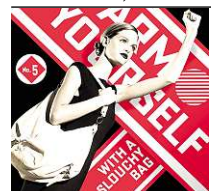


# INTERNATIONAL Herald Tribune

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## U.S. team underlines Afghan difficulties

While Karzai offers assurances, America seeks NATO support

By Nicholas Kulish and Helene Cooper

**MUNICH:** The war in Afghanistan will be "much tougher than Iraq," President Barack Obama's special representative to Afghanistan and Pakistan told a security conference here Sunday.

"There is no magic formula in Afghanistan," the envoy, Richard Holbrooke, warned an audience of European policy makers and military planners. "There is no Dayton agreement in Afghanistan," he added, referring to the peace accord he negotiated to end the war in Bosnia. "It's going to be a long, difficult struggle."

Holbrooke was part of a high-level U.S. delegation to the annual Munich Security Conference over the weekend. The group — led by Vice President Joseph Biden Jr. and including General James Jones, the national security adviser, and General David Petraeus, the head of the U.S. Central Command — did not paint a rosy picture of the situation in Afghanistan.

The U.S. view of Afghanistan's problems differed from that of its president, Hamid Karzai, who also spoke Sunday.

While Karzai acknowledged the security problems, he said that great progress had been made, from roads to schools to health services. In an address that at times sounded defensive, he said Afghanistan was neither a "narco-state" nor a "failed state," as critics have labeled it.

He called again for reconciliation with Taliban forces "who are not part of Al Qaeda, who are not part of terrorist networks, who want to return to their country." He also criticized NATO over the number of civilian casualties it has incurred in the course of battling the insurgency.

U.S. officials at the conference questioned the "reality gap" between Karzai's presentation and what they see as the facts on the ground. The pervasive corruption in the country is viewed as a central reason why the Afghan leader is out of favor with the Obama administration. Karzai faces an election in August.

Petraeus's comments, on the other hand, were greatly anticipated as the final day of the conference got under way. He is widely credited for the improved security situation in Iraq, where he was the senior commander during the troop increase known as the surge. Expectations are running high that he can repeat the success of that strategy in Afghanistan.

Petraeus spoke of the need for outposts and patrol bases in the provinces. "You can't commute to work" when conducting counterinsurgency operations, he said Sunday. "A nuanced appreciation of local situations is essential" to understanding "the tribal structures, the power brokers, the good guys and the bad guys, local cultures and history," he said.

"There has been nothing easy about Afghanistan," Petraeus said, adding that it "would be remiss if I did not ask individual countries to examine very closely what forces and other contribu-

**SECURITY, Continued on Page 6**

## Biden leaves door ajar on missile defense plan

The United States will pursue a missile defense plan that has angered Moscow, Vice President Joseph Biden Jr. said to a security conference in Munich over the weekend, but he left open the possibility of compromise on the issue and struck a more conciliatory tone than the Bush administration on relations between the countries. **Page 6**

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President Hamid Karzai of Afghanistan, right, greeting James Jones, the U.S. national security adviser, as the Munich Security Conference drew to a close on Sunday.

## Karzai goes from American favorite to out-of-favor

By Dexter Filkins

**KABUL:** A foretaste of what would be in store for President Hamid Karzai after the election of a new U.S. administration came last February, when Joseph Biden Jr., then a senator, sat down to a formal dinner at the palace during a visit here.

Between platters of lamb and rice, Biden and two other U.S. senators questioned Karzai about corruption in his

government, which, by many estimates, is among the worst in the world. Karzai assured Biden and the other senators that there was no corruption at all and that, in any case, it was not his fault.

The senators gaped in astonishment. After 45 minutes, Biden threw down his napkin and stood up.

"This dinner is over," Biden announced, according to one of the people in the room at the time. And the three senators walked out, long before

the appointed time.

Today, of course, Biden is the vice president.

The world has changed for Karzai, and for Afghanistan, too. A Bush White House favorite — a celebrity in flowing cape and dark gray Afghan hat — in each of the seven years that he has led this country since the fall of the Taliban, Karzai now finds himself not so favored at all. Not by Washington, and not by his own country.

In the White House now, President Barack Obama said he regarded Karzai as unreliable and ineffective. Secretary of State Hillary Rodham Clinton said he presided over a "narco-state." The people making Afghan policy in the United States, worried that the war is being lost, are vowing to bypass Karzai and deal directly with the governors in the countryside.

**KARZAI, Continued on Page 6**

## A U.S. envoy 'larger than life,' with a job to match

By Jodi Kantor

Stashed in a drawer in his New York apartment between snapshots of family vacations, a photograph shows Richard Holbrooke on a private visit to Afghanistan in 2006. He is mugging atop an abandoned Russian tank, flashing a sardonic V-for-victory sign and his best Nixon-style grin. The pose is a little like Holbrooke himself: looming, theatrical, passionate, indignant.

Three years later, he has inherited responsibility for the terrain he surveyed from that tank. As President Barack Obama's special representative to Afghanistan and Pakistan, Holbrooke will help reformulate and carry out U.S. policy in what many call the most problematic region on earth.

Between them, the two countries contain unstable governments, insurgencies; corruption and a narcotics trade; nuclear material; refugees; re-

sentment of U.S. power; a resurgent Taliban; and in the shadows of the tribal region that joins the two countries, Al Qaeda and presumably Osama bin Laden.

"You have a problem that is larger than life," said Christopher Hill, a longtime colleague expected to be named as the new ambassador to Iraq. "To deal with it, you need someone who's larger than life."

Few other diplomats can boast of the accomplishments of Holbrooke, 67, who negotiated the Dayton peace accords to end the war in Bosnia.

But as he lands in Pakistan on Monday, back on duty after eight years of a Republican administration, he is still an outsider in the Obama circle, having only recently developed a relationship with the new president. His longtime foreign-policy pupil, Hillary Rodham Clinton, has the secretary of state job he has always wanted. And he has taken

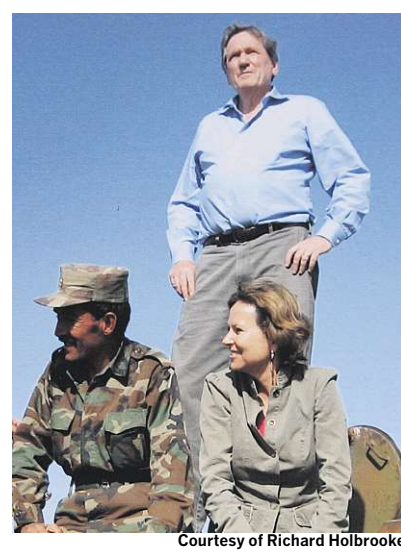
on a task so difficult that merely averting disaster may be the only triumph.

"We are still in the process of digging our way into the debris," Holbrooke said in an interview. "We've inherited an extraordinarily dysfunctional situation in which the very objectives have to be reviewed."

Obama and Clinton chose Holbrooke because of his ability to twist arms as well as hold hands, work closely with the military and improvise inventive solutions to what others write off as insoluble problems. But no one yet knows how his often pyrotechnical style — he whippers, but also pesters, bluffs, threatens, stages fits and publicizes — will work in an administration that prizes low-key competence or in a region that is dangerously unstable.

"Richard C. Holbrooke is the diplomatic equivalent of a hydrogen bomb,"

**HOLBROOKE, Continued on Page 6**



Richard Holbrooke, with his wife, Kati, atop a tank in Herat, Afghanistan.

## Obama rolls out his big guns on economy

Financial aides push stimulus package and prepare new infusion

By Brian Knowlton

**WASHINGTON:** Faced by persistent opposition and delay, the Obama administration stepped up its urgent pleas over the weekend for quick congressional action on the economy, even as some economists warned that the latest steps and a major new initiative might produce only a stuttering recovery that requires further major intervention.

Lawrence Summers, director of President Barack Obama's National Economic Council, on Sunday urged the Senate to pass the administration's \$827 billion stimulus bill, and called on both chambers of Congress to reconcile their differences "as quickly as possible, to contain what is a very damaging and potentially deflationary spiral."

He spoke the day before Obama was to hold his first full-blown news conference as he works to broaden support for the plan.

Obama is also traveling to Indiana on Monday for his first town-hall-style meeting as president.

He has sharpened his rhetoric in the last few days, warning repeatedly of a "catastrophe" if dramatic action was not taken now.

Summers, on Fox-TV, said: "If there was ever a moment to transcend politics this is that moment."

Treasury Secretary Timothy Geithner, meanwhile, was preparing to unveil an initiative that reportedly would inject billions more dollars in new capital into ailing banks while assuming some of their risks in a move to draw private investors; provide greater relief to distressed homeowners and loosen still-constricted markets for consumer credit.

Geithner was scheduled to make that announcement on Tuesday. Summers said the administration wanted attention focused on the stimulus plan on Monday.

Some analysts have called the Geithner plan a "big bang" approach. Others said that it seemed more like a redesign of the \$700 billion bank bailout program that Geithner helped craft last year. Facing urgent and unconventional problems, administration officials have been locked in endless meetings, trying to toe a line between doing too little at a time of crisis and adopting big-government solutions that are anathema to some Americans.

Republican critics and some economists have criticized the stimulus plan wending its way through Congress.

**STIMULUS, Continued on Page 7**

■ Moves to curb bank bonuses gain momentum in Europe. **Page 11**

■ A Florida boomtown turns to bread lines with housing bust. **Page 4**



## Australia's worst fires kill dozens

Bunyip State Forest was ravaged by Australia's deadliest ever wildfires over the weekend, which killed at least 84 people in the country's southeast. **Page 4**

## French leader aims to ease back into NATO

President Nicolas Sarkozy and top NATO officials will begin a diplomatic effort this month to persuade French lawmakers to accept Sarkozy's plan to return France to full membership in NATO structures in time for the alliance's summit meeting in April. Jaap de Hoop Scheffer, the NATO

chief, will address the foreign affairs committee of the National Assembly on Thursday and Sarkozy is due to speak to legislators on Feb. 20. Washington is finalizing which command posts France will be offered if Sarkozy wins approval for a shift that has prompted unexpected opposition. **Page 3**

## Merkel faces big test over a resignation

Chancellor Angela Merkel of Germany and her conservative allies on Sunday refused to accept the resignation of Economy Minister Michael Glos after he sent a letter to his party leader and called Merkel to say he wanted to leave the government. **Page 3**

## Big insurer to oppose plan to break up Fortis

Ping An Insurance, a large shareholder in Fortis, said it would reject a breakup plan supported by the Belgian government. Ping An said it faced a 92 percent drop in the value of its stake and would vote against a revised offer from BNP Paribas. **Page 13**

## Barter economy rises in Russia

One of the great characters of Russian capitalism is back, this time with an "anti-crisis" initiative. **Page 3**

## Madagascar unrest kills 25

Security forces in Madagascar fired on protesters in the capital, reportedly killing more than 25 people. **Page 4**

## An Israeli rightist taps voters' fears

By Ethan Bronner

**JERUSALEM:** Last year, he suggested publicly that Egypt's president, Hosni Mubarak, go to hell. In the Israeli election, to be held Tuesday, he is running on a vow to require Arab citizens to sign a loyalty oath. His campaign slogan asserts with a sly wink at the Jewish electorate that he, Avigdor Lieberman, "knows how to speak Arabic."

Lieberman does not speak Arabic and will not, by all predictions, be elected prime minister. But his popularity has been rising so much that his party is expected to come in third, making him an expected power broker with an explosive and apparently resonant message: that Israel is at risk not only from outside but also from its own Arabs.

"It no longer matters whether Lieberman will get 19 seats, as some polls indicate, or merely 15," Sima Kadmon, a political columnist, wrote Friday in The Yediot Ahrontot newspaper. "He is

## Arab citizens spell danger, he argues

the story of this election campaign." The front-runner who is expected to be prime minister remains Benjamin Netanyahu of the conservative Likud Party. Close behind is Tzipi Livni, the foreign minister and leader of the centrist Kadima party.

Until recently, third place was held by the defense minister, Ehud Barak, leader of the left-of-center Labor Party. Now Lieberman's party, Yisrael Beiteinu, holds third place. He and his party could become part of a coalition government or may lead the opposition.

The political establishment is furious and afraid of either possibility. It considers Lieberman a demagogue who, by focusing on the normally submerged paradox of political life here — how to be a state defined as both Jewish

and democratic — is undermining it. Some in the establishment say he is drawing in Israeli Jews who feel the country needs a greater display of power to survive.

"I am afraid of this guy and I dislike him," said Shmuel Sandler, dean of social sciences at Bar Ilan University, an institution that places emphasis on Jewish identity and values. "He appeals to simple-minded voters. Average Israelis feel that we have given up territory and at the same time the Arabs don't want to accept the Jewish nature of the state."

Israel's recent military assault on the Hamas rulers of Gaza has lifted Lieberman in two ways. First, he presents himself as strong and eager to confront Israel's enemies. At the same time, during the war, there were protests by Israeli Arabs sympathetic to Gaza, something that incensed many Jews.

"The biggest boost his campaign had were pictures of Israeli Arabs waving

**ISRAEL, Continued on Page 7**