

Schroeder loses trust vote

German president asked to dissolve parliament

AFP, Berlin

German Chancellor Gerhard Schroeder lost a parliamentary confidence vote he engineered yesterday, raising the prospect of early elections and a widely predicted change in government.

The Bundestag lower house defeated the measure with the help of deputies from Schroeder's coalition of Social Democrats and Greens who followed the chancellor's call to abstain in his bid to bring the general election forward by 12 months.

German President Horst Koehler said that Chancellor Gerhard Schroeder asked him Friday to dissolve the parliament and call new elections after Schroeder met his goal of losing a confidence vote before the chamber.

Koehler has the power under Germany's Basic Law to call a new general election, which Schroeder argued was necessary because he could no longer count on the support of his ruling coalition of Social

Democrats and Greens.

The president now has three weeks to decide on Schroeder's request. If he agrees and the constitutional court rejects any challenges to the bid, the elections are likely to be held September 18.

In a speech before the confidence vote, the embattled leader said his painful economic reform drive had cost him crucial support that he now hoped to regain.

"Without a new mandate, it is impossible to continue with my policies," Schroeder told the chamber.

"If we want to continue with the reforms, and we must, we need to seek a new mandate through elections."

The 61-year-old Schroeder, who wore a dark suit and struck a sombre tone, said the "painful" loss of a May election in Germany's most populous state had made it clear that his governing centre-left coalition was at risk.

President Horst Koehler now has 21 days to decide whether to dissolve parliament and order new

elections, which will probably take place on September 18.

Schroeder's Social Democratic Party (SPD), beleaguered by the anaemic economy and around 12 percent unemployment, is trailing the conservative opposition Christian Union bloc (CDU/CSU) by about 20 percentage points in most polls.

A conservative victory would see opposition leader Angela Merkel become Germany's first woman chancellor.

In a speech that often sounded like a farewell, Schroeder said that the unpopular economic and labour market reforms his government introduced since it took power in 1998 had been bold and essential steps that his predecessor Helmut Kohl had failed to undertake.

"The reform process is unique in the history of the federal republic in its scope and consequences," Schroeder said.

"We tackled what our predecessors neglected. We started what the CDU and the FDP never had the courage to do in 16 years in govern-

ment," he said, referring to the conservatives' liberal coalition partners, the Free Democrats.

He said that his SPD had paid the political price for those reforms, known as Agenda 2010, but was ready to battle to win back Germany's voters.

"Agenda 2010 led to fights between the parties and within the parties and - I do not want to hide it - my party suffered in particular," he said.

Germans are angry that Schroeder has failed to keep his seven-year-old promise to drive down unemployment and that they now in fact have more reason to fear for their jobs than at any other time since World War II.

But many left-wing SPD deputies have publicly questioned Schroeder's course, saying that measures such as cuts to unemployment benefits put an unfair burden on the poor.



German Chancellor Gerhard Schroeder leaves the Bundestag lower house of parliament after a no-confidence vote against him yesterday in Berlin. Schroeder lost the parliamentary confidence vote he engineered, raising the prospect of early elections and a widely predicted change in government.

Deal reached on Indian Ocean tsunami warning system

BBC ONLINE, Paris

The United Nations scientific and cultural organisation says agreement has been reached on a tsunami warning system for the Indian Ocean.

Oceanographers and delegates from the region agreed to develop a network of seismographic equipment and deep-sea sensors, at the end of talks in Paris.

The project will be modelled on a system operating in the Pacific Ocean.

The hope is the system may help to stop a repeat of December's disaster, in which more than 200,000 people died.

The shocking sight of mountainous waves racing towards the shore will stay in the minds of anyone who witnessed the tsunami. Six months on, people are slowly putting their lives back together.

Ulfa responds to Delhi's peace move, writes to PMO

PTI, New Delhi

The banned militant outfit Ulfa has formally responded to the peace offer of the Centre.

A letter written by Ulfa chairman to the National Security Advisor has been passed on to the PMO, mediator Indira Goswami said yesterday.

"The Ulfa chairman Arvinda Rajkhawa formally responded to the peace initiative of the Prime Minister's Office. I handed over the sealed letter addressed to National Security Advisor MK Narayanan to two PMO officials at my residence on Thursday," Goswami said.

Congo confirms 10 dead in rally shootings

AFP, Kinshasa

Ten people were shot dead Thursday when police in the Democratic Republic of Congo (DRC) broke up opposition rallies in a number of cities, a senior government figure said.

"We have to regret the loss of 10 lives on the territory of the DRC," Jean-Pierre Bemba, one of four vice presidents, told a television station.

He confirmed the figure put forward earlier by the main opposition party, the Union for Democracy and Social Progress (UDPS), which reported six deaths in the capital Kinshasa and four elsewhere.

There were reports in Kinshasa of dozens of injuries and up to 400 arrests as police broke up the UDPS demonstration.

Saddam's novel a bestseller despite ban

REUTERS, Amman

Move over Harry Potter. In Amman's downtown bazaars, the bestselling book these days is Saddam Hussein's bootlegged novel "Get out of here, curse you!"

Banned by Jordan on the grounds the 186-page tale of an Arab tribesman who defeats foreign invaders could harm relations between Jordan and Iraq, Saddam's latest novel has become so popular booksellers say they can't keep up with demand.

"We had copies but they sold out after the book was banned," the owner of a kiosk in a busy Amman street told Reuters.

"We are waiting for the book to be published again. Even if it is banned I will ask for copies outside Jordan," said the vendor, who like most of those interviewed asked for his name not to be published.

Bush wants answers on Iran leader's past

REUTERS, Washington

President Bush said on Thursday he wanted answers on whether Iranian President-elect Mahmoud Ahmadinejad was a leader in the 1979 US Embassy siege as some former hostages have said but Iranians have denied.

Several Americans who were held said they recognised the ultra-conservative Ahmadinejad as a ringleader. But two Iranians who were leading figures in the storming of the embassy said he did not take part.

Bush said he did not know whether Ahmadinejad was involved and officials were analysing photographs and other information in what they said was a government-wide effort to get answers.

"Obviously his involvement raises many questions, and knowing how active people are at finding answers to questions, I'm confident they will be found," Bush told reporters.



A Pakistani man steers his horse-cart as others wade through a flooded street in Lahore yesterday. An overnight downpour in the city has left many of the streets flooded, resulting in suffering of its residents.

Oceans may turn into acidic water bodies

ANI, Washington

A new study has revealed that oceans around the world are fast turning into acidic water bodies.

The study conducted by Dr Ken Caldeira from the Carnegie Institution's Department of Global Ecology in Stanford, California says that human activities are producing so much carbon dioxide that under the present circumstances the world's oceans are all going to turn acidic by 2100 and severely threaten marine life.

"If Carbon dioxide from human activities continues to rise, the oceans will become so acidic by 2100 it could threaten marine life in ways we can't anticipate," the report issued by the Royal Society, UK quoted Caldeira co-author of the report as saying.

Scientists further said that the oceans were an important part of the ecological system and helped in slowing global warming.

Marine plants, they said, soaked up carbon dioxide and converted it into food during photosynthesis.

Security alert in Lanka after cop killings

Tigers utter 2-week deadline

AFP, Colombo

Government forces stepped up security in Sri Lanka's restive east yesterday, a day after suspected Tiger rebels killed three soldiers and issued a two-week deadline for the government to increase their levels of protection.

The defence ministry said security forces had stepped up their alert in the troubled eastern province while police began investigating Thursday's slaying of two military intelligence officers and their driver.

"We have increased the level of security in the east," a ministry spokesman said without giving details on the measures taken after the killing and the Tiger ultimatum.

The Liberation Tigers of Tamil Eelam (LTTE) said it had told police broker Norway and ceasefire monitors that Colombo must increase protection given to their cadres or

risk a collapse of the truce in place since February 2002.

Tiger political wing leader S. P. Thamiliselvan had raised the issue of the safety of cadres moving through government-held territory after a mine attack wounded a woman fighter on Sunday, the LTTE's peace secretariat said in a statement.

"Insisting that a response is being called for from the government within two weeks for the government to review its transport arrangements, Mr. Thamiliselvan said the government has to unequivocally express its commitment to the ceasefire," Thursday's statement said.

"...in the absence of which, the LTTE would resort to its own pre-ceasefire arrangement that would entail confrontations putting the ceasefire at serious risk."

There was no immediate reac-

tion from the government to the rebel statement, but the government said it had accepted Thursday's killing of the three soldiers.

"At a time when efforts are being made by the government to establish cooperative structures with the LTTE, such open violations of the ceasefire are especially deplorable," the Colombo government said in a brief statement.

A Norwegian-brokered truce has been in force since February 2002 after 30 years of ethnic conflict in which more than 60,000 people were killed.

Tension has been rising in eastern Sri Lanka since a split in the Tigers in March last year. The government has accused the LTTE of killing hundreds of rivals and intelligence operatives despite the truce.

The guerrillas for their part have accused the government of supporting their rivals.

Syria a hindrance to ME stability: US

Washington freezes assets of 2 Syrian officials

AFP, REUTERS, Washington

Syria's support of Palestinian extremist groups remains an obstacle to achieving Middle East peace, a senior State Department official said Thursday.

"We're concerned about Syria's destabilising influence in the Palestinian territories through these kinds of extremist groups," David Welch, the State Department's assistant secretary for near eastern affairs, said in testimony to the US Senate's Foreign Relations committee.

He made his comments as the US government on Thursday moved to freeze the assets of Syria's interior minister and a military intelligence chief, accusing them of abetting terrorism and destabilising the region.

The Treasury Department said Syrian Interior Minister Ghazi Kanaan and Rustum Ghazali, identified as the chief of Syrian military intelligence for Lebanon, had helped destabilise the region.

The department did not comment on the type or extent of the two men's US assets.

Tensions between the United States and Syria have increased recently over US allegations that Damascus was hiding agents in neighbouring Lebanon, undermining efforts to stabilise Iraq and supporting terrorism in the region.

In May, President Bush extended for another year the economic sanctions imposed on Syria last year and said the Arab country remained a threat to the United States.

The Treasury Department, in its latest move to isolate Syria financially and pressure its government, named Kanaan and Ghazali as "Specially Designated Nationals" of Syria - a move that freezes any assets they hold in the United States and prohibits US citizens from doing business with them.

Speaking about Lebanon, despite the pullout in April of Syrian troops, ending a 29-year presence, Welch said: "Although Syrian mili-

tary units have withdrawn, we still have concern about the extra size of their influence there in unhealthy ways."

Meanwhile, in Iraq, "Syria is presently the least-protected monitored border of any of the contiguous states to Iraq, which has some important and serious consequences for the violence and terrorism that's going on there," Welch said.

"What we've been trying to do is speak directly to the Syrian government about those concerns, and urge them to be responsible," as well as encouraging other governments with "closer political relationships with Syria" to impress upon Damascus the need to be more responsive to US concerns.

Welch added, without elaborating, that Washington is also weighing "unilateral American measures that we have in our inventory."

A Syrian source told Reuters in Damascus that Syria would not give into US pressure.

Tax debacle adds to Arroyo agony

AFP, Manila

Philippine President Gloria Arroyo, fighting off opposition demands to quit over alleged vote-rigging, suffered a further setback Friday when the Supreme Court suspended the expansion of an unpopular consumption tax hours after it came into effect.

About 5,000 demonstrators marched on Manila's financial district calling for her resignation and protesting the extra provisions of the value-added tax, which immediately pushed up fuel, electricity and shipping prices.

The expanded tax provisions were the cornerstone of a package of tax revenue measures that Arroyo managed to have approved by Congress over the past year in a bid to plug the Philippines' chronic budget deficit.

However, within hours of the new tax law coming into force, the Supreme Court issued a writ suspending it on constitutional grounds, and summoned government lawyers to a hearing on July 26 to discuss the legislation.

The court's temporary restraining order is "effective immediately

and continuing until further orders," it said in a ruling.

The writ was sought by a coalition of gas station operators as well as the same group of opposition legislators who are behind the ongoing vote-rigging inquiry in Congress against Arroyo.

Cora Guidote, an economics adviser to the president, said the government would attempt to have the suspension lifted.

"It's unfortunate. The national government will work for the removal of the suspension as soon as possible," she told reporters. "It is part of the mid-term Philippine development program and we cannot afford any more setbacks."

Arroyo's foes denounced the attempted tax expansion, which came as the peso continued to fall and crude oil prices hit record highs.

"The latest E-VAT (expanded VAT) is another example of her anti-people economic impositions," said Renato Reyes, a senior leader of the leftist group Bayan, which joined the protest.

"In time, we hope to gain the widespread support of professionals and business people in fighting for Arroyo's resignation."



Chinese President Hu Jintao (L) speaks with his Russian counterpart Vladimir Putin (R) during their meeting at the Kremlin in Moscow yesterday.

Hu, Putin vow security, cooperation at summit

AFP, Moscow

The Chinese and Russian presidents held a summit yesterday aimed at strengthening security in volatile Central Asia and toughening economic ties between these two giants once seen as the West's main threat in Cold War days.

President Vladimir Putin hailed Moscow's growing bilateral ties with its communist neighbour, saying "We have resolved almost all the essential political questions between our two countries."

"There are vast possibilities for interregional cooperation. We intend to develop our military ties and cooperation between our defence ministries," he said at the close of talks.

Chinese president Hu Jintao highlighted what he said were the countries' common security goals.

"We are increasing coordination and cooperation on important regional and international questions, such as guaranteeing stability in Central Asia, the Shanghai group,

the form of the United Nations and the nuclear problem on the Korean peninsula," Hu told journalists.

Hu's four-day visit, which began Thursday, will take him to energy-rich Siberia, where he will meet regional leaders in the city of Novosibirsk.

From there, he will head to a regional security summit in Kazakhstan and then the Group of Eight (G8) summit in Scotland.

But an eye-catcher for analysts was a joint declaration signed by Putin and Hu concerning the "international order in the 21st century," seen by some Russia media as an effort to repulse Washington's growing influence, particularly in Central Asia. The document, distributed on Friday, asserts the "inadmissibility of efforts at monopolising world affairs, the dividing of states into leaders and led, the imposition from outside of models of social development, the application of double standards."

Baghdad fire triggers water woes for millions

AP, Baghdad

A fire broke out yesterday at a power station that supplies a Baghdad waterworks, shutting it down and leaving millions of residents without drinking water, officials said.

The blaze came a day after Baghdad's mayor decried the capital's crumbling infrastructure and the lack of clean water and threatened to resign if the Iraqi government won't provide more money.

Friday's fire began at about 7 a.m. local time and it affected the Karkh water station in Tarmiyah, which serves northern and western Baghdad, officials said.

The water project's director, Jassim Mohammed, said he believed the fire started after insurgents set off a bomb. He said it would take at least three days to get spare parts and repair the damage, which has completely halted all

water distribution from the plant. A municipal official said the blaze was still under investigation.

"It's not clear if it was an explosion (caused by insurgents) or a technical problem," said the official, who spoke on condition of anonymity because of the sensitivity of the information.

While militants frequently target infrastructure, loud explosions can occur when a transformer blows.

Iraqi engineers told the US military the fire resulted from a blown transformer and was not the result of an insurgent attack, said Sgt. 1st Class David Abrams, a spokesman for Task Force Baghdad. "We verified with engineers on the site that it was a blown transformer," Abrams said.

Efforts to expand Baghdad's water supplies were set back earlier this month when insurgents sabotaged a pipeline near Baghdad.

Mayor Alaa Mahmoud al-

Timimi's threat to resign over the dismal state of the capital's infrastructure was an indication of the daily misery that Baghdad's 6.45 million people still endure more than two years after the US-led invasion.

They are wracked not only by unrelenting bombings and kidnappings, but by serious shortages in water, electricity and fuel.

"It's useless for any official to stay in office without the means to accomplish his job," al-Timimi told reporters Thursday.

Al-Timimi wants \$1.5 billion from the Iraqi national government for Baghdad in 2005 but so far has received only \$85 million, said his spokesman, Ameer Ali Hasson.

Some complain the water they do get smells bad, and Hasson acknowledged in some areas, the water gets mixed with sewage. "The problem is escalating," said al-Timimi, a Shia who took office in May 2004.