

International Herald Tribune

TUESDAY, JUNE 19, 2012

THE GLOBAL EDITION OF THE NEW YORK TIMES

GLOBAL.NYTIMES.COM

Generals in Egypt declare supremacy

CAIRO
New military charter announced as Islamist is called presidential winner

BY DAVID D. KIRKPATRICK

Egyptian news organizations declared Mohamed Morsi of the Muslim Brotherhood the winner of the country's first competitive presidential race on Monday just hours after the ruling military council issued an interim constitution granting itself broad power over the future government, all but eliminating the president's authority in an apparent effort to guard against just such a victory.

The military's new charter was the latest in a series of swift steps that the generals have taken to tighten their grasp on power just at the moment when they had promised to hand over to elected civilians the authority that they assumed on the ouster of Hosni Mubarak last year. Their charter grants them the power to control lawmaking, the national budget and declarations of war, without any supervision or oversight.

After dissolving the Brotherhood-led Parliament elected four months ago, and locking out its lawmakers, the generals on Sunday night also seized control of the process of writing a perma-



Supporters of the Muslim Brotherhood in Cairo on Monday. Its presidential candidate was reported to have won the election.

nent constitution. The state news media reported that the generals had picked a 100-member panel to draft it.

"The new constitutional declaration completed Egypt's official transformation into a military dictatorship," Hosam Bahgat, director of the Egyptian Initiative for Personal Rights, wrote in an online commentary. Under the military's charter, the president appeared to be reduced to a powerless figurehead.

Though final results were not available, Brotherhood supporters called the apparent victory by the Islamist candidate, Mr. Morsi, a rebuke to the military's power grab. "Down, down with military rule!" a crowd at Mr. Morsi's campaign headquarters chanted as he prepared to give a victory speech shortly after 4 a.m. Monday.

Mr. Morsi thanked God, who, he said, "guided Egypt to this straight path, the path of freedom and democracy." He pledged to represent all Egyptians, including those who had voted against him.

Other Brotherhood leaders had already begun escalating their defiance of the generals in meetings and statements Sunday night.

After meeting with Gen. Sami Hafez Enan of the military council, the Brotherhood-affiliated speaker of the Parliament, Saad el-Katani, declared that the military had no authority to dissolve the Parliament or write a constitution. He said a separate 100-member panel picked by the Parliament would begin meeting within hours to write up its own constitution, raising the prospect of competing assemblies. And Saad el-Hussainy, the leader of the Brotherhood's parliamentary bloc, said the group's lawmakers would show up at the Parliament as scheduled on Tuesday morning. The generals had stationed military and riot police officers to keep the lawmakers out, potentially setting the stage for new clashes in the streets.

The military's moves were "a new episode of a complete military coup against the revolution and the popular will," Mohamed el-Beltagy, a leading Brotherhood lawmaker, said in a statement online.

The generals have not spoken publicly or explained their actions, which EGYPT, PAGE 7

A victory in Greece, but little to celebrate



INTO POWER President Karolos Papoulias welcomed Antonis Samaras, leader of the New Democracy party, to his office in Athens on Monday to receive a mandate to form a new government.

Conservatives seek to form coalition of 'national salvation'

ATHENS

BY RACHEL DONADIO

Although Greek voters have given a narrow victory in parliamentary elections to a party that had supported a bailout for the country's failed economy, the result is not likely to prevent a showdown between the next government and the country's so-called troika of foreign creditors — the European Commission, the European Central Bank and the International Monetary Fund — over the terms of a bailout agreement.

Even the most pro-European of Greece's political parties, the conservative New Democracy, which came in first, has said a less austere agreement is crucial to a country with a 22 percent unemployment rate and the rising prospect of social unrest.

On Monday, the New Democracy leader, Antonis Samaras, visited President Karolos Papoulias to receive the mandate to form a government and, in a televised exchange before their meeting, said he would approach "all parties that believe in the country's European future" to join a "long-term government of national salvation."

He added that he would seek "necessary changes to the program," a clear reference to his stated aim to renegotiate GREECE, PAGE 19



RUNNER-UP Alexis Tsipras, leader of the Syriza party, which came in second place.



PROMISING START Markets in Europe opened higher, then gave up early gains.

PAST SHROUDS VILLAGE VOTING ON FUTURE Greece must pay for its follies, a resident of a rural town said, but not at the price of its people's dignity. PAGE 19

ATHENS A HEADACHE FOR OBAMA, TOO Greece's woes are among a daunting array of overseas issues confronting the president as he seeks re-election. PAGE 6

ONLINE: AFTERMATH OF THE GREEK VOTE The reaction to the Greek election, and what it means for politics, policy and the markets. thelede.blogs.nytimes.com

Market relief at voting result gives way to worries over Spain

LONDON

BY STEPHEN CASTLE

Reaction to the Greek elections in financial markets followed a familiar, disconcerting, pattern on Monday as early relief gave way to anxiety about the future of the euro zone, pushing Spain's borrowing costs above the 7 percent barrier that is seen by many as unsustainably high.

European and Asian markets opened higher Monday after the Greek legislative election Sunday handed victory to a center-right party, New Democracy, that supports Greece's staying in the currency union with its international bailout. That had eased fears that the country would leave the euro and unleash further turmoil on the single currency.

But by midmorning, European stock markets had given up those gains, with major indexes down from Friday's close, and the focus shifting back to the problems of Spain, whose banks are heavily exposed to loans that have lost much of their value because of the country's real estate crash.

In the U.S. markets, the Standard & Poor's 500-stock index was up 0.4 percent in midmorning trading. The Dow Jones industrial average was down 0.1 percent, and the Nasdaq composite index was up 0.3 percent.

Analysts said the rise in Spanish borrowing costs reflected investors' skepticism about the euro zone's willingness to address its fundamental problems, even if a new crisis had been averted in Greece.

"The market positioned itself last week for a good result in Greece," said Lefteris Farmakis, an interest rate strategist with Nomura International in London. "They got the result and the follow-through is brief. Then attention turns to the fundamental issues."

Although Spain's cost of borrowing is at the level that caused Greece and Ireland to consider themselves locked out of the markets and ask for international bailouts, Spain has a much lower overall debt load than those two countries. Nevertheless, Spain and its central role in the euro crisis will be much on the minds of the leaders of the Group of 20 nations, who are meeting Monday and Tuesday in Los Cabos, Mexico.

Comments made there Sunday by the World Bank president, Robert B. Zoellick, may have led investors to penalize Spain, an European Union official said, speaking on condition of anonymity because of the sensitivity of the issue.

Mr. Zoellick said European leaders had increased market uncertainty by taking "incremental" steps to end the crisis, and by fumbling the announcement of a €100 billion, or \$126 billion, rescue for Spanish banks at the beginning of last week.

MARKETS, PAGE 19

Fearing a C.I.A. ploy, Taliban in Pakistan block polio shots

ISLAMABAD

BY DECLAN WALSH

A Pakistani Taliban commander has banned polio vaccinations in the tribal belt of North Waziristan, days before a fresh vaccination drive directed at thousands of young children in the region.

The commander, Hafiz Gul Bahadur, said polio vaccinations would be banned until the C.I.A. stopped its drone campaign, which has been largely focused on North Waziristan.

Mr. Bahadur said the decision had been made by the mujahedeen shura, a council that unites the myriad jihadi factions sheltering in the area, including the Taliban, Al Qaeda and Punjabi extremists.

The announcement is a blow to polio

vaccination efforts in Pakistan, which is one of just three countries where the disease is still endemic, and which accounted for 198 new cases last year, the highest number in the world.

The tribal belt along the Afghan border, which has suffered decades of poverty and conflict, is one of the largest reservoirs of the disease. A Unicef spokesman said 500 teams of vaccinators had intended to reach 161,000 children under the age of 5 on Wednesday and Thursday.

That operation is now likely to be canceled, presenting a setback to progress against the disease. So far this year, Pakistan has recorded 22 new polio cases, against 52 at the same period last year.

The Taliban announcement will also rekindle controversy around the use of PAKISTAN, PAGE 4

BUSINESS ASIA

India's bank firm on rates

Interest rate cuts would do little to support investment and growth, said the Reserve Bank of India, which also criticized the country's deficit. PAGE 17

Mexico's reversal of fortune

For years, Mexicans have envied Brazil for its soaring economy. But last year, Mexico grew faster than its Latin rival, and it looks set to do so again. PAGE 17

PAGE TWO

Uncomfortable echoes in Israel

The Israeli government's intensified crackdown on migrants from sub-Saharan Africa has been ripping at the soul of a nation based on refugees.

SPECIAL REPORT: ROYAL ASCOT

Partying to the finish line

The event will be even more festive than usual this year because of the diamond jubilee and the presence of top-ranked thoroughbreds. PAGE 10



WORLD NEWS

Open auditions Mitt Romney, left, is evaluating possible vice presidents. Joining him at a stop in Pennsylvania were, rear left to right, Governor Tom Corbett and Senator Pat Toomey and the former candidate Tim Pawlenty. PAGE 6

Typhoon forces military pullback

China and the Philippines have pulled back their ships from a disputed shoal, amid hopes for eased tensions. PAGE 4

Rodney G. King found dead

The man whose 1991 videotaped beating by the Los Angeles police led to deadly race riots has died at 47. PAGE 4

VIEWS

The rise of the different

The challenge facing the West is not the "rise of the rest," but the rise of states that do not buy into the American postwar system, Ian Bremmer and David Gordon write. PAGE 8

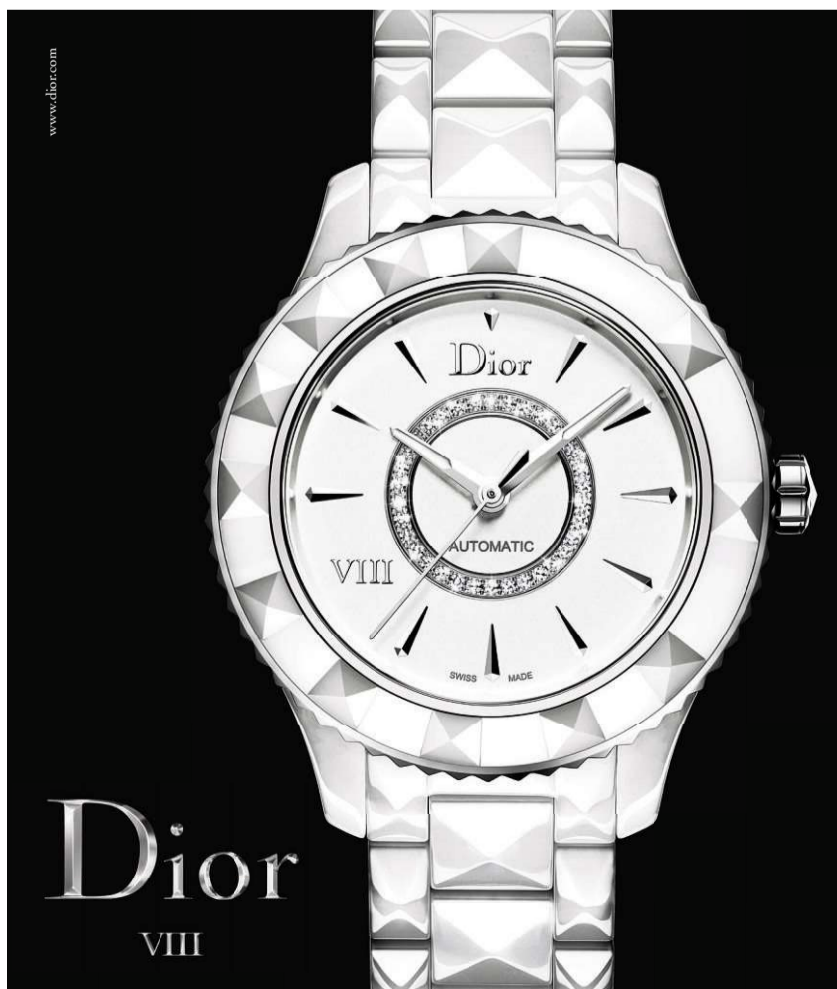
The acid test for marine life

Rising levels of atmospheric carbon dioxide are threatening the chemical balance of the ocean, John Beddington and Jane Lubchenco write. PAGE 8

ONLINE

On gender and the Games

The International Olympic Committee is expected to announce new policies soon on the eligibility of female athletes with naturally high testosterone levels, a condition known as hyperandrogenism. Would banning these athletes from Olympic competition be the fairest way to go? The New York Times invited three experts in intersex issues to share their thoughts. global.nytimes.com/sports



NEWSSTAND PRICES

Bali RP 24,000 (including PPN)	Hong Kong HK\$ 22.00	Malaysia RM 7.50	Philippines Peso 100.00	Taiwan NT 110.00
Bangladesh Tk. 135.00	India RS 30.00	Maldives US\$ 3.80	Seoul Won 2,000	Thailand Baht 65.00
Bangkok Baht 75.00	Indonesia RP 24,000 (PPN Incl.)	Mauritius US\$ 100.00	Singapore US\$ 4.40 (GST Incl.)	Vietnam US\$ 3.80
Brunei B\$ 2.00	Jakarta RP 24,000 (including PPN)	Myanmar US\$ 4.20	Sri Lanka RS 660.00 (VAT Incl.)	
Cambodia US\$ 3.00	Japan Yen 200 (Tax included)	Nepal NRs 25.00	Sydney A\$ 8.25 (GST Incl.)	
China RMB 26.00	Macau P22.00	Pakistan RS 20.00	Taipei NT 110.00	

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CURRENCIES NEW YORK, MONDAY 11:00AM

	PREVIOUS
▼ Euro	€1= \$1.2610 \$1.2640
▼ Pound	£1= \$1.5670 \$1.5710
▼ Yen	¥1= ¥78.910 ¥78.690
▼ S. Franc	₣1= SFO.9530 SFO.9490

Full currency rates Page 21

STOCK INDEXES MONDAY

▼ The Dow 11:00am	12,751.62	-0.12%
▲ FTSE 100 4pm	5,498.85	+0.37%
▲ Nikkei 225 close	8,721.02	+1.77%

OIL NEW YORK, MONDAY 11:00AM

▼ Light sweet crude	\$83.11	-\$0.90
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