

**From:** Office of Terje Rod-Larsen <[REDACTED]>  
**Subject:** June 18 update  
**Date:** Tue, 19 Jun 2012 23:29:11 +0000

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18 June, 2012

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Article 1.

The Financial Times

# **Egypt's soft coup is following my dispiriting script**

Ezzedine C. Fishere

June 18, 2012 --- For the past 10 weeks I have been writing and publishing a novel in daily segments. In Bab El-kheroug, or The Exit, Ali, an old translator at the presidential palace, writes a long letter to his son explaining his decision to betray the president. Written in October 2020, Ali's letter tells us the story of [Egypt's political upheavals](#) after the revolution of January 2011. It paints a bleak picture of a messy transition followed by military rule, leading to a second wave of popular protest that leads to a period of chaos.

As the episodes appeared in the Tahrir newspaper, many readers anxiously asked whether there was an "exit" from this long and dark tunnel. There is, at least in the novel, but it took nine years to find. Most of the readers hoped Egypt would find its way out sooner than that. But the events of the past two weeks suggest otherwise. In fact, it seems that the generals in charge, as well as the Muslim Brotherhood, are sticking to the Bab El-kheroug script.

Few people in Egypt are surprised by the confrontation between the military and the Brotherhood. Since January 2011, the entrenched forces of the old regime have defined Egypt's popular uprising as a plot by the Brotherhood. Consequently, they have done everything in their power [to contain and isolate them](#). The Brotherhood, led by the old and the hardliners, has managed to alienate its revolutionary and democratic partners and to scare important segments of society, especially women and Christians. Neither the Brotherhood nor the generals showed willingness to share power and both were keen on marginalising the revolutionary and democratic forces. It is as if they were clearing the stage for their eventual showdown.

[Presidential elections](#) took place against this backdrop. The result of the first round confirmed this dichotomy, with Egyptians left to choose between General Ahmed Shafiq, a long-time protégé of Hosni Mubarak, and Mohamed Morsi, a protégé of the Brotherhood's strongman Khayrat Elshater. If anything, this "choice" is the incarnation of the doctrine that served Mr Mubarak for three decades, "either me – an authoritarian regime backed by the military, or the Islamists". Having alienated their partners and lost substantial popular support, the Brotherhood now stand alone, facing their entrenched foe. It is an ideal moment to deliver a coup de grâce.

Immediately after the first round of presidential elections, the courts exonerated all police officers from the charge of killing protesters in 2011. A few days later, the minister of justice issued a “decree” giving military police and intelligence the power to arrest and detain individuals almost at will. A day later, the constitutional court decided that the electoral law that organised the legislative elections was unconstitutional and [dissolved the Brotherhood-dominated parliament](#).

Simultaneously, state-controlled media resumed their campaign against the Brotherhood. And the generals decided not to recognise the constitutional committee elected by parliament and created their own. The next president will be invested with vast powers, with no constitution or parliament to restrain him. If Gen Shafiq wins, it is unclear how the Brotherhood would react to this “soft coup”. They made belated noises about the dissolving of parliament but they seem to hesitate between escalating their opposition and biting the bullet. Déjà vu? Certainly, we all feel that we are back in January 2011.

This sense of déjà vu is misleading. Egypt has changed dramatically. Its younger generations think and act differently and their expectations are different. Despite failures and frustrations, the level of political engagement remains high among all segments of society. Affluent and unprivileged, the educated and the illiterate, the liberals and Islamists – they all continue to demand political and social changes. Those disillusioned with the revolutionary way embrace reform. It is the political leaders, on all sides, who are lagging behind. Many have not yet grasped this hunger for change.

But the younger generations, who make up the majority of the population, will find a way beyond the dichotomous choice between Islamists and generals. How fast will this happen? In Bab El-kheroug this confrontation plunged Egypt into chaos for nine years. But we all know that novelists are prone to exaggeration.

*The writer is a Cairo-based author*

The Washington Post

## **Egypt's military issues decree giving vast powers to armed forces, but few to president**

Ernesto Londoño and [Leila Fadel](#)

June 17 -- CAIRO — Egypt's military leaders issued a constitutional decree Sunday that gave the armed forces sweeping powers and degraded the presidency to a subservient role, as the Muslim Brotherhood declared that its candidate had won the country's presidential runoff election. The bold assertion of power by the ruling generals followed months in which they had promised to cede authority to a new civilian government by the end of June. Instead, activists and political analysts said, the generals' move marked the start of a military dictatorship, a sharp reversal from the promise of Egypt's popular revolt last year. The declaration, published in the state gazette, had been expected, but its details indicate that the military has asserted far greater authority than observers had anticipated. Under the order, the president will have no control over the military's budget or leadership and will not be authorized to declare war without the consent of the ruling generals. The document said the military would soon name a group of Egyptians to draft a new constitution, which will be subject to a public referendum within three months. Once a new charter is in place, a parliamentary election will be held to replace the Islamist-dominated lower house that was dissolved Thursday after the country's high court ruled that one-third of the chamber's members had been elected unlawfully. "With this document, Egypt has completely left the realm of the Arab Spring and entered the realm of military dictatorship," said Hossam Bahgat, a prominent human rights activist. "This is worse than our worst fears." The declaration left little doubt that the generals have moved aggressively to preserve and expand their privileged status after a transitional period that revealed the significant appeal of Islamist politicians. It also indicates the military leadership's concern about accountability if a system of civilian rule with checks and balances were to take root. The Obama administration, with the president spending the day in Chicago and much of his national security staff in Mexico preparing for this week's Group of 20 summit there, had no initial reaction to the new developments. But the

decree appeared likely to compound the administration's frustration over its waning influence in Egypt. Less than 48 hours before the declaration was issued, Defense Secretary Leon E. Panetta telephoned Field Marshal Mohammed Hussein Tantawi, head of Egypt's ruling military council, to underscore "the need to ensure a full and peaceful transition to democracy," the Pentagon said.

Thursday's dissolution of parliament also prompted Sen. Patrick J. Leahy (D-Vt.), chairman of the appropriations subcommittee in charge of foreign aid, to warn the State Department against disbursing any of this year's \$1.3 billion in military aid to Egypt.

Brotherhood decries order

The Egyptian military's declaration was issued just 20 minutes after [the polls closed Sunday night](#) at 10. The campaign of [Mohamed Morsi, the Brotherhood's candidate](#), said a limited sample of preliminary vote counts from across the country indicated that the Islamist leader was ahead of rival Ahmed Shafiq, who was the last prime minister appointed by Hosni Mubarak and was widely considered the generals' preferred candidate. Preliminary results published in the state-run Ahram Online news site showed that, with nearly 3.5 million ballots counted, Morsi was ahead with almost 55 percent of the vote. About 50 million Egyptians were eligible to cast ballots. Final results are expected Thursday.

But after hailing the preliminary results, Brotherhood officials decried the military's declaration, calling it a stunning power grab.

"This is ridiculous, and it confirms that we're facing a new dictatorship," Mourad Mohammed Aly, a spokesman for the Morsi campaign, said in a phone interview. The move comes after the country's top judges, who were appointed by Mubarak, issued a ruling that dissolved the lower house of parliament, where the Brotherhood held nearly half the seats after elections last year.

The constitutional declaration will be binding at least until a new charter is approved. But because the generals will appoint the body that will draft that document, they are expected to ensure that the new constitution leaves them with continued power and shields them from scrutiny and prosecution. After Mubarak's ouster from the presidency, the generals portrayed themselves as champions of the revolution. But revolutionaries have since accused the military leaders of mishandling the transition and

working to preserve their own interests. Last fall, in the face of a revolt against military rule that led to a security crackdown, the generals agreed to speed up the transition to civilian rule by holding a presidential vote no later than the end of this month. “This makes it impossible to speak of a transfer to civilian rule at the end of June,” Heba Morayef, a Cairo-based researcher with Human Rights Watch, said Sunday night. “It was a soft coup to start with, but now it’s pretty blatant.”

#### Trading fraud allegations

Shafiq’s campaign issued a statement Sunday accusing the Brotherhood of “systemic” fraud, including ballot stuffing, voter bribing, voter intimidation and attacks near polling stations. The Brotherhood’s violations, the statement said, prove that the Islamist group “does not believe in freedom of choice and democracy unless this democracy brings them to power.”

The statement said the Shafiq campaign filed more than 100 complaints of electoral violations with the presidential election commission. Aly, Morsi’s spokesman, rejected the charges, insisting instead that Shafiq’s camp had manipulated the vote.

Independent observers have not alleged large-scale fraud in the runoff vote, which was conducted Saturday and Sunday. But Sunday night’s allegations offered a taste of the contentiousness to come once a winner is declared. The dissolution of parliament enraged Muslim Brotherhood leaders. The speaker of parliament, Mohamed Saad Katatny, issued a statement Sunday night after meeting with the generals that decried the appointment of a new panel to draft the charter.

Katatny reiterated that Brotherhood legislators intend to attend a scheduled session of parliament Tuesday, a move that could provoke a confrontation between the Islamist lawmakers and security forces.

Other prominent politicians called on Egyptians to resist the military’s actions. Abdel Moneim Aboul Fotouh, a former Brotherhood member who was [a presidential candidate](#) in the first round of voting, called the constitutional declaration a “full military coup” in a message on Twitter. Mona El-Ghobashy, a political science professor at Barnard College, said the document puts the military beyond reproach. It is a role that the armed forces have taken for granted for decades because Egyptian leaders have hailed from the ranks of the military.

“The military stands over and above everyone else, elected by no one and unaccountable to anyone,” she said in an e-mailed statement.

Article 3.

Los Angeles Times

## **Hamas factions' reversal of roles rooted in 'Arab Spring'**

Edmund Sanders

June 17, 2012 -- Gaza City -- Just a couple of years ago, the prevailing wisdom about Hamas was that its Gaza Strip-based leaders were forced to be more moderate because they bore the brunt of economic boycotts and military clashes with Israel. Exiled Hamas bosses living in the relative comfort of Damascus, however, could afford to take a tougher stance.

But the "Arab Spring" has turned the equation on its head, with longtime hard-liners who had resided in relative comfort in Syria adopting a more conciliatory tone as they scramble for safe haven — and leaders in Gaza emboldened by the rise in neighboring Egypt of the Muslim Brotherhood, which helped create the Palestinian militant group in the late 1980s.

Gaza-based Hamas Prime Minister Ismail Haniyeh and former Hamas Foreign Minister Mahmoud Zahar are demanding a stronger overall voice in the Islamist organization, in what is becoming its most public fracture since its founding. The Gaza faction sees little reason to make concessions and is particularly skeptical about Hamas Politburo chief Khaled Meshaal's sudden embrace of Palestinian reconciliation with the West Bank-based rival Fatah party, fearing the move will end the group's five-year run as the rulers of the Gaza Strip.

The power struggle is likely to shape Hamas' policies in the coming year, determining whether it continues on a course of reconciliation with Fatah or reverts to a more antagonistic and possibly violent path toward Israel. "The roles have been reversed," said Michael Broening, a Hamas expert and director of the Friedrich Ebert Foundation, a German-funded think tank in Jerusalem.

The split is coming to a head as Hamas holds secretive elections for its Shura Council leadership body and appoints a new Politburo chief. Some

close to the group predict that Meshaal, despite his recent announcement that he would not seek reelection, will win another four-year term and be given a mandate to implement a unity government with Fatah, which Hamas forced out of Gaza in a 2007 battle. Though less popular in Gaza, Meshaal enjoys continuing support from Hamas members in the West Bank and diaspora, who outnumber those in Gaza.

But he is facing a vigorous challenge from Haniyeh, who was once viewed as a figurehead but is now asserting himself as a potent rival. Haniyeh has boosted his international profile this year with trips to Iran, Turkey and Egypt, affirming Hamas' embrace of armed resistance and dismissing peace talks with Israel as pointless. After the United States killed Osama bin Laden, he praised the Al Qaeda leader as a "holy warrior."

Meshaal, by contrast, has called for a focus on nonviolent resistance and supports giving rival Palestinian Authority President Mahmoud Abbas more time to negotiate a peace deal with Israel. He has also endorsed the creation of a Palestinian state based on 1967 borders, which some see as an indirect acceptance of Israel's existence even though Hamas officially refuses to recognize Israel.

In an interview at his Gaza home, Zahar, once viewed by the West as a moderate, acknowledged the debate within Hamas, but said the divisions were being exaggerated and exploited by its enemies.

"It's not about different ideas, it's about the methods," he said. "In the end the majority will decide and everyone accepts." Raising an open palm to make his point, Zahar said, "See, all of these fingers are on the same hand. Some are long, some are stout. But when we grasp something, it is together."

Still it was Zahar who was seen as having broken ranks over the last year with his public and personal attacks on Meshaal for pursuing the reconciliation deal and failing to consult the Gaza leadership. Such disputes are rare in Hamas, which is known for its discipline and keeping arguments behind closed doors.

Zahar said he supports the Shura Council decision to back Meshaal regarding reconciliation, but personally considers the program "foolish." Meshaal's apparent transformation from Iranian-supported radical to peace-seeker coincided with the collapse of his longtime residency in Syria, which has descended into violence and ethnic strife. Not wanting to take

sides and unwilling to express support for Syrian President Bashar Assad, Meshaal has been shopping for a new permanent base in Jordan, Egypt or Qatar, so far with little luck.

"Before Meshaal was considered the radical with support from Iran and Syria, but things have shifted in the past year and now he's the moderate as he looks for a new place," said Al Azhar University political analyst Mkhaimar Abusad in Gaza City. "That's the political price he must pay. He can't continue with the same old rhetoric if he wants to be in Cairo, Doha or Amman."

Unhappy with Meshaal's refusal to back Assad, Iran has reportedly reduced its funding to Hamas, dealing a blow to Meshaal's image as the group's international liaison and controller of the purse strings. At the same time, Iran is supporting Islamic Jihad, a Hamas rival in Gaza.

Unlike Hamas, Islamic Jihad continues to fire rockets into southern Israel and clash with Israeli soldiers along the Gaza border. It has accused Hamas of abandoning the resistance, in part by having called for a cease-fire with Israel.

"Over the past two years, the competition with Hamas has increased," said Islamic Jihad senior leader Khaled Batsh. "But it's positive competition. Hamas should care more about the resistance and less about fruitless political talks."

Gaza-based Hamas leaders see Fatah reconciliation as a threat to their authority. A proposed unity government would install Abbas as prime minister, leaving it unclear what role Haniyeh would play.

"Haniyeh has tasted international politics and political power, and he's not willing to just give that up," said Broening, the think tank analyst.

There's one thing both sides agree on: Egypt will be crucial to the future of Hamas because of the fall of Hosni Mubarak, a Hamas foe, and the political rise of the Muslim Brotherhood. Meshaal's pursuit of reconciliation is largely seen as an effort to please Muslim Brotherhood leaders in Cairo, who have signaled that they want to see an end to the Palestinian division.

"Both see Egypt as the key," Abusad said.

The Wall Street Journal

## **Saudi Succession and the Illusion of Stability**

[Karen Elliott House](#)

June 17, 2012 -- The death and burial this weekend of Saudi Crown Prince Nayef, the second Saudi crown prince to die in less than a year, demonstrates the inherent instability of the absolute monarchy still being ruled by the geriatric sons of the founder of modern Saudi Arabia.

King Abdullah, who has outlived both of his presumed successors, is himself 89 and in failing health. So the looming question is will the ruling Al Saud family pass the crown to yet another geriatric brother of the king? Or will he seize this occasion to jump to a new generation of royals who might be presumed to have more vitality and vision to revitalize the moribund kingdom on which the world depends for so much of its oil? A formula to select a new crown prince exists in which some three dozen sons and grandsons of the founder would vote secretly to choose the new crown prince. This commission has a majority of grandsons who could vote for one of their generation.

Given the royal family's reverence for age, however, almost surely the next crown prince will be Prince Salman bin Abdul Aziz, 76, a full brother of the two late crown princes. While change sweeps much of the rest of the Middle East, the Saudi monarchy continues to cling to the status quo.

In the near term, the change from one elderly brother to another will not affect U.S. Saudi relations. For better or worse, the U.S. is wedded to the Al Saud family, not to a particular prince. But we should not confuse stagnation with stability. The fact that the royals continue to rule when autocratic regimes have been swept aside in Egypt, Libya, Yemen and perhaps soon in Syria, doesn't mean this U.S. ally is stable.

The kingdom faces multiple problems: Unemployment is 40% among 20- to 24-year-olds, 40% of Saudis live on less than \$1,000 a month, the kingdom's one-dimensional economy earns nearly 80% of its revenues from oil, and 90% of all workers in its private sector are foreigners.

Moreover, the senior Al Saud rulers have an average age exceeding 80 while 60% of the country's population is below 20 years of age.

Beyond all this, the tension level in Saudi society is rising precipitously as the royals vacillate between seeking to satisfy modernizers' demands for more change and seeking to placate conservatives for whom the only acceptable change is a return to the religious purity of the Prophet Muhammad, which many feel the royal family has abandoned. Saudi Islam increasingly is divided within itself, as is the royal family.

Prince Salman, the kingdom's defense minister since last November (after nearly half a century as governor of Riyadh), is more energetic and less rigid than the late Prince Nayef, but unlikely to initiate significant reforms. Nayef's death will please those Saudis who want at least a continuation of King Abdullah's modest reforms, including trying to curb religious control over education and providing Saudi women scholarships to study abroad, albeit accompanied by a male relative. These Saudis feared Nayef as king would roll back even such small gains to curry favor with the fundamentalist religious establishment.

But Prince Salman is no democrat. In an interview with me in his Riyadh office two years ago, he took pains to explain why democracy couldn't work in Saudi Arabia. "If Saudi Arabia adopts democracy every tribe will be a party," he said, adding that the country would be chaotic. Instead, he said, the Kingdom has shura, or consultation. "Government asks a collection of people to consult and when there is no consensus, the leader decides," he said candidly summing up Al Saud autocracy.

The problem is that a growing number of Saudis are no longer content to obey authority. Saudi Arabia boasts 10 million Internet users, up from only 500,000 a decade ago, and it is second only to much-larger Egypt in Facebook users. Young Saudis know what is happening in the rest of the world and are frustrated at what they see as the lack of freedom and opportunity in their own country. This frustration is producing growing signs of sedition despite government deterrence by punishing those who step out of line.

Recently, a young Saudi woman confronted by the country's religious police in a Riyadh mall for wearing nail polish told them her nails were not their business. She filmed her confrontation with authorities and posted it on YouTube. Last month, Manal al-Sharif, jailed a year ago for driving her

car and posting a video of that forbidden act on YouTube, doubled down on her defiance by going to Oslo to speak at a freedom forum even though her employer warned she would be fired. A young Saudi male dared to film and post on YouTube the grueling poverty in Riyadh, concluding by interviewing a local imam who said young girls in the neighborhood are being sold into prostitution. The film went viral with some 800,000 Saudis viewing it before its youthful maker was arrested.

Clearly, a growing number of frustrated Saudis no longer either respect or fear their leaders. Saudis are not demanding democracy; only transparent, efficient, honest government. They want a leader who can make the sclerotic system function better. Yet, much like the Soviet Union in its final years when power passed from one old man to another—Brezhnev to Andropov to Chernenko—in quick succession, the Saudi royal family continues to pass the crown from one aged son of the founder to the next. Recall, the Soviet Union was widely assumed to be stable. In the end, it proved brittle. Saudi succession looks very much like a movie we've seen before.

*Ms. House, a former publisher of The Wall Street Journal, is a Pulitzer Prize winner for Mideast coverage. She is author of "On Saudi Arabia," to be published in September by Knopf.*

Article 5.

NYT

## **In a World of Complications, Obama Faces a Re-election Test**

[Peter Baker](#)

June 17, 2012 — For [Barack Obama](#), a president who set out to [restore good relations with the world](#) in his first term, the world does not seem to be cooperating all that much with his bid to win a second.

That reality has been on vivid display in recent days. Europe has seemed unable to contain its rolling economic crisis to just Greece. The Syrian conflict has intensified as the United Nations suspended its observers' mission amid the violence. Egypt's popular revolution is at risk of being reversed by the military. And the Russians are cracking down at home and rattling sabers abroad.

As [President Obama](#) left on Sunday for an [international summit meeting in Mexico](#), the daunting array of overseas issues underscored the challenges for an incumbent who is trying to manage global affairs while arguing a case for re-election. Although American voters are not particularly focused on foreign policy in a time of economic trouble, the rest of the world has a way of occupying a president's time and intruding on his best-laid campaign plans.

If anything, the dire headlines from around the world only reinforce an uncomfortable reality for this president and any of his successors: even the world's last superpower has only so much control over events beyond its borders, and its own course can be dramatically affected in some cases. Whether from ripples of the European fiscal crisis or flare-ups of violence in Baghdad, it is easy to be whipsawed by events.

The trick for any president, of course, is in not seeming to be whipsawed, even as his challenger presents him as weak and ineffectual in shaping international events. If a president cannot stand tall in the world, the argument goes, he is not up to the task of governing in a complicated age. "Both candidates have to pretend that the U.S. presidency is far more influential over events than it really is," said Stephen D. Biddle, [a scholar at the Council on Foreign Relations](#). The obvious example is the European economic situation, which has profound implications for the American economy but is largely out of American hands.

"But to admit this is to look weak or to seem to evade responsibility," Mr. Biddle said. "So both candidates tacitly agree to pretend that their policies are capable of righting the American economy while their opponent's would sink it, when the reality is that both are in thrall to foreigners' choices to a degree that neither would acknowledge."

Mr. Obama's trip to Mexico for a gathering of the Group of 20 leaders is his third international summit meeting in a month, reflecting the pull of priorities for any incumbent. While he confers in Los Cabos, his

Republican challenger, Mitt Romney, will tour swing states. “I’ve still got my day job,” as Mr. Obama put it at a California fund-raiser last month. The president will talk with European leaders about pulling out of the financial spiral after Sunday’s election in Greece, which gave the pro-bailout party a slim victory and the right to form a coalition government. He will also meet with President Vladimir V. Putin of [Russia](#) just days after the Obama administration accused Moscow of supplying arms to Syria in its bloody crackdown on the uprising there.

Just as Mr. Obama and Mr. Putin meet for the first time as presidents, their underlings will sit down in Moscow for the latest round of talks with [Iran](#) that are intended to curb Tehran’s [nuclear program](#). The optimism over these talks this spring seems to have faded into fears of a further impasse that would play into Iran’s hands.

Little of this has played out on the campaign trail. In the latest New York Times-CBS News poll, only 4 percent of Americans [picked foreign policy as their top election concern](#). Over all, polls show Mr. Obama with a double-digit advantage over Mr. Romney on foreign policy.

Yet Mr. Romney has occasionally turned to foreign policy to bolster his broader attempt to portray Mr. Obama as a failed president. On Saturday, he told a conservative coalition that when it came to [Israel](#), he would “just look at the things the president has done and do the opposite.” On the CBS News program [“Face the Nation” on Sunday](#), Mr. Romney said that on Iran “I would be willing to take military action, if necessary, to prevent them from becoming a nuclear threat to the world.”

Some Romney advisers said Mr. Obama was too willing to avoid accountability by presenting himself as a powerless bystander.

“These crises reflect an absence of leadership from the Obama administration,” said Kristen Silverberg, a former State Department official under President George W. Bush who is advising Mr. Romney. “He sat out the Iran protests, has faltered on Syria and let the Russians know he’ll be even more ‘flexible’ after our election. Global security and the strength of the global economy depend on strong U.S. leadership and a president who believes in America’s role in the world.”

Jamie M. Fly, [executive director of the Foreign Policy Initiative](#), a conservative group, said there was a growing sense “that what is required is American leadership rather than the president’s leading-from-behind

foreign policy that has failed to address an imploding Syria, a nuclearizing Iran, an economic crisis in Europe and a revanchist Russia.” While foreign policy can pose its challenges, it has advantages for a president. Flying around the world on [Air Force One](#) to meet with the likes of Mr. Putin conveys a statesmanlike stature. It allows him to brush off criticism as just politics, as his campaign did with Mr. Romney’s comments about Israel over the weekend. “Mitt Romney is yet again trying to score cheap political points by distorting President Obama’s record of support for Israel,” [Ben LaBolt, an Obama campaign spokesman](#), said in a statement. “Our relationship with Israel is too important for Governor Romney to play politics with it.” Mr. Obama assumes foreign policy will be an advantage for him, particularly because of his record of pulling troops out of [Iraq](#), helping topple the government of Col. Muammar el-Qaddafi in Libya, taking robust action against terrorists and authorizing the raid that killed Osama bin Laden.

He is the “first real national security Democrat” since President John F. Kennedy, said James M. Goldgeier, [dean of American University’s School of International Service](#). “He looks and acts like a commander in chief. So yes, the euro crisis, Syria, Iran, etc., can cause him problems. But Romney has his work cut out for him on foreign policy.” Nancy E. Soderberg, a national security aide and United Nations diplomat under President Bill Clinton, says it is “par for the course” that an incumbent has to address international challenges while the challenger has a free ride.

But for all the attention on Syria, Egypt and other areas of conflict, the most important crisis for Mr. Obama remains the European economy because of its impact at home. “Europe’s weakness is likely to blow back on Obama’s efforts this fall — just at the wrong time,” she said. “He’ll have to run harder because of it.”

Article 6.

The Economist

## **Russia and the West**

Jun 16th 2012 -- ON THE margin of the G20 summit later this month Russia's new (but also old) president, Vladimir Putin, will meet America's Barack Obama for the first time since his election in March. The atmosphere is likely to be chilly. That is as it should be, for since his decision last autumn to return to the Kremlin, Mr Putin has been stridently negative and anti-Western, most recently over Syria (see [article](#)). Such behaviour demands a stiff response from the West.

When Mr Obama came to power, his administration talked of a "reset" in relations with Russia. This new, friendlier approach had some useful consequences. It enabled America to negotiate and ratify a strategic arms-reduction treaty. It helped to bring about a slightly more constructive Russian attitude to Iran's nuclear ambitions. And it secured Russia's imminent entry into the World Trade Organisation (WTO). Just as with China a decade ago, WTO membership should press Russia to compete more openly and fairly in world markets and to abide more closely by international trade rules.

But the reset was based in part on two misplaced hopes: that Dmitry Medvedev, who had been lent the presidency for one term by Mr Putin in 2008, would genuinely take charge of the country, and that some in his government had sound liberalising, pro-Western instincts. Those hopes were dashed by Mr Putin's swatting aside of Mr Medvedev last September to allow his own return to the Kremlin, the rigging of elections, his crackdown on Moscow's protesters and his new Nyet posture.

This should not lead to a total rupture with Russia. Constructive engagement should continue on the economic front. With the oil price falling, stronger economic ties to the West could help to create a business constituency inside Russia that sees the need for greater liberalisation to keep the economy growing. The West should certainly look at introducing reasonable visa rules for Russian businesspeople (Britain's are absurdly tough). Other cold-war relics, such as America's Jackson-Vanik trade restrictions, should also go. And why not dangle in front of the bauble-loving Mr Putin the prospect of Russian membership of the OECD rich-country club? Or a free-trade agreement with the European Union?

But if it is right to engage economically, it is also right to condemn Mr Putin's illiberal autocracy. Mr Obama should bluntly criticise Russia's poor human-rights and democratic credentials. Western ambassadors should not

hesitate to talk to opposition protesters in Moscow just because the Kremlin objects.

In foreign policy, too, the West should stand firm. Russia cannot be allowed to veto America's missile-defence plans in Europe. Nor should Mr Putin's continued blocking of UN Security Council resolutions authorising intervention in Syria be treated as an insurmountable bar to action, any more than it was in Kosovo in 1999. G20 leaders should do their utmost to embarrass Mr Putin over his backing for Mr Assad. This week Hillary Clinton, America's secretary of state, was admirably tough, condemning Russia's sales of arms to Syria.

Tough on corruption, tough on the causes of corruption

Mr Putin respects toughness, not weakness. This matters when it comes to his government's more egregious behaviour, such as the jailing of Mikhail Khodorkovsky, once boss of the Yukos oil company, the killing of Sergei Magnitsky, a lawyer working for William Browder, a foreign investor, or the murder in London of Alexander Litvinenko, a former security official. In cases like these it is right to try to identify the individuals involved so as to deny them visas and freeze their assets, as a congressional legislative amendment related to the Magnitsky case proposes. Equally it is right to work against money laundering through Western financial centres. Russia should not be singled out, but it should be treated like other autocratic and corrupt countries.

Mr Putin cultivates the image of a popular and admired strongman, but the wave of protests since he announced his return to the Kremlin has exposed his weakness and loss of support. His power base is beginning to erode. Economic engagement with the West, combined with firm criticism of his democratic and human-rights abuses at home and abroad, are the best response.

Article 7.

Spiegel

## **Wins Greek Election: Pro-Bailout Government in Sight**

06/17/2012 -- The conservative New Democracy has won the Greek election, whose outcome was seen as crucial to the euro zone's future. The party should be able to form a pro-bailout coalition government with the Socialists, but Greece could still face months of uncertainty.

The world had been watching Sunday's elections in Greece with bated breath, worried that the outcome could [precipitate a Greek exit](#) from the euro zone. Now it looks as if the two mainstream parties that support the bailout deal with the European Union and International Monetary Fund (IMF) may be able to form a government -- but Athens isn't out of the woods yet.

According to official results from the Greek Interior Ministry, conservative New Democracy came first with 29.7 percent of the vote, giving it 129 seats, followed by the left-wing Syriza party with 26.9 percent (71 seats). The center-left Socialists (PASOK) came third with 12.3 percent (33 seats). The far-right Golden Dawn party received 6.9 percent of the vote, giving it 18 seats in parliament.

The party that finishes first gets a 50-seat bonus, meaning that New Democracy and the Socialists have 162 seats in the 300-seat Greek parliament between them. They could form a coalition government which would back the EU-IMF bailout.

New Democracy leader Antonis Samaras called for broad support for a "national salvation government," saying "there is no time to waste." The new government "must bring economic growth and reassure Greeks the worst is over," he said.

'Path Will Be Neither Short Nor Easy'

EU leaders reacted to the result with relief. German Chancellor Angela Merkel's office said she had congratulated Samaras by telephone on Sunday night and said that Merkel assumes Greece "will keep to its European commitments."

German Finance Minister Wolfgang Schäuble called the result "a decision by Greek voters to forge ahead with the implementation of far-reaching economic and fiscal reforms. This path will be neither short nor easy but is necessary and will give the Greek people the prospect of a better future."

Speaking to German television on Monday morning, German Deputy Finance Minister Steffen Kampeter said Germany expected the new Greek government to honor its existing commitments but said Athens should not

be pushed too hard. "It is clear to us that Greece should not be overstrained," Kampeter said.

"We want Greece to stay in the euro, we want Greece to continue wanting to belong to Europe," said German Foreign Minister Guido Westerwelle, speaking before the final results were announced. He stressed that Greece had to decide on its future, saying: "You cannot stop anyone who wants to go." He insisted that there could not be "substantial changes" to the agreement with the EU and IMF, but that he could "well imagine talking again about timelines." Last week, there were media reports that the EU might relax the terms of the agreement should pro-bailout parties be able to form a government.

The Euro Group of euro-zone finance ministers said in a statement that "continued fiscal and structural reforms are Greece's best guarantee to overcome the current economic and social challenges and for a more prosperous future of Greece in the euro area," adding that it "reiterates its commitment to assist Greece."

"The Greek people have spoken," said European Commission President Jose Manuel Barroso and European Council President Herman Van Rompuy in a statement. "We fully respect its democratic choice. We are hopeful that the election results will allow a government to be formed quickly." They said they would "continue to stand by Greece as a member of the EU family and of the euro area."

#### Government May Be Weak

Syriza had threatened to pull out of the deal with Greece's creditors if elected, a step that could lead to Greece being forced to exit the euro zone, with unforeseeable -- but presumably disastrous -- consequences for the rest of the currency union. If Athens were to fail to stick to the terms of the bailout deal with the EU and IMF, it could face default within months, making a return to the drachma practically inevitable. Worried Greeks had been [withdrawing hundreds of millions of euros](#) from their bank accounts in the days before the election, amid fears of their savings being wiped out. Observers believe, however, that even if New Democracy and the Socialists manage to form a government, it may still be weak and could seek to renegotiate the terms of the bailout. Alexis Tsipras, leader of Syriza, said his party would continue to fight the bailout. "Very soon, the

left will be in power," he told supporters in Athens on Sunday night. "We begin the fight again tomorrow."

Sunday's vote, which had been cast as a referendum on Greece's membership of the euro, was the second Greek election in six weeks. None of the parties were able to form a viable government after the inconclusive May 6 vote, where angry voters punished the two mainstream parties, leading to a second election being called. New negotiations to form a coalition government are expected to start on Monday.