



Iraqi youths celebrate in front of a burning fuel tanker in Latifiyah after it was attacked by insurgents on the highway connecting the southern Iraqi cities to Baghdad. Three US Marines were among nine people killed in Iraq as violent attacks continued one day after the caretaker government was handed power by the US-led coalition.

US, Kuwait reestablish diplomatic ties with Iraq

France gets ready to follow

AFP, Kuwait City/ Baghdad

One day after the handover of authority to Iraqis, Kuwait moved swiftly yesterday to announce the resumption of diplomatic relations with its northern Arab neighbour, severed since Saddam Hussein's forces invaded the emirate in 1990.

The United States on Monday said it has reestablished diplomatic relations with Iraq for the first time since 1991 when the former regime of Saddam Hussein broke ties with Washington and invaded the emirate in 1990.

"The United States established diplomatic relations with the Iraqi government on Monday," the new US mission in Baghdad said in a

statement.

US ambassador to Iraq, John Negroponte, arrived in the war-battered country on Monday, to replace former US overseer Paul Bremer who left after the US-led coalition transferred sovereignty to an interim Iraqi government.

Negroponte would present his credentials shortly to the government, the US mission said.

Iraq broke ties with the United States in early February 1991 after the outbreak of the Gulf War in which a US-led multinational force evicted Iraqi occupation forces from Kuwait.

Following the transfer of sovereignty to an Iraqi government, "the

state of Kuwait announces the re-establishment of diplomatic relations with its Arab republic sister," a Kuwaiti foreign affairs spokesman told the official KUNA news agency.

Meanwhile, France is prepared to resume diplomatic relations with Iraq, French Foreign Minister Michel Barnier said Tuesday, the day after US overseer Paul Bremer handed over power to an interim Iraqi government.

"We are disposed to rapidly restore, in cooperation with the Iraqi authorities, our diplomatic relations with the republic of Iraq," Barnier said in a statement released by the French foreign ministry.

Rocket explodes in Karachi, another found near US consulate

AFP, Kashmir

A rocket exploded in Pakistan's violence-prone southern city of Karachi late Monday but caused no casualties, while an unexploded rocket and a launcher were found near the US consulate, police said.

The fired rocket caused a deafening blast in the congested Gurumandar district at around 10:00 pm (1700 GMT), sending people fleeing in panic and damaging the outer wall of a marriage hall, police said.

It landed about eight kilometres (five miles) from the headquarters of paramilitary soldiers and Crime Investigation Department (CID) buildings, which could have been a target, area police officer Majid Dasti told AFP.

US court deals blow to Bush's war on terror

'Enemy combatants' can challenge their confinement

REUTERS, Washington

The US Supreme Court placed the first limits on President Bush's war on terrorism on Monday when it ruled that terror suspects can use the American judicial system to challenge their confinement.

The rulings, the first court has made on Bush's anti-terrorism policies, marked a defeat for the president's assertion of sweeping powers to indefinitely hold "enemy combatants" after the Sept. 11, 2001, attacks.

In one ruling, the court said the nearly 600 foreign terror suspects held for two years at the US military base at Guantanamo Bay in Cuba could turn to American courts to challenge their confinement. In another ruling, it said an American

terror suspect held in his nation is entitled to a chance to contest the government's decision.

"Today's historic rulings are a strong repudiation of the administration's argument that its actions in the war on terrorism are beyond the rule of law and unreviewable by American courts," Steven Shapiro of the American Civil Liberties Union said.

A US defence official said the Pentagon would examine the rulings to see how to "modify existing procedures," but he put the best face on the court's action, saying it was "important in that it affirms the president's authority to detain enemy combatants in the global war on terrorism."

By a 6-3 vote, the justices ruled American courts can consider the

claims of Guantanamo Bay prisoners -- suspected al-Qaeda members or Taliban fighters -- who said in their lawsuits they were being held illegally in violation of their rights.

"What is presently at stake is only whether the federal courts have jurisdiction to determine the legality of the executive's potentially indefinite detention of individuals who claim to be wholly innocent of wrongdoing," Justice John Paul Stevens wrote for the majority.

The ruling did not address the merits of the claims, and the detainees still could face a long legal battle to win their release or major changes in the conditions of their confinement.

Indian PM shuns predecessor's BMWs for Ambassador

AFP, New Delhi

India's new Prime Minister Manmohan Singh, known for his austere ways, has shunned custom-made BMWs ordered by his predecessor and opted to ride in domestically-made Ambassador cars, a report said yesterday.

The previous government spent more than 1.3 million dollars to buy for then prime minister Atal Behari Vajpayee six bullet-proof BMWs featuring satellite phones, fax machines and other hi-tech gadgetry.

Singh refused appeals by his security team to use the BMWs, saying he felt more comfortable in the classic Ambassadors, which are also bullet-proof, The Asian Age newspaper said, quoting government sources.

It said the government had yet to decide what to do with the German-made luxury cars.

Israeli tanks seal off Gaza town

AP, Beit Lahya

Under the cover of intense machine gun fire, Israeli tanks and bulldozers blocked roads in the northern Gaza Strip yesterday the start of what security officials said could be an extended reoccupation of some Palestinian areas to prevent rocket fire on Israel.

One Palestinian was killed and one wounded, security officials said.

The military operation came in response to a Palestinian rocket attack on the Israeli border town of Sderot that killed a 49-year-old man and a 3-year-old boy outside two nursery schools. It marked the first time in nearly four years of fighting that the crude homemade missiles killed Israelis.

Over the weekend, Palestinian militants also blasted an army outpost in the heart of Gaza with hundreds of pounds of explosives, killing a soldier. Hamas claimed responsibility for both attacks, and the Al Aqsa Martyrs' Brigades said it participated in blowing up the outpost.

In an initial response to the pair of extraordinary attacks, Israeli helicopters fired missiles at a Hamas-linked media center in a 16-story building in Gaza City and a metal workshop in a refugee camp early Tuesday. The army said rockets were being made at the workshop.

The army also blew up an empty eight-story building and razed 15 homes near the outpost. The demonstrations left about 60 Palestinians homeless.

Despite the upsurge in violence, Prime Minister Ariel Sharon said Monday he remains determined to go ahead with his planned withdrawal from Gaza in 2005. Addressing lawmakers, Sharon pledged to speed up the evacuation of settlers who are ready to leave voluntarily.

However, Israel's vice premier, Ehud Olmert, said that despite the planned withdrawal, "there is a war against terror, and we shall continue fighting terror regardless of disengagement."

Early Tuesday, Israeli tanks and bulldozers rumbled into northern Gaza, including the town of Beit Hanoun, blocking roads under intense cover of machine gun fire from helicopters. There was no return fire from Palestinians, witnesses said.

Canadian PM wins polls, but loses majority

AFP, Montreal

Canada's Prime Minister Paul Martin clung on to power but voters stripped his scandal-tainted Liberals of their majority, and saddled him with the country's first minority government in a generation.

In the closest federal election in years, Martin, 65, confounded pollsters and pundits with a better than expected showing, which marked the centrist party's fourth consecutive win at the polls.

But battling voter fatigue after a decade in power for the Liberals, he fell short of the unqualified personal endorsement he craved, after taking over from former Prime Minister Jean Chretien last December.

"Canadians expect more from us. As a party and a government we must do better," said Martin, who made extra funding of the state healthcare system the centrepiece of his campaign.

RECONSTRUCTION EFFORT

US awarded contracts to clip wings of Iraq govt

AFP, Baghdad

The Iraqi interim government has inherited the use of billions of dollars in development funds but its powers are limited by contracts and regulations put in place by the outgoing US-led coalition.

The government, sworn in two days ahead of schedule on Monday, has recovered the use of all its ministries and has taken charge of the Development Fund of Iraq (DFI), which still had 9.7 billion dollars on June 6.

Until the handover, former US ambassador Paul Bremer had the right to sign DFI cheques, said Communications Minister Mohammad Ali Hakim.

But now Bremer has gone, financial transactions are in the hands of Iraq's finance ministry headed by minister Abdel Mahdi, the central bank, and the commit-

tee of reconstruction of Iraq, he said.

"That means in the second half of this year all our decisions, all our finance, is going to be run by Iraqis and run by this committee."

But the new government will also be restricted by regulations and contracts put in place by the coalition, which was dissolved on Monday after 14 months of occupation.

Hakim said he had been handed contracts for mobile phone networks which were binding for the next two years.

"I have advisors, I have international people who are actually looking at this and find out if we really cannot do anything for two years," he headed.

He said Washington's embassy in Baghdad, the biggest US mission in the world, would also play an important role in the new Iraq as it

oversees 18 billion dollars in development funds authorised by the US Congress and administered by a Pentagon department.

"The thing that is probably going to tie us is the supplement money," he said, referring to the American fund.

"The US is going to bring some 18.6 billion (dollars) worth of supplement (and) we're going to work with them to coordinate that."

"My guess is this money is going contract to be distributed to American companies or companies from the coalition. That is their right."

The US military also helps distribute the billions of dollars of funds on the ground level.

Electricity Minister Aiham al-Samarrai agreed that American firms would probably win most the contracts decided by the US embassy.

Iraqi press hails transfer of power as historic

AFP, Baghdad

The Iraqi press yesterday described the transfer of sovereignty from the US-led coalition to an interim Iraqi government one day earlier as "historic" but a mere step on the path to freedom.

"Monday was an historic day for the Iraqis," said the An-Nahda newspaper, owned by Adnan Pachachi, a Sunni Muslim member of the former governing council that was dissolved on June 1 to make way for the caretaker government.

The Al-Bayan daily -- linked to the Shia Muslim Dawa party whose chief, Ibrahim al-Jaffari, is a vice president in the new administration -- heralded an "historic day", before adding the caveat: "Iraq refuses any sort of occupation."

Despite the end of the US-led occupation, a strong foreign military presence of around 150,000, mainly US soldiers, will remain in Iraq to help control the security situation.

"Congratulations to the Iraqi people who have regained their sovereignty... an important stage

before the end of the occupation," wrote the Al-Adala daily, published by the Supreme Council for the Islamic Revolution in Iraq (SCIRI), another Shia party.

At the same time, Al-Moutamar, which belongs to one-time Pentagon favourite Ahmed Chalabi, the head of the Iraqi National Congress, was happy to "congratulate the Iraqis for their return to sovereignty."

While the Al-Sabah newspaper, funded by the defunct coalition provisional authority, said "farewell to the occupation and welcome to sovereignty," dailies run by Iraq's Kurdish parties were also upbeat about the future.

"The difficulties are enormous but Iraqis have the capacity... to build a prosperous, federal Iraq," wrote the Al-Itihaad, which is associated with the Patriotic Union of Kurdistan (PUK).

"The upheaval suffered by the Iraqis under the occupation will, despite the negative aspects, reflect positively on the future of the country," predicted the Al-Taakhi, owned by the rival Kurdistan Democratic Party (KDP).



Canada's Prime Minister Paul Martin gestures as speaks to supporters in Montreal on Monday after winning in the general elections. Martin retained power but voters stripped his scandal-tainted Liberals of their majority, and saddled him with the country's first minority government in generation.

2 killed, 20 held in Kashmir

AFP, Srinagar

Police in Indian Kashmir said yesterday they had killed two Kashmiri militants and arrested 20 others who had been planning a series of attacks, including on India's main stock exchange in Mumbai.

Kashmir's police chief Gopal Sharma said the two slain Pakistanis and the arrested men were linked to a group of four people gunned down in India's western state of Gujarat earlier this month whom police had claimed were members of the hardline militant group Lashkar-e-Taiba.

"The militants were planning a fidayeen (suicide) attack on the Bombay stock exchange," Sharma said, adding that the killings and arrests had broken the back of a Lashkar network which had been operating in the Kashmiri summer capital, Srinagar, for the past two years.

He claimed the network had been working under two Pakistani commanders -- Shahid Ahmed and Zahid Hafiz -- and had been involved in planning suicide attacks, explosions and killings.

Sharma said both Ahmed and Hafiz, who had been picked up by the security forces in the past day or two, were killed early Tuesday when they tried to escape as police were escorting them to their hide-out to make more arrests.

"The police party was attacked by militants and the two tried to escape, taking advantage of firing. In the police action both got killed," said Sharma, adding that five security force personnel were injured.



British Prime Minister Tony Blair (top right) and US President George W. Bush (lower right) chat with other Nato leaders as a group photo is being taken during the Nato Summit yesterday in Istanbul. Afghanistan takes centre stage on the second and final day of a Nato summit after leaders pledged to beef up its peace force there as the country gears up for crucial elections threatened by violence.

Afghanistan takes centre stage at Nato summit

AFP, Istanbul

Afghanistan took centre stage on the second and final day of the Nato summit yesterday after leaders pledged to send more peacekeepers to help the war-battered country hold its first elections since the fall of the Taliban.

"I am sure that the deployment of the forces ... will bring a sense of better security, higher activity for the Afghan people to make their lives better," Afghan President Hamid Karzai told reporters here.

On Monday Nato pledged to take command of four more military-civilian reconstruction teams in the north of the country -- where they already run one -- and send more troops to help ensure security during the ballot.

Alliance leaders also promised to help train Iraq's new army, but the two announcements were overshadowed by news from Baghdad that Iraq's interim government had taken over power from the US-led occupation coalition, two days earlier than planned.

Nato's mission in Afghanistan, its first outside Europe, is seen by many analysts as a test of the alliance's credibility. Some experts warn that if it cannot deliver there Washington may conclude the alliance, set up during the Cold War to counter the perceived Soviet threat, has outlived its usefulness.

Nato leaders, who say Afghanistan is their "key priority," agreed to boost the International

Security Assistance Force (ISAF) there from 6,500 to 10,000 troops, although not all of them in the country.

The alliance took over ISAF last August but has struggled to drum up contributions from its member states to expand the force outside the capital Kabul.

"I'm sure that what you have done yesterday will bring to the Afghan people an improvement ... that will eventually cause Afghanistan to have institutions of its own to defend itself and to protect itself," Karzai said here Tuesday before addressing Nato leaders.

He underlined that the most important requirement for elections was voters, welcoming the fact that some 5.2 million Afghans have so far registered despite difficult conditions not helped by insurgent attacks.

UN Secretary General Kofi Annan has warned that the vote might have to be postponed if security did not improve. But Karzai insisted Tuesday that it must go ahead on schedule.

He predicted however that insurgent violence would continue, saying the country's former Taliban leadership, ousted by a US-led offensive in December 2001 weeks after the September 11 attacks on New York and Washington, were now targeting "soft targets" such as election workers.