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Did toxic chemical in Iraq cause GI's illnesses? See Page 5

Fading political will has let banks off the hook See Page 14

Rafsanjani thanks Leader for extending deadline for election review

◆ Suspicious elements trying to create rift between the people and the system

Tehran Times Political Desk
TEHRAN — Expediency Council Chairman Akbar Hashemi Rafsanjani stated on Sunday that the Supreme Leader's decision to extend the deadline for the Guardian Council's investigation of the presidential election results was "valuable and effective".

"This effort by the Supreme Leader was a very valuable and effective (step) for gaining the confidence of the people in the election results," he said at a meeting with the victims' families on the anniversary of the 1981 terrorist attack in which Judiciary chief Ayatollah Mohammad Hosseini Beheshti and 72 members of the Islamic Republican Party were killed.

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Leader advises all to refrain from divisiveness



Judiciary officials and some staff members met with the Leader on Sunday.

Tehran Times Political Desk
TEHRAN — Supreme Leader of the Islamic Revolution Ayatollah Seyyed Ali Khamenei has asked all political groupings to refrain from provocative

acts that create divisions among the people. "Resolving issues is (only) possible through legal criteria, and all elites and political groupings and activists from both sides should refrain from

any provocation or undermining of national cohesion," he said in a meeting with high-ranking officials of the Judiciary on Sunday.

(Contd. on P. 15)

8 Iranian staff of British embassy arrested on charges of stoking unrest

TEHRAN (Agencies) — Iran has arrested eight Iranian citizens who are staff members of the British embassy in Tehran on charges of stoking the unrest that swept the country after the June 12 presidential election.

The Fars News Agency said the eight people have been accused of playing a considerable role in the riots.

Intelligence Minister Gholam-Hossein Mohseni Ejei told reporters on Sunday that there are films and pictures proving that some of these embassy staff members were among the rioters.

He said the British embassy played an important role in sparking the recent riots both through its local staff and the media, IRNA reported.

The embassy sent certain local employees to incite rioters, the minister added.

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UN human rights mission holds hearings on Gaza war

GAZA CITY (AFP) — A UN human rights mission began two days of public hearings on Sunday as part of its investigation into alleged violations committed during the devastating war in the Gaza Strip at the turn of the year.

The delegation is headed by Richard Goldstone, a South African judge who previously served as chief prosecutor for international criminal tribunals for the former Yugoslavia and Rwanda.

Investigators plan to publicly interview dozens of victims, witnesses and experts about the 22-day conflict launched by Israel in late December in which more than 1,400 Palestinians and 13 Israelis were killed.

One of the first people to testify was Musa Silawi, a 91-year-old man who recounted an air strike on a mosque in the town of Jabaliya that killed 17 people, including his son and four other members of his extended family.

"After the evening prayers we heard the shell hit the mosque and we had no idea what happened. We all started screaming, 'God help us!'" he said.

"I am 91 years old and I have never seen anything like this catastrophe."

The mission was expected to look into several allegations of human rights violations that emerged in the aftermath of the war.

"The purpose of the public hearings in Gaza and Geneva is to show the faces and broadcast the voices of victims -- all of the victims," Goldstone said last week.

(Contd. on P. 15)

Politicos warm up to special committee on election

Tehran Times Political Desk
TEHRAN — A number of political figures have welcomed the decision to establish a special committee tasked with preparing a report on the election process and supervising the recount of ten percent of the ballot boxes.

Two of the losing presidential candidates, Mohsen Rezaei and Mahdi Karroubi, have also expressed satisfaction over the establishment of the special committee but have called for some changes and set certain conditions.

Guardian Council spokesman Abbas Ali Kadkhodai announced on Saturday that former foreign minister Ali Akbar Velayati, former Majlis speaker Gholam-Ali Haddad-Adel, former GC jurist Goudarz Eftekhari Jahromi, Prosecutor General Qorban-Ali Dorri Najafabadi, Majlis Vice Speaker Mohammad-Hassan Aboutorabi-Fard, and the Leader's representative to the Martyrs' Foundation, Mohammad-Hassan Rahimian, are the members of the committee.

In a letter sent to the Guardian Council which was

published on Sunday, Rezaei said the agenda of the committee must not be predetermined or "dictated" and the members should investigate the election process and all complaints based on their own plan.

In order to gain the confidence of the people and the candidates, the make-up of the committee should be changed to make it more inclusive and less biased, Rezaei wrote in his letter.

No strict time limitations should be set for the work of the committee, and it should have full authority, he added.

In another letter sent to the Guardian Council which was also published on Sunday, Karroubi said he welcomes the decision to establish an independent committee as long as it includes moderate figures.

Karroubi wrote that some of the people appointed to the committee had previously taken a biased stance toward the election, and therefore the role that they will play on the committee is clear beforehand.

Former MP Majid Ansari said since some of the complaints are related to the way the election was conducted, it is essential that an independent

investigation is conducted.

In an interview with the ISNA news agency published on Sunday, Ansari said a partial recount of the ballot boxes is only one of the demands of some of the losing candidates.

Ansari, a senior member of the Association of Combatant Clerics, said regaining the confidence of the public is more important than the results of the election.

Young Developers Society spokesman Hassan Bayadi said if the committee is tasked with arbitrating in the post-election dispute, it is essential that all parties trust its final verdict.

However, some of the members of this committee have made biased remarks in the past, he told the Mehr News Agency on Sunday.

MP Hossein Nejabat of the Majlis Presiding Board said on Sunday that since Karroubi and Mousavi did not welcome the establishment of the committee, there is actually no reason for the committee to investigate the election results.

(Contd. on P. 15)

Army ousts Honduras president in vote dispute



Honduras' President Manuel Zelaya speaks on national television at the Presidential house in Tegucigalpa June 27, 2009. (Reuters/Edgard Garrido)

TEGUCIGALPA (Reuters) — The Honduran army ousted President Manuel Zelaya and threw him out of the country on Sunday in Central America's first military coup since the Cold War, after he upset the army by trying to win re-election.

U.S. President Barack Obama expressed deep concern after troops came for Zelaya, an ally of leftist Venezuelan President Hugo Chavez, at dawn and took him away from his residence.

A military plane flew Zelaya to Costa Rica and CNN's Spanish-language channel said he had asked for asylum there.

(Contd. on P. 15)

Russia's maneuvers in Caucasus highlight volatility of region

TBILISI, Georgia (Washington Post) — Military helicopters circled once again over Georgia's mountainous terrain. Amid the crackle of gunfire, soldiers ran across battlefields carrying comrades on stretchers. But this was no repeat of last summer's brief war with Russia. It was a training exercise -- and this time, NATO sent help.

The month-long exercises, which concluded June 3 and involved more than 1,000 soldiers from 14 countries, took place near Georgia's border with the breakaway territory of South Ossetia and were condemned by the Russian government as a "provocation."

Now the Kremlin is preparing to stage its own military maneuvers in the Caucasus region. Russia's top commander, Gen. Nikolai Makarov, has said the "large-scale exercises" will involve "all the brigades of the North Caucasus Military District, the Black Sea Fleet and Caspian Flotilla marine brigades."

Makarov will personally oversee the operation, dubbed Kavkaz-2009, according to Russian state media. The exercises are set to begin Monday and end July 6, just as President Obama is scheduled to arrive in Moscow on his first state visit.

Aafia Siddiqui's mental health discussed 'in-camera'



NEW YORK (Dawn) — The mental status of Dr. Aafia Siddiqui, the Pakistani national indicted in the U.S. on terrorism charges last August, was discussed in detail at an "in-camera" proceeding in the New York Court Friday.

The hearing was scheduled to ascertain Ms. Siddiqui's mental health to stand trial by U.S. Federal Court Judge Richard Berman. The court appointed doctor, Mr. Powell gave his opinion on Ms. Siddiqui's mental status in the presence of Judge Berman and Ms. Siddiqui.

Ms. Siddiqui returned to New York from Fort Worth (Texas) where she was sent for mental evaluation. According to sources, Ms. Siddiqui's court appointed lawyer, Dawn Cardi, was also present besides a representative of Pakistan Embassy.

(Contd. on P. 15)

Inflation — the real threat to sustained recovery

By Alan Greenspan

The rise in global stock prices from early March to mid-June is arguably the primary cause of the surprising positive turn in the economic environment. The \$12,000bn of newly created corporate equity value has added significantly to the capital buffer that supports the debt issued by financial and non-financial companies. Corporate debt, as a consequence, has been upgraded and yields have fallen. Previously capital-strapped companies have been able to raise considerable debt and equity in recent months. Market fears of bank insolvency, particularly, have been assuaged.

Is this the beginning of a prolonged economic recovery or a false dawn? There are credible arguments on both sides of the issue. I conjectured over a year ago on these pages that the crisis will end when home prices in the U.S. stabilize. That still appears right. Such prices largely determine the amount of equity in homes — the ultimate collateral for the \$11,000bn of U.S. home mortgage debt, a significant share of which is held in the form of asset-backed securities outside the U.S. Prices are currently being suppressed by a large overhang of vacant houses for sale. Owing to the recent sharp drop in house completions, this overhang is being liquidated in earnest, suggesting prices could start to stabilize in the next several months — although they could drift lower into 2010.

(Contd. on P. 15)