

Jaroslaw Kaczynski agreed to nominate another party leader, Kazmierz Marcinkiewicz, as prime minister in response to public unease about the prospect of having two look-alike brothers holding the country's most powerful positions.

But analysts said Jaroslaw Kaczynski still effectively controls the Parliament and even delivers marching orders on occasion to his brother, the president. Lech Kaczynski did nothing to dispel the perception when, in his victory speech after winning the presidency, he saluted his brother by saying, "Mr. Chairman, mission accomplished."

Lech Kaczynski said he speaks with his brother several times a day on the telephone but played down the idea that they effectively control the government together.

"We're very loyal, both in politics and to each other. I don't hide that. But saying that the two Kaczynskis are ruling this country is the truth only to a certain extent," he said, citing the role played by Marcinkiewicz, the prime minister. "I don't see any threat to democracy here. I was chosen to be president in direct elections in which people knew very well that there were two Kaczynskis. Broadly speaking, society decided things."

*Staff writer Glenn Kessler in Washington contributed to this report.*

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January 24, 2006

## West's Push to Refer Iran to U.N. Hits Snags

By STEVEN R. WEISMAN

WASHINGTON, Jan. 23 - The American and European drive to rebuke Iran over its nuclear activities ran into new difficulties on Monday, raising doubts about whether the International Atomic Energy Agency would quickly refer Iran to the United Nations Security Council for possible punitive action, European diplomats said.

The diplomats said that Russian resistance to pressing the case against Iran, as the West wants, when the atomic energy agency board meets on Feb. 2, made it increasingly unlikely that the board would adopt the kind of resolution being sought by the United States and the Europeans.

President Bush said in a speech on Monday at Kansas State University that the West could be "blackmailed" if Iran were to get a nuclear weapon. But he also sought to address the Iranian people, telling them that the dispute was with their leaders, not them.

Another blow to Western efforts to press Iran came Monday from Mohamed ElBaradei, director general of the atomic energy agency, the United Nations' nuclear monitoring body. Dr. ElBaradei rebuffed an American and European request to issue a sweeping "progress report" on Iran's case in the next few weeks, presumably condemning its nuclear activities.

In letters written to American and other ambassadors to the atomic agency, Dr. ElBaradei said that "a detailed report will only be available" in March, but that the agency would provide "an update brief in February on where it stands in its investigation of outstanding issues."

A European diplomat, who along with other diplomats spoke on the condition of anonymity because the agency's board of governors had not taken an official position yet on Dr. ElBaradei's letter, said that without a tough assessment on Iran from the director general, it would be very difficult to get the board to refer Iran to the United Nations Security Council, as the United States and Europe are seeking.

Taken together, Dr. ElBaradei's move and the Russian resistance to an early referral posed the threat of a major setback for the West in its efforts to isolate Iran diplomatically at an early date.

Mr. Bush's comment on Monday appeared to reflect a growing consensus in the West that if sanctions are eventually considered for Iran, they will not be likely to include an oil embargo or other steps that might cause resentment among Iranians or hardship in Europe and the United States.

He repeated the call for the atomic energy agency's board to refer Iran's case to the United Nations Security Council, but he said, "I also want the Iranian people to hear loud and clear, and that is, we have no beef with you."

Indeed, American officials say that if there are sanctions, they will not bar Iranians from traveling

abroad for sports or cultural events.

An effort to persuade the agency's board to refer Iran's case to the Security Council has been American policy for more than a year, but the Bush administration has deferred to Britain, France and Germany, which continued until recently to negotiate with Iran over a suspension and an eventual permanent dismantling of its nuclear enrichment activities.

Secretary of State Condoleezza Rice said in Washington, however, that it remained administration policy to seek a referral vote at the board's meeting on Feb. 2.

"The Iranians have done plenty for a referral at this point in time," Ms. Rice said, citing Iran's decision earlier this month to end its moratorium on enrichment and reprocessing of uranium. "It seems to me that the case for referral is very strong and that's what we intend to seek at the I.A.E.A. board of governors meeting."

Iran defends its nuclear activities as legal, asserting that because they are part of a civilian energy program or normal research activities they are permitted under the Nuclear Nonproliferation Treaty. American and European diplomats, citing Iran's failure to disclose many of its activities, say they are part of a clandestine nuclear weapons program.

It would take a majority of the atomic energy agency's 35 board members to refer Iran formally to the Security Council. Secretary Rice reiterated Monday that the United States believes it has the votes. Some European and American officials say there could be 20 votes in favor of such a referral.

But some European diplomats argue that a referral without Russian and Chinese support would send a mixed message. As an alternative to a referral, Russia wants the agency merely to report Iran's activities at its meetings on Feb. 2 and 3, and let the Security Council consider them.

The difference between a report and a referral was described by diplomats as significant. "A referral implies action," said a European official. "It implies a request for action by the Security Council. It also implies handing the matter over to the Council for action. A report does not imply those things."

Then if other negotiations fail to secure Iranian cooperation on freezing its enrichment processes, Russia would be expected to bring Iran before a regular atomic energy board session in early March. The United States and its European partners do not want to wait that long, however.

But European diplomats said that the Russian formula was emerging as a likely alternative to the American-backed plan for early action.

"The decision of ElBaradei to not advance a report right away makes the Russian timetable more likely than the European timetable," said a European diplomat.

Dr. ElBaradei, in resisting requests for a formal report before the Feb. 2 meeting, said in his letter that "outstanding issues" related to Iran's earlier actions on its nuclear program were still "being pursued with the Iranian authorities." One of his deputies was going to Iran this week to discuss some of them, he said.

"Due process, therefore, must take its course before the Secretariat is able to submit a detailed report," he said, referring to his office at the atomic agency.



European and American diplomats said it was possible that Dr. ElBaradei could deliver an interim report to the board sufficiently condemnatory of Iran's activities to lead to a referral. But their bigger worry was that Iran would cooperate with international inspectors just enough to delay any action for months.

David E. Sanger contributed reporting from Manhattan, Kansas, for this article, and Elaine Sciolino from Paris.