

World News

EUROPE

Opposition helps Merkel on Greek rescue

BERLIN

BY NICHOLAS KULISH

Chancellor Angela Merkel kept her incremental strategy for attacking Greece's debt problems on track on Monday with a victory in Parliament, but she had to rely on the help of opposition parties to win the vote.

Without votes from the Social Democrats and the Green Party, Mrs. Merkel would not have received the backing she needed from the Bundestag to sign off on the \$175 billion Greek rescue package when she travels to Brussels for the summit meeting of European leaders on Thursday and Friday.

The vote passed with 496 in favor, 90 against and 5 abstentions. Although she won by a large margin, Mrs. Merkel failed to reach the so-called chancellor's majority, or a simple majority from the ranks of the governing coalition parties.

The defections from her ranks were the clearest sign of the growing doubts here that Greece's finances can be stabilized in the long run. Over the weekend, a cabinet member for the first time broke ranks with Mrs. Merkel and said Greece should leave the euro.

"No one can give a 100-percent guarantee of success," Mrs. Merkel said Monday, acknowledging the growing doubts. But there would be "incalculable risks," if help for Greece was cut off.

German approval was an important step toward finalizing the bailout, but only one of many. The Dutch and Finnish Parliaments are also expected to vote this week on the aid package. The private-sector involvement, the so-called haircut, has yet to be finalized.

There are many here in Germany opposed to bailing out the Greeks on principle, but a growing number of politicians, economists and taxpayers have begun to express doubt about the practical feasibility of the rescue plan. The Greek economy keeps shrinking faster than anticipated with few signs of recovery in sight.

Reports that some Greek lawmakers had been shifting personal assets out of the country only added to the sense of pessimism and overall gloom.

"I still don't see any light at the end of the tunnel," said Philip Whyte, senior research fellow at the Center for Euro-



JOHN MACDOUGALL/AGENCE FRANCE-PRESSE

Chancellor Angela Merkel casting her ballot on Monday. She won by a large margin but failed to reach a simple majority from the ranks of the governing coalition parties.

pean Reform. "It's not clear to me when Greece returns to growth under this policy mix. The fiscal policy is excessively tight and Greece is being pushed down a totally self-defeating path."

Over the weekend, Germany's interior minister, Hans-Peter Friedrich, became the first member of Mrs. Merkel's cabinet to say publicly what others have only said in private: Greece should be encouraged to leave the euro.

"Greece's chances to regenerate itself and become competitive are surely greater outside the monetary union than if it remains in the euro area," Mr. Friedrich told *Der Spiegel*, the weekly newsmagazine.

The *Süddeutsche Zeitung* carried the

front-page headline "Money for Greece divides the government." The newspaper reported that Finance Minister Wolfgang Schäuble and Economy Minister Philipp Rösler had expressed doubts in private about the prospects for success of the Greek strategy.

A survey by the polling institute Emnid for the newspaper *Bild am Sonntag* found that 62 percent of Germans wanted their representatives to vote against the bailout and only 33 percent were in favor.

Philipp Missfelder, a member of Parliament and a leading member of Mrs. Merkel's conservative Christian Democrats, said that politicians faced displeased constituents when they traveled back to their home districts.

"The people want to have a clear line and the clear line is that we raised the pressure on Greece," Mr. Missfelder said.

Although Mrs. Merkel hushed her critics long enough to pass the bailout measure, the growing chorus of domestic opposition throws increasing doubt on her ability to win support for additional measures to stem the European debt crisis. The debate has already begun to shift toward calls to expand the size of the European Union's planned rescue fund to combat global financial turmoil.

On the eve of the Bundestag vote, a group of Greek business people began an ad campaign aimed at dispelling the

impression that Greece was dragging its feet on reforms. The ads under the banner "Give Greece a Chance" appeared in English, French, Dutch and German newspapers.

But efforts to polish Greece's image vied with last week's news that some members of parliament were moving their money out of Greek bank accounts. The head of a watchdog agency was first to note that at least one member of parliament had moved a million euros out of the country. That member of Parliament has not been identified.

On Saturday, Finance Minister Evangelos Venizelos told Parliament that a significant number of lawmakers had moved sums in excess of 100,000 euros.