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Article 1.

The Economist

Egypt: to the barricades, again

Feb 2nd 2013 -- WITH angry crowds across the nation baying against him, Egypt's president wagged his finger at the people in a late-night televised speech. He declared a curfew for some cities, he called for support for the police, he deployed the army to the streets. Seemingly as an afterthought, he added a conciliatory call for dialogue with his political opponents.

As on January 28th 2011, so on January 27th 2013. As with President Hosni Mubarak, so with President Muhammad Morsi. And in both cases to little effect. After both televised addresses vast throngs gleefully defied the curfew, freshly deployed soldiers ignored the revellers and the head of the army warned of a collapsing state, prompting rumours of an imminent coup. Opposition leaders demanded a government of national unity. Ordinary citizens braced for the unknown.

The drama that has been unfolding since January 25th, the anniversary of the beginning of the uprising which toppled Mr Mubarak two years ago, would have looked peculiarly familiar even without the eerily precise coincidence of the dates. Some are tempted to see the similarities carried through to the outcome, hoping that Mr Morsi, a stalwart of the Muslim Brotherhood and Egypt's first freely elected president, will soon fall too. "It is amazing how history accelerates," was the catty remark of a prominent defector from the Brotherhood. "Morsi has got to the point Mubarak reached after 30 years in just six months."

Forbidding ways of custom

But though the situation may seem similar, the country itself has changed a great deal since what was at the time seen as a revolution (many shy from the term today). Egypt's economy has foundered dangerously in the absence of firm government policy. Politics has polarised between an ostensibly empowered Islamist camp and a disgruntled, alienated or outright hostile minority that includes much of the educated, urban elite. Amid this mess, fearful for the future and dispirited by haggling politicians, most Egyptians have little appetite for another big upheaval. The army, which stepped in to shunt Mr Mubarak aside and then lingered too long, is reluctant to dirty its hands again.

The young hotheads at the heart of today's protests might like nothing more than to see Mr Morsi forced into an ignominious, Mubarak-like exit. But the broader demand is for him to change, not to go—to act more like a leader for all Egyptians and less like a front man for the Muslim Brotherhood. The Brotherhood

has shed much of the appeal that won it various recent elections and tentatively protected it against doubts, not least among foreign powers, about Islamist rule. At home its cult of secrecy, hazy pan-Islamic agenda and sense that it rules by entitlement now provoke suspicion and resentment even among many fellow Islamists.

Whatever its specific focus, the mounting unrest presents an increasingly dangerous challenge to Egypt's battered and creaking state. There would have been protests to mark the anniversary anyway, but the sentencing to death of 21 football fans from Port Said on January 26th wound them up to a new level of intensity. Football fans have been among the most eager activists; the judgment on the fans from Port Said, who were held responsible for the deaths of 72 people at a game in Cairo last year, sent a crowd swarming to the prison where they were kept. Panicked police opened fire, killing 30 people. They fired again at the mass funeral of those victims, killing yet more. The mix of seemingly twisted justice—the people of Port Said think their fans are being scapegoated—brutally unaccountable police and haughty disdain for working-class provincials revived precisely the rage that fuelled revolution two years ago.

Rioters have disrupted trains and traffic. Arsonists have attacked buildings used by the government and the Brotherhood. Three big cities on the Suez Canal, Egypt's prime strategic asset, are in a state of defiant, if largely peaceful, insurrection. Radical Islamists and secularists accuse each other of forming armed militias, an ominous development.

The country is sending Mr Morsi a loud message about the need for political inclusiveness. The question is whether Mr Morsi

and the Brothers are listening.

Two years, two stories

When Egyptians of all classes and persuasions united against their dictator of three decades in 2011, the call was for bread, freedom and dignity. The results under all three headings have been mixed and each gain has come at a price. The brief unity is long since gone; accounts of what happened to it, and to the country, depend strongly on who is telling them.

The version favoured by Islamists is a saga of success. Founded in Egypt in 1928, the Muslim Brotherhood endured decades of suppression. Drawing inspiration from a wide range of hierarchical institutions, from the Boy Scouts to the Communist Party, the Brothers worked assiduously to spread a culture of resistance to Western influence.

Their message, expounded by a disciplined network, resonated more and more under Mr Mubarak. Faith provided solace and strength in the face of poverty and political repression. And Mr Mubarak allowed the Brotherhood just scope enough to spook Western powers, who could reliably be worried by Islamist bogeymen. This cynical ploy gave the Brotherhood a level of political experience no other opposition to Mr Mubarak could match.

The temporary military rulers who followed Mr Mubarak saw the Brotherhood as a partner capable of harnessing the Egyptian “street” while subject to the sort of discipline with which military men feel comfortable. They took its advice when crafting their transition plan—which, promoted by Islamists as a vote for the faith, was passed with a thumping 77% majority in

March 2011. This plan deferred the drafting of a constitution, calling first for parliamentary elections: parliament would then select a constituent assembly to write a constitution. Once that had been written, Egypt could hold a presidential election.

Aware of its electoral advantage, the Brotherhood initially promised to run for only a third of parliamentary seats. But it changed its mind, and the elections of December 2011 to January 2012 gave the Brothers 47% of seats. To widespread surprise Salafist parties, representing an even more conservative Islamist tendency, claimed nearly a quarter of the votes. “We have tried socialism and capitalism,” was the simple refrain voiced widely in Egypt’s sprawling slums and villages, “so why not try Islam?” In many constituencies voters had no other choice. Secular parties had little reach outside cities, and could certainly not match the Islamists’ provision of charity, cheap goods and useful services. They scarcely bothered to compete for seats in the Shura Council, the weak upper parliamentary house, which was elected on a tiny turnout in February 2012.

Understandably, the Islamists saw parliamentary elections as a vindication of their claim to represent Egypt’s silent majority. But as the new parliament, well stocked with what many educated Egyptians regarded as bearded yokels, fell into bickering and grandstanding, a backlash began to build. The generals, still in power until the June 2012 election of a new president, began to share fears, felt deeply by Egypt’s Christian minority and also by the country’s entrenched establishment, that the Islamists’ agenda could prove dangerously divisive. Courts dismissed the parliament’s first choice of a 100-person constituent assembly, ostensibly on technical grounds but really, it appears, because it was seen as insufficiently representative of

non-Islamists. Though the constitution was delayed, the army decided presidential elections should go ahead regardless.

When the Brotherhood broke an earlier promise not to run a presidential candidate, the army-appointed elections board disqualified its first choice, Khairat al-Shater, a businessman seen as the group's intellectual strongman. Mr Morsi, its reserve candidate, was a professor of engineering known for unquestioning loyalty to the Brotherhood's "guidance bureau".

Despite the Brotherhood's powerful and well financed machine, Mr Morsi garnered just 25% of the vote; more than any other candidate, but a lot less than expected. Overall, non-Islamist candidates captured a slim majority. But the one among them with the most votes, and thus Mr Morsi's second-round opponent, was Ahmed Shafiq, a suave air-force officer and a minister under Mr Mubarak—a past that many non-Islamists could not stomach. Their votes were crucial in giving Mr Morsi his eventual narrow win. To soothe their fears, Mr Morsi resigned from the Freedom and Justice Party, the Brotherhood's political front. He pledged to represent all Egyptians fairly, promised a just constitution, and appointed a largely technocratic government. He also cultivated ties with the army, punctiliously attending its parades.

Some lurking right

Since then Mr Morsi has ratcheted up his power with two bold moves. The first came in August. He took a terrorist attack in Sinai as grounds to purge the high command of Mr Mubarak's top generals on the basis that the army should have been better prepared. This boosted the president's stature without terminally

alienating the troops, who felt the old men at the top had been overdue retirement. But his popularity has waned as he has become ever more closely identified with the Brotherhood.

Mr Shater, a heavy-set veteran of Mr Mubarak's prisons, is widely seen as more powerful than the prime minister. The Brothers' chief foreign-affairs spokesman, Essam Haddad, in effect bypasses the foreign ministry to conduct international relations. Their most senior economist, Hassan Malek, a rich businessman, exercises a powerful influence on economic policy behind the scenes. Mr Morsi has inserted Brothers as provincial governors and ministerial under-secretaries while seeking to widen his powers of appointment in the courts, the state-owned banks, and the trade unions. At the same time he has needlessly offended other constituencies, for example by neglecting to attend the enthroning of a new Coptic pope.

Even natural allies express doubts. "It's become clear that the Brothers seek to control all the gears of state," complained Nader Bakar, spokesman of the Nour Party, the largest Salafist group, in a recent television interview. Secular critics fear a state as powerful, corrupt and undemocratic as Mr Mubarak's.

On the other hand

The revolution's descent into a power grab is the other way of telling the story of the past two years. This counternarrative to Islamist triumphalism is often ascribed to "secular opinion", but it is more broadly held than that phrase would imply. People who see things this way often sympathise with Islamist calls for cleaner government and sounder public ethics. Many had assumed the Brothers, whose ranks are largely filled with

doctors, engineers and small-scale businessmen, would prove competent and efficient as well as sensitive to pressing social needs.

Mr Morsi's second bold move, on November 22nd last year, provided new grist for both narratives. Basking in acclaim for helping to stop the fighting between Israel and Palestinians in Gaza, Mr Morsi decreed that the Shura Council and the constituent assembly were immune to court orders. In the Brotherhood's version of the story, his aim was to stop the courts, still dominated by Mr Mubarak's appointees, from again dismissing the constituent assembly, as they had at the time of the presidential election, and disbanding the Shura Council—the only elected legislature, since the courts had disbanded the lower chamber at the time of the presidential election. So Mr Morsi was safeguarding democracy.

Critics retorted that the constituent assembly had, following mass resignations, been stripped of both non-Islamist members and legitimacy. Mr Morsi's intervention was meant to allow it to continue setting the Brotherhood's "Islamic" stamp on the constitution.

Crowds again surged into Cairo's Tahrir Square, denouncing the president as a new dictator, later laying siege to the presidential palace. Many of his advisers, including Islamists, resigned. But Mr Morsi held firm, telling the rump constituent assembly speedily to close its deliberations.

This the obedient body did, producing in a single marathon session what Islamists hailed as the finest constitution the world has seen. Leaked video showed a Salafist leader privately

assuring followers that the constitution contained “excellent” strictures on freedoms, and that, when Egypt’s current, liberal-leaning top cleric was forced into retirement, its provisions for clerical oversight of the laws would come into their own.

Mr Morsi ordered a snap referendum to approve the draft. It was endorsed by 64% of the vote. Yet barely a third of the electorate bothered to turn out, a steep decline from previous votes. And Cairo, Egypt’s biggest city, voted no.

Mr Morsi has since been conciliatory, convoking a “national dialogue” and renouncing extra powers he seized in November. Not that he needs them. The new constitution helpfully invests temporary full legislative powers in the still-sitting Shura Council, its Islamist majority brought in last year by just 10% of the electorate. It has been busy issuing laws helpful to the Brothers. As for the national dialogue, even tame members of the opposition protest that its decisions, following review by the Brotherhood’s guidance council, have been ignored.

Mr Morsi’s non-Islamist opponents now need to decide how their story continues. “They are in a quandary,” says Tewfik Aclimandos, a political scientist, “Either they can play the game by the Brothers’ rules, which risks losing and being stuck with them for a very long time, or they can opt to disobey, which is risky because the public is exhausted and the outcome is unknown.” So far, the National Salvation Front (NSF), a non-Islamist umbrella group, has chosen to focus on the parliamentary elections, currently expected in April. Few of its people think it can win, but are confident of loosening the Brothers’ hold.

But the recent surge of unrest could change everyone's calculations. The protesters on the street distrust politicians in general, loathe the as-yet-unreformed police whom they charge with hundreds of deaths and thousands of injuries during and since the revolution, and have no interest in patiently watching the Brotherhood tighten its grip.

No silence, no majority

Mass defiance of the president's curfew order in the canal cities, along with persistent protests elsewhere, have deeply dented Mr Morsi's prestige. Few elsewhere in Egypt fully share the fury of Port Said; many despise the destructive antics of, as they have been called on Twitter, "spoiled brats living out Che Guevara fantasies". Yet the frustrations of rising unemployment and soaring prices are keenly felt, and exacerbate the political discontent.

Mr Morsi is trying harder to coax the NSF into his hitherto vacuous dialogue. He speaks with new seriousness of being open to revising the constitution. He is working on securing backing from the International Monetary Fund for economic reform. Without broad support, though, enacting such reform will be impossible, and so far he has rejected demands to form a broader-based government of national unity, an idea endorsed by leading Salafists as well as the NSF. If he could summon to such a task of reconciliation the boldness he has previously displayed in his own interest, his country might move forward. If he does not, Egypt's divided narratives will split further asunder. Radical Islamists could seek to settle scores with those they see as challenging "their" revolution. If so their opponents will fight back, and the world's willingness to help would fade.

Miserably, his people might just decide that things were better in the old days.

Article 2.

SADA - Carnegie Endowment for International Peace

Egypt's Hard Economic Choices

Mohammed Samhour

January 30, 2013 -- Since the early days of the revolution, Egypt's policymakers have been battling two main economic challenges: maintaining a stable value of the local currency in the face of growing balance of payment deficit, and securing resources to finance an expanding budget deficit. These two battles seem to have reached a critical juncture by the end of 2012, when a series of adverse developments hit Egypt's fragile economy.

In the final three weeks of 2012 a preliminary deal with the International Monetary Fund (IMF) for a crucial \$4.8 billion loan was postponed; Egypt's sovereign credit rating was cut to "junk" status (same as Greece) by Standard & Poor's (S&P); foreign exchange reserves reached an alarming "critical minimum"; the Egyptian pound slid to a record low not seen in eight years; and a budget deficit for the current fiscal year, ending on June 30, that could very well exceed initial projections by 50 percent.

Still, 2013 brought even more bad news: \$5 billion in foreign investments had left the country during the second half of 2012; Moody's placed Egypt bond ratings on review for possible downgrade; and a new World Bank report projected a 2.6% growth rate for Egypt this year, much lower than the government estimate of 4%. These developments are all interrelated, and better analyzed and understood in the wider post-revolution macroeconomic context which, for two years now, continues to be mired in political strife and policy uncertainty.

On the monetary side, and since January 2011, the Central Bank of Egypt (CBE) has been struggling to keep downward pressure off the pound, amid continued dwindling of foreign cash receipts from foreign investment and tourism. In the process, CBE was losing an average of \$1.4 billion a month in an attempt to defend the national currency. By April 2012, Egypt foreign reserves were down to \$15 billion from their January 2011 level of \$36 billion; a level enough to cover 3 months' worth of imports. Since mid-2012, dollar-and euro-dominated debt securities' sales, and a total of \$4 billion from Saudi Arabia, Qatar and Turkey deposited in CBE kept foreign-currency from falling below \$15 billion.

Bonds sales and foreign deposits, however, only bought Egypt little time. By mid-December, signs of worsening international reserves position began to surface when banks started to bring dollars from their overseas accounts to meet growing local demand, followed, days later, by a government decree limiting foreign currency transfers in and out of Egypt to a max of \$10,000 per traveler. A clear indication that the era of defending the national currency was over, however, came when CBE revealed that Egypt foreign reserves had plunged to a "critical

and minimum level,” and announced the introduction of a new foreign exchange auction mechanism to buy and sell the US dollar.

Allowing Egypt’s pound to weaken had resulted in an 8% loss of its official value since mid-December. Whether this new policy of managing the country foreign exchange was an IMF loan-related condition or not, remains to be known. But for now, it is the inflationary impact of the pound fall that is of immediate concern in a country that imports 60% of its food and 40% of its fuel, and where over 25% of the population—50% in rural areas and city slums—live below poverty line. Add to this a jobless rate of 25% among young Egyptians, and the result is an explosive socioeconomic mix at hand.

On the fiscal front, Egypt has been facing a growing fiscal deficit which reached 11% of GDP (about \$28 billion) last year, and is expected by the end of the current 2012/13 fiscal year to jump to 13% of GDP (close to \$31 billion). With almost 80% of the state budget allocated to wages, subsidies and debt services, Egypt’s finance officials have little room for maneuvering. Raising taxes or cutting expenditure in the context of economic decline and rocky transition were not politically feasible and likely to carry a high social price. Borrowing, thus, seemed the only option left.

External official finances, however, were not readily available, and all seemed to be tied to Egypt undertaking necessary political and economic reform measures to ensure stability and sustainability of the country and its economy. And with Egypt’s international credit rating constantly on the decline (it has been downgraded five times by S&P since the revolution), borrowing

from international markets was increasingly hard and costly. Post-Mubarak Egypt had twice approached the IMF, in May 2011 and again in January 2012, asking, then, for a \$3.2 billion loan, and in both cases, internal domestic politics hindered a fruitful conclusion of the talks.

Egypt, thus, relied extensively on domestic borrowing, causing domestic debt to rise from 76% of GDP by end of 2010/11 fiscal year to 80% by end of fiscal year 2011/12. With external debt currently at \$34.7 billion, or 13.5% of GDP, Egypt's total public debt now is fast approaching the size of its economy. More worrying is the continued rise of government debt as a percentage of domestic banks' total deposits and total credit, which amount to 55% and 56%, respectively. This high exposure to debt, for the country and its banking sector, partly explains the continued deterioration of their international credit standing.

Desperate for cash, Egypt turned, again in August 2012, to the IMF. This time asking for \$4.8 billion loan; a 50% increase from the request made before. Three months later, a preliminary agreement was reached between the parties based on Egypt commitment to implement a homegrown economic reform program which aims to reduce the country's budget deficit from 11% of GDP this year to 8.5% of GDP by 2014. This, according to the plan, is to be achieved, inter alia, through a mélange of tax hikes on sales, income and property, and through expenditure cuts. That loan arrangement is now on hold after Egypt retreated last December from raising sales taxes that were part of the IMF deal, hours after they were announced.

Given the sad state of its economy, Egypt is in dire need for the

IMF's support. With its foreign reserves already at rock bottom; its international credit rating recently "Greece-ed" by S&P; its cost of borrowing rising; and with the public debt, both domestic and external, reaching over 90% of GDP, Egypt is eager to conclude the IMF deal; not only for the \$4.8 billion loan, but also to unlock additional international aid--about \$10 billion—from a number of foreign countries and institutions that have conditioned their financial support to Egypt on finalizing the IMF deal.

But this will not be a panacea, nor will it be cost free. If faithfully implemented, the IMF-supported reform plan is certain to have inflationary consequences, some of which have already been felt by consumers around the country. Coupled with the inflationary impact of the pound's fall, this could very well trigger waves of social unrest among the less-privileged, poverty-stricken Egyptian masses lacking social safety nets.

And this is where Egypt's ultimate economic policy challenge this year lies: how to reconcile the high expectations of ordinary Egyptians for a better living, and respond to their passionate cry made two years ago this month at Cairo's Tahrir Square for "bread, freedom and social justice," while, at the same time, implement—in an increasingly chaotic political setting—a deeply unpopular IMF-required program that, in addition to the much-needed cash it will provide, is all but certain to inflict harsh economic pain on Egyptians' lives and livelihoods. Finding a solution to this intricate puzzle will be Egypt's leadership ultimate challenge in 2013.

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Article 3.

NYT

Israel's Mr. Normal

Roger Cohen

February 2, 2013 -- ON Shabbat, Yoraan Rafael Reuben and his wife, Anda, light candles, say prayers and watch a Hindi movie. He's an Indian Jew who settled in Israel in 2005. She is from Romania by way of New York. In their early 30s, they are struggling to make their way in photography and graphic design. Life is expensive. If you are not in high tech, opportunities seem limited. They miss their families back in Mumbai and Bucharest. When Hamas rockets boomed last November, Anda said to Yoraan, "You know what, let's get out of here." But the moment passed, they stayed and they voted for Yair Lapid, the new kid on the Israeli political block after the election last month.

"The reason we chose him is we don't like extremists," Yoraan told me. "People here think all extremists are in the Arab world, but there are plenty in every religion, including here." Anda said that two hours before voting she was undecided, but concluded that Lapid might do something because he understood "how much better off we might be" if entitlements for the ultra-

Orthodox and investment in West Bank settlements were not “draining the country.”

The concerns of this Indian-Romanian-Zionist couple illustrate an ache for normality among younger Israelis. Tom Segev, an Israeli historian, told me that voters who chose Lapid “decided to vote for nothing, a TV image, a kind of anti-Orthodox Likud lite.”

A ballot cast for nothingness is a curious choice in a nation surrounded by turmoil. Israelis — like the French with François Hollande — went for a Mr. Normal, but a better-looking one. Lapid, a former TV talk-show host and now the second most powerful politician in Israel after Prime Minister Benjamin Netanyahu, is reasonable. He wants everyone to pull their weight, especially the welfare-supported ultra-Orthodox who avoid the draft. He thinks talking to Palestinians is a good idea.

He is also a secular nationalist who made his campaign speech about diplomacy in Ariel, a large West Bank settlement. He is a man who leans right, the darling of the jeep-driving tycoons of start-up-nation Israel who worry more about the country’s battered image than its squeezed youth and middle class, the likes of Yoraan and Anda. His moderation is more aura than anything.

Speaking of auras, Israel’s is both surreal and serene. Its cafes are full. Cranes hover over new high-rise condominiums and high-speed train projects. The land where cheese long came in two forms — white or yellow — has become a gastronomic encomium.

So Lapid fits as a plausible symbol of an Israel that looks more

and more like brie-eating Europe. Yet the country abuts a disintegrating Syria, a dysfunctional Egypt and a disjointed proto-Palestine. The Palestinian tortoise remains mired in a disordered morass. The Israeli hare has dashed to high-tech modernity. The race, it seems, is over.

But of course this juxtaposition of development and desperation remains combustible. There are reminders: those Hamas rockets, a handful of Palestinians killed in a sullen West Bank since Jan. 1, and now Israeli airstrikes on Syria aimed at preventing weaponry from reaching Hezbollah. Here again Lapid the anti-extremist fits in. He embodies a nagging Israeli question: Has the country's isolation been needlessly exacerbated by Netanyahu, and can that seductive surface normality ever be normalized?

Lapid's medium is vagueness. But he will not answer this Israeli hankering for stability by giving Netanyahu carte blanche for more of the same. A minister in Netanyahu's departing government, a moderate Likudnik at odds with the party's ascendant hawks, told me his message to Lapid: "You ran around the peace thing, but you can't escape it. There will be settlement activity and pressure from the United States and Europe to stop it. If you have a policy on the settlements, state it before you join the coalition."

To get beyond nothingness, Lapid has at the very least to declare that he opposes settlement building outside the blocks that Israel wants to incorporate through land swaps in any peace deal. He should set this as a coalition deal breaker. He must insist that the continued undermining of the Palestinian Authority — through soldier or settler violence, military intrusions into Palestinian-

run areas, scattered settlement expansion — benefit only Hamas. Otherwise the peace talks Lapid says he wants are the talks Netanyahu has wanted: the kind that go nowhere.

As the Reubens understand, Lapid's domestic themes are tied to the conflict. The superhighways, tunnels and elaborate barriers that accompany settlement expansion in the West Bank are expensive. I went to an outpost in the Gush Etzion settlement constellation. Caravans under army protection had been connected to the electricity grid. "Where's the money?" was Lapid's slogan. That's where the money is. It is not helping the likes of Yoraan and Anda, who should be the hope and future of Israel.

Article 4.

Salon

Can Elliott Abrams be stopped?

Jordan Michael Smith

Feb 2, 2013 -- Though secretary of defense nominee Chuck Hagel's confirmation hearings were bruising, thanks to aggressive questioning from Sens. John McCain and Lindsey Graham, it could have been worse. His staunchest critic was absent.

More than anyone else, it is Elliott Abrams who has questioned the former Nebraska senator's qualifications and character. Abrams twice called Hagel an outright anti-Semite, a smear

other neoconservatives hinted at but couldn't bring themselves to utter. So outrageous was Abrams' slur that the head of the Council on Foreign Relations, where Abrams is a senior fellow, publicly criticized it.

Neoconservatives deploy baseless accusations of anti-Semitism as frequently as they indulge in nepotism, of course. But that Abrams has, once more, pushed himself to the center of a foreign policy debate is remarkable: The man is, after all, a convicted criminal. And yet, not only was Abrams exempt from serving prison time for his misconduct — he was later pardoned by President George H.W. Bush, in the days after his loss to Bill Clinton — but he has since been fully accepted back into the highest echelons of the Republican foreign-policy community. Abrams' bizarre reincarnation as a pseudo-statesman shows that even committing crimes counts as insufficient to merit excommunication from government service.

Abrams seems cooked from a neoconservative recipe. Born to a Jewish New York home, he was once a reliable Democrat. He opposed the Vietnam War and criticized police handling of student protesters in the 1960s. But he rejected the counterculture and began writing for *Commentary* and the *Public Interest*, magazines themselves alienated from the New Left and on a trajectory from left to right. He joined the staff of hawkish Washington Sen. Henry "Scoop" Jackson, a key influence on so many neocons, from Abrams to Paul Wolfowitz to Richard Perle, and later went to work in New York Sen. Daniel Patrick Moynihan's office.

1980 was a big year for Abrams. He married the daughter of Norman Podhoretz, the longtime *Commentary* editor before his

son succeeded him. And he joined Democrats for Reagan, having been disgusted by Jimmy Carter's foreign policy and personally offended by being shut out of Carter's government. "Carter never had a human rights philosophy except that the U.S. was generally a bad place going around the world doing bad things," he complained to a reporter. Abrams was tapped for the innocuous-sounding post of assistant secretary of state for international organization — but there was nothing innocuous about Abrams.

He became perhaps the most controversial member of the Reagan administration. Abrams was the face of Reagan's anti-Communist offensive in Central America. In his own words, he "supervised U.S. policy in Latin America and the Caribbean." Those policies involved indisputable human-rights violations that brought minimal strategic benefits. The International Court of Justice found the Reagan administration guilty of violating international law in its support of the anticommunist rebels in their campaign against Nicaragua, and of mining the country's harbors. Guatemala and El Salvador saw similar abuses, with the U.S. providing assistance to organizations and individuals responsible for blatant war crimes.

Abrams was often the public face of Reagan policy in Central America: He was combative and arrogant, and would bait his critics, a proto-Donald Rumsfeld. Years later, he was unapologetic about his central role in assisting dictatorships, writing later that, "The violence is ending now in part because of the collapse of Communism throughout the world, but more because Communist efforts to take power by force were resisted and defeated. In this small corner of the Cold War, American policy was right, and it was successful."

But it was the lies, not the violence, that got Abrams in trouble with the law. He was indicted for lying to Congress about his role in coordinating the Iran-Contra scandal, in which the Reagan administration sent arms to Iran (despite an embargo) in exchange for cash diverted to the Nicaraguan Contras (also prohibited). During a congressional hearing, Democratic Sen. Terry Eagleton said Abrams' lies made him "want to puke." Republican Sen. Dave Durenberger quipped, "I wouldn't trust Elliott any further than I could throw Ollie North." Abrams pleaded guilty to two charges of withholding information from Congress, in order to avoid a trial. He was sentenced to two years' probation and community service.

That should have been that. But in 1992, outgoing President George H.W. Bush pardoned Abrams, along with other Iran-Contra veterans. Later, Bush Junior appointed Abrams to a National Security Council post in 2001. Human Rights groups were aghast. Abrams' appointment was "a decision by the Bush administration to embrace the shameful legacy of suffering and death caused by U.S. foreign policy in Latin America during the 1980s," said the director of the School of the Americas Watch. Nonetheless, the move wasn't entirely unprecedented. "We have a rather considerable record of overlooking crimes that are done for "policy" reasons," says Lawrence Wilkerson, Colin Powell's chief of staff. "Aaron Burr walked back into the Senate as if nothing had happened after he — by the then-extant law — murdered Alexander Hamilton. Astonished though every single senator was, according to the record, Burr presided untouched."

Abrams was soon given policy power over Iran and Iraq — "I have two-thirds of the Axis of Evil!" he told a friend. He made the most — one might say the worst — of the situation. He

weakened Bush's "Road Map for Peace" in the Middle East, permitting Israeli leader Ariel Sharon to expand settlements in the Palestinian territories. According to Vanity Fair, Abrams was instrumental in fomenting a civil war between Hamas and Fatah in 2007. The plan was "to give Fatah the muscle it needed to remove the democratically elected Hamas-led government from power," read the report. Of course things did not quite go according to plan: "The secret plan backfired, resulting in a further setback for American foreign policy under Bush. Instead of driving its enemies out of power, the U.S.-backed Fatah fighters inadvertently provoked Hamas to seize total control of Gaza."

Somehow, though, even that failure did not lead to a diminishing of Abrams' power. After the Bush presidency, Abrams went to the Council on Foreign Relations. He has been a high-profile critic of Obama, and was the top foreign-policy adviser to vice-presidential candidate Paul Ryan. Topping it off, Abrams has a new book out about the Bush administration's handling of the Israeli-Palestinian conflict. It is blurbed by his good friend, Dick Cheney. "Elliott Abrams played a major role in the development of Mid-East policy during the Bush administration," writes Cheney.

Indeed, Abrams did. And as his prominence in the Hagel controversy shows, he continued to play an important role in American foreign-policy debates. As a one-time chairman of the Joint Chiefs of Staff said about Abrams, "This snake's hard to kill."

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Article 5.

The Daily Beast

With Prince Muqrin's Appointment, Saudi Succession Crisis Looms

Bruce Riedel

Feb 3, 2013 -- Generational change has been postponed again in Saudi Arabia, and the kingdom's succession process is now clear for the foreseeable future. With King Abdullah's appointment this week of his half-brother Prince Muqrin bin Abdulaziz to the position of second deputy prime minister behind Crown Prince Salman, the inner circle of princes that has run the kingdom for half a century will retain power.

Prince Muqrin, along with King Abdullah and Crown Prince Salman, are all the first-generation offspring of the current kingdom's founder, King Abdul Aziz. This generation has been in power for nearly 60 years, and the Arab spring isn't stopping the House of Saud from sticking with its veteran lineup.

The new second deputy prime minister, the slot from which future kings move up in the kingdom, was born Sept. 15, 1945. Educated at the Royal Air Force College in Cranwell, England, Prince Muqrin became a pilot in the Saudi Air Force and then,

like many of the royals, he was given a remote province to govern as a young man. In 1999 he was promoted to be governor of Medina province, home of the kingdom's second holy city. Eight years ago, Abdallah made him head of Saudi intelligence, a job he held until last year, when he was replaced by the former ambassador to Washington, Prince Bandar bin Sultan. Muqrin is an affable and competent leader, but he did not excel as spy chief.

Muqrin has always been one of Abdullah's favorites and often accompanies the king when he travels for business or for health reasons. Both the king and crown prince are in poor health, with the king making repeated trips to hospitals in the United States in recent years. Salman has been reported to be increasingly ill as well and often not up to the job.

The current Saudi Kingdom is the third state created by the House of Saud. Two earlier kingdoms dating back to 1745 collapsed due to outside pressure and internal divisions created by succession quarrels. All three have been based on a unique partnership between the Saudi royal family and a conservative clerical establishment begun by Muhammad ibn Abd al Wahhab, one of the most important Islamic figures since the earliest days of the faith. The Saud-Wahhab alliance remains crucial to the kingdom's stability today. Since the kingdom is also home to Islam's two holiest cities, that partnership has global implications.

Front pages of Saudi newspapers featuring a story on the return of King Abdullah bin Abdul Aziz in the Saudi capital, Riyadh, on February 23, 2011 as he flew out of Morocco and headed home after recovering from back surgery. (Fayez

Nureldine/AFP/Getty)

Simmering just below the surface is a country perhaps increasingly ripe for revolution. Sixty percent of Saudis are 20 or younger, and most have no hope of a fulfilling job. Seventy percent of Saudis cannot afford to own a home; 40 percent live below the poverty line. The royals, 25,000 princes and princesses, own most of the valuable land and benefit from a system that gives each a stipend and some a fortune. Foreign labor makes the kingdom work; 19 million Saudi citizens share the Kingdom with 8.5 million guest workers. Since the start of the Arab spring, the king has spent \$130 billion in new stipends and projects to try to buy off dissent.

Other fault lines are getting deeper and more explosive. Hejazis in the west and Shia in the east resent the strict Wahhabi lifestyle in the Nejd central desert. Gender discrimination, essential to the Wahhabi worldview, is a growing problem, as more and more women become well educated with no prospect of a job. Sixty percent of Saudi college graduates are women, but they are only 12 percent of the workforce. Abdullah recently tried to appease them with appointments to the powerless consultative council, only to provoke outrage from the Wahhabi establishment.

For decades, the kingdom has been blessed with good leadership, and King Abdullah is a progressive by Saudi standards. Muqrin is a good choice for now. But sooner rather than later the third Saudi state will face an unprecedented succession challenge. Since the death of ibn Saud in 1953, succession has moved only among his sons. Now they are all old, ill, and few in number. The kingdom will have to pick a

grandson of ibn Saud, and there is no agreed formula for how to do so other than the last of the current line will choose from his own sons. The House of Saud will enter a new world then, without the legitimacy its leaders have enjoyed for a century. History is not encouraging. The second Saudi state fell apart over succession problems in the late 19th century.

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Article 6.

The Fletcher Forum of World Affairs

An Interview with James A. Baker, Former Secretary of State

Forum Staff

January 27, 2013 -- *James A. Baker III was the sixty-first Secretary of State of the United States, serving from January 20, 1989 through August 23, 1992. He also served as White House Chief of Staff under*

President Ronald Reagan and President George H.W. Bush, and was the United States Secretary of the Treasury from February 4, 1985 to August 17, 1988. He is presently a senior partner in the law firm of Baker Botts and honorary chairman of the James A. Baker III Institute for Public Policy at Rice University.

FLETCHER FORUM: As Secretary of State, one of your primary responsibilities was the maintenance of key alliances to balance shifting global trends and crises. In looking back on the last several years, and as the U.S. addresses a rising China and uncertain outcomes in the Middle East, how would you assess American alliance management from a policy standpoint? What advice do you have for the next administration?

BAKER: I believe that our formal alliances – notably, with the NATO members, Japan, and South Korea – remain the bulwark of security in Europe and East Asia. Such traditional partnerships permit us to leverage our power in ways that promote regional stability. Informal alliances can also play an important and sometimes decisive part in advancing U.S. interests; the international coalition we assembled to eject Iraq from Kuwait in 1990-1991 is a signal case in point. Maintaining the strength of our alliances will be an important priority for the next administration, whoever is elected president. Going forward, we will need to be flexible in our management of existing alliances and imaginative in creating new ones. I do not believe that conflict with China, for instance, is inevitable. But should the day come – and I sincerely hope it does *not* – when we must contain China, we would be wise to find potential partners. These will include our treaty allies such as Japan, South Korea, and Australia. But we may also need to look to other powers in the region, notably India, and perhaps even

Vietnam and Russia.

FLETCHER FORUM: You have expressed skepticism in the past about American military interventions in foreign humanitarian crises where there are not vital U.S. interests at stake. You've also advocated careful, selective engagement to safeguard U.S. power. How would you evaluate the decision to intervene in Libya? Do you support the calls to more actively engage in Syria, either through arming the opposition or creating channels for aid?

BAKER: I believe that we should be very wary of “wars of choice,” whatever their purpose. I supported, with misgivings, the decision to intervene in Libya because a) the humanitarian situation was acute, b) the cost of an air campaign, in human and financial terms, was limited, and c) the risk of an open-ended U.S. involvement was minimal. I believe that our overriding priority in addressing the ongoing crisis within Syria is to contain the conflict. In particular, we need to help friendly countries such as Turkey and Jordan to protect their borders and airspace. I would not foreclose the idea of providing more support to the Syrian rebels. But, even as we do, we must be careful about weapons falling into the hands of extreme Jihadists and entangling the U.S. too deeply in Syria's domestic conflict. We should handle cases like Libya and Syria on a case-by-case basis. This is not inconsistent with a broader commitment to regional stability.

FLETCHER FORUM: As Secretary of State, you were closely involved with mitigating the Israeli-Palestinian conflict. You've recently said that President Obama erred by not sticking to his position that Israel should freeze settlement activity. Do you

think that Congress would support a U.S. president threatening to withhold U.S. aid to Israel in the current environment? More broadly, do you see any future administration exercising this kind of pressure?

BAKER: I wish I were more confident about the prospects for a settlement of the Israeli-Palestinian conflict. The situation on the ground is hardly auspicious. Palestinians remain deeply divided between the Palestinian Authority and Hamas. The ongoing expansion of settlements in the West Bank makes it increasingly difficult for the Israeli government to compromise. Any plausible settlement will require concessions on both sides. It is the task of the United States as honest broker to encourage such compromise. I *do* believe that President Obama erred by not sticking to his position on a settlement freeze. The reason: having called for such a freeze so often and so publically, the Obama Administration's unwillingness to follow through damaged our credibility with Palestinians and Israelis alike. I suspect that there will be an opportunity to revive U.S.-sponsored peace talks next year. But let me be blunt: the window for a two-state solution is closing, perhaps rapidly. Whoever is inaugurated next January will have to move quickly to revive talks—even if this means Congressional criticism.

FLETCHER FORUM: You once famously said to the Israelis “When you’re serious about peace, call us.” Do you believe right now that the Israeli government is serious about peace, or do they believe that the status quo favors them and that they have little interest in negotiations? If they were willing to make concessions on settlements, do you believe the current Palestinian leadership would be a willing partner?

BAKER: I take Israeli Prime Minister Netanyahu at his word when he says that his government is interested in substantive talks. At present, Hamas may not be a suitable partner for direct negotiations. But the Palestinian Authority under President Abbas and Prime Minister Fayyad most assuredly is. In the short-run, the status quo may favor Israel. But, in the longer term, a two-state solution is the best guarantor both of the security of Israel and of its survival as a Jewish and democratic state.

FLETCHER FORUM: Additionally, how – if at all—do you believe the election of the Muslim Brotherhood to the presidency in Egypt will affect Egyptian-Israeli relations? Does the election of the Muslim Brotherhood in Egypt and the moderate Islamist Ennahda party in Tunisia affect U.S. policy in the region? Should the U.S. be concerned about Islamist candidates who come to power in free and fair elections?

BAKER: Whether we like it or not, Islamist parties are going to be a part – and an *important* part – of the Middle East’s emerging democratic landscape. We are speaking of parties, we should note, that vary widely in their stances on domestic and foreign policy; a one-size-fits-all approach to them risks forgoing opportunities for potential cooperation. Our number one priority should be ensuring that such parties do not pursue policies, when in power, that are injurious to U.S. interests. In particular, we should impress upon Islamist parties that we expect cooperation on combating terrorism and fulfillment of solemn international obligations, such as the Egyptian-Israeli peace treaty.

FLETCHER FORUM: During the Cold War, the U.S. considered preemptive military strikes against the Chinese and

the Soviet nuclear programs, but ultimately decided against it. Both countries were run by revolutionary regimes that had made hostility towards the U.S. a hallmark of their domestic and foreign policy, and both sponsored other revolutionary insurgent movements and armed groups. What makes Iran different today, and should the U.S. be willing to go to war in order to stop the Iranians from acquiring a nuclear weapons capability?

BAKER: I consider it imperative that Iran be stopped from developing and deploying nuclear weaponry. Were Iran to become a nuclear power, it would introduce even more instability into one of the most unsettled areas in the world, and perhaps set off a regional nuclear arms race. The U.S. cannot be sanguine about either prospect. I support continued and, indeed, even more stringent international sanctions against Tehran. I would also keep open the option of military action against Iran's nuclear facilities should Tehran continue down its dangerous path of brinkmanship.

FLETCHER FORUM: Managing relations with the Chinese was a key part of your portfolio both as Secretary of the Treasury and during your tenure as Secretary of State. The U.S. relationship with China promises to be one of the most important of the 21st century, and we've already seen the issue of currency manipulation and trade play an early role in the U.S. presidential contest. What specific advice would you offer the new administration for dealing with the Chinese currency issue, while being mindful of the security challenges in East Asia and the need to enlist Chinese cooperation on other global issues?

BAKER: China's huge accumulation of dollar reserves is strong evidence that Beijing is, in fact, manipulating its currency. But

we should bear two things in mind as we deal with China. First, as I learned as Secretary of State, private diplomacy works best with Beijing. Public denunciation of Chinese policy will serve little purpose; indeed, if the past is any guide, it may prompt a sharp and counterproductive response. Second, China's trade surpluses are symptomatic of a broader bilateral economic imbalance: the asymmetry of savings between the two countries. At some oversimplification, the United States consumes too much while China consumes too little. One important way that we can increase our national savings is by implementing an effective plan to reduce our deficit and slow the growth of our debt. When we do so, we will be in a far better position to press China to increase domestic consumption by revaluing its currency and making U.S. and other imports cheaper. The bottom line: addressing the emergence of China as a world power will likely be the most important geopolitical challenge we face in future decades. We will need China's cooperation on issues as varied as stability in the Middle East and promoting global economic growth. We must be careful – *very* careful – about managing U.S.-Chinese relations in ways that minimize unnecessary conflict. There is no better way to find an enemy than to go looking for one.

FLETCHER FORUM: Having seen the evolution of the U.S.-Russia relationship after the fall of communism and up to the present, how do you see that relationship evolving in the next several years, particularly as the two countries clash over Syria and other regional issues? How would you characterize the success or failure of the Obama Administration's "reset" policy? Do you share the opinion of some American policymakers that Russia should actually be regarded as a foe

rather than a partner?

BAKER: Russia is neither an enemy nor an ally. It is a country with which we have both common and divergent interests. Among the former is a reduction of our nuclear weapons arsenals. I supported, with some qualifications, the New START treaty. I support further negotiations to reduce U.S. and Russian nuclear arsenals. There is no point in the U.S. and Russia maintaining sufficient strategic weapons to destroy each other several times over. But we must also be prepared to call Russia to task when, for instance, it meddles in the affairs of its neighbors in the “Near Abroad” or obstructs international action on Iran and Syria. We should have no illusions: for the foreseeable future, Washington’s relations with Moscow are *not* going to be smooth. But they can still be productive. And we should always recall that Russia does not represent anything approaching the threat posed by the Soviet Union.

FLETCHER FORUM: How would you compare the role of Congress and partisanship in U.S. foreign policy during your time as Secretary of State to today? Is there more willingness today for political leaders to use foreign policy issues for domestic political gain?

BAKER: The idea that we *ever* enjoyed unanimity on foreign policy is a fantasy. Throughout the Cold War – from China policy in the late 1940s, through the Vietnam War in the 1960s, to strategic missile defense during the Reagan Administration – foreign policy was the subject of vociferous, often partisan debate. And, speaking as someone deeply involved in national campaigns for several decades, I can also tell you that American politics has *always* been a contact sport. I nonetheless believe

that we are experiencing an unparalleled partisan polarization. Indeed, it sometimes seems that “compromise” has become a dirty word in Washington. Politics are no longer merely rough-and-tumble; all-too-often, they have become a battle to the death. I’m not sure of the reasons for this development. I suspect that the twenty- four-hour news cycle and the rise of partisan news outlets have something to do with it. The former has led to a constant attempt to manage the news to political advantage; the latter has created ideological “echo chambers” where extreme positions are repeated and reinforced. This polarization is perhaps most severe – and dangerous – when it comes to addressing our current fiscal crisis. But, if trends continue, we can expect the current polarization of our politics to impair the ability of our government across the board, including foreign affairs and security policy.

FLETCHER FORUM: Lastly, is there any specific advice that you would offer students of politics and international relations who are interested in working in public service, but are concerned with job prospects and what some see as toxic levels of partisanship?

BAKER: My advice is simple: don’t despair. Despite our current difficulties, the United States is an extraordinary country. In my lifetime alone, we have recovered from the Great Depression, won World War II, ended racial segregation, and prevailed in the Cold War. Along the way, we’ve created a society of freedom, opportunity, and abundance, which, though far from perfect, should be an object of justifiable pride for all Americans. If there’s one thing I’ve learned in my eighty-odd years, it’s this: betting against the United States is always a fool’s wager. To today’s young people interested in public

service I say: get informed and get involved! Our country and the world need you.