

# A swirl of emotions descends on Greece

ATHENS

In lull between elections, fear and anger dominate as an outcome is awaited

BY RACHEL DONADIO

The breathless international headlines cry out about Greek chaos — fears of bank runs in a country without a government poised to take down the euro, and with it the global economy. But here in Athens the mood is more subdued.

Two weeks after elections and a month before new ones, the dominant feeling is anticipation mingled with fear and anger, as Greeks express the same confusing range of views that failed to

produce a clear winner last time and that may do the same when they vote again on June 17.

On Thursday, a caretaker prime minister, Panagiotis Pikrammenos, named a temporary cabinet of diplomats and academics, while 300 new members of Parliament took their oaths of office before the body was to be dissolved again on Friday. The ceremony reflected the new forces at work on Greece's political landscape, as members of the neo-Nazi party Golden Dawn refused to stand when Muslim legislators were sworn in on a Koran.

In the tense lull between elections, the political and economic uncertainty here has produced a new air of expectation, and the sense of an endgame in which Greece will fall apart or Europe will pull together — or perhaps both.

"We have nothing to lose — we have no fear," a woman who gave her name only as Maria said as she stood in Synagoga Square. "It's a transitional period. We will find our way."

Nearby, newspaper headlines joked about the interim prime minister's last name, which means "embittered," while others talked about how Chancellor Angela Merkel of Germany was softening her tough line on austerity and suggesting that Europe also needed some stimulus spending. "Merkel Puts More Water in Her Wine," a headline in the daily Ta Nea read.

Anthie Soukou, 32, an agriculturist, said she was reassured by Ms. Merkel's comments. "It's comforting, in complete contrast with the grim news from inside Greece," she said. "Maybe this GREECE, PAGE 3



# World News

## EUROPE

### Italy moves to counter subversive violence

ROME

As fiscal crisis deepens, tax offices have become frequent targets of anger

BY GAIA PIANIGIANI AND ELISABETTA POVOLEDO

After months of growing social tensions stemming from Italy's economic crisis and new taxes imposed by the government, the Interior Ministry announced extraordinary steps on Thursday to stop attacks on tax collection offices and to "neutralize" subversive activities.

The move came in response to a fresh outbreak of violence, from both tax-squeezed individuals who have turned their anger on Equitalia, the publicly owned tax collection agency, and by radical groups that have emerged with new force by modeling their tactics on the domestic terrorists that tried to destabilize Italy in the 1970s and early 1980s.

Last week, an anarchist group shot the leg of Roberto Adinolfi, the chief executive of Ansaldo Nucleare, a unit of Finmeccanica Group, the Italian military and aerospace conglomerate. "Gripping the gun, choosing and following the target," read a rambling communiqué from the group published by the Milan daily Corriere della Sera, "were the logical consequence of an idea of justice."

The group pledged to attack other Finmeccanica targets, and on Thursday the company confirmed that the government had reinforced security measures for the company's senior managers and other employees.

The government said it was also alarmed by protests and the numerous attacks, including letter bombs and makeshift explosive devices, aimed at Equitalia branches, as well as the harassment of its officials. Earlier this month, an Italian businessman in financial trouble took 15 hostages at an Equitalia office in Lombardy, demanding that tax officials and journalists hear him out in a tax dispute.

Interior Minister Annamaria Cancellieri, said the attacks "confirmed the need to maintain a high level of vigilance and attention," and pledged to re-deploy more than 24,000 police and military officers as needed to defend more than 14,000 targets and 550 persons against perceived threats.

Acknowledging that Equitalia and revenue officials had a tough job because no one likes to pay taxes, Prime Minister Mario Monti said Thursday that the economic crisis made their work "even more difficult and delicate," and had made them targets. "This is not acceptable," he said. He expressed the

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government's "unconditional support" to tax officials and condemned the "numerous acts of intimidation and aggression" they have been subject to.

The economic crisis, compounded by difficulties in getting bank loans even in cases when the government has outstanding debts with small businesses, has fueled the backlash against Equitalia, which has become a focus of widespread frustrations. Some Italians also blame Equitalia for the rash of suicides on the part of indebted entrepreneurs that have been making headlines in Italy in recent months.

"The discourse surrounding Equitalia is too emotional and propagandistic," Alberto Orioli, deputy director of the economic daily Sole 24 Ore, wrote last week. "But the real enemy is the crisis, not Equitalia."

Concerns about domestic terrorism run high in Italy, which lived through the so-called Years of Lead, in the 1970s and early 1980s, when politicians, trade union leaders and business leaders were under siege by radical groups. Since then, terrorist groups have carried out actions intermittently, killing two prominent labor reformers in 1999 and 2002.

"Terrorism is endemic in capitalist societies," and finds space to grow in moments of economic inequality, said Sabina Rossa, a lawmaker with the Democratic Party whose father was killed by Red Brigade terrorists in 1979, during a televised interview Sunday.

Andrea Margelletti, a security expert and founder of a Rome-based research group on international relations and defense, said the violence taking root in Italy was "dictated by a deep sense of fear and insecurity, a dim view of the future as the suicides would suggest."

Even anarchist groups hope to capitalize "the emotional wave" sweeping across the country, he said. But Mr. Margelletti saw little reason to fear a return to the level of violence of 35 years ago.

"Italian society has changed and some things can't happen anymore," he said. "Those years brought too much mourning, and no one wants to go back."



Panagiotis Pikrammenos, the caretaker prime minister of Greece, arriving in Parliament in Athens on Thursday. He has named a temporary cabinet of diplomats and academics.

### Greeks feel a swirl of emotions

GREECE, FROM PAGE 1

shows we do have a voice after all, that she got our message. Or maybe it's the recent election in Germany and the general atmosphere in Europe and we just think we made a difference."

Many in the international financial community were perplexed that Greece would upset months of relative calm by calling new elections that yielded so much uncertainty that its membership in the euro zone was now in question. But for many Greeks, there was a profound desire to try something, anything, new after two years of wage cuts and tax hikes under a Socialist government.

"Even if it was just to release the pressure that had built for so long, the people wanted to express their anger and disappointment," Fotini Bombola, 45, said at her craft store, Happy Cloud, in downtown Athens. "What they said was, 'We're not sheep for you to take to the slaughter with our heads down.'"

She said she had voted for the leftist party Syriza, which surged at the polls and is vying for first place in new elections. Asked how she could square rejecting the loan agreement with wanting to stay in the euro, Ms. Bombola said: "If they tell us 'You have to leave,' it's for us to keep our dignity even with a lot of pain. I'd rather have that even though I want to be in the euro."

Many Greeks are beginning to realize what the next election will be about. "The true dilemma in the next election is to stay in the euro zone or out," said Haris Karamaneas, 40, who works in the construction industry. "It will be the moment of truth for a lot of people who voted with anger in the previous election."

The country had no stable government, the fate of the euro was hanging in the balance, but the sun was shining and no one in the cafe where he was eating looked particularly worried. "You know the Greek paradox," Mr. Karamaneas said with a laugh.

But a few miles away in the Daphne neighborhood, dozens of shops had



Vassiliki Gousiou, who voted for Greece's Communist Party, on Vouliagmeni Street, where many stores are closed. "I'm afraid — and I'm angry that they want to scare me," she said.

closed and there was a far more palpable sense of concern. "I'm afraid. And I'm angry that they want to scare me," Vassiliki Gousiou said in front of a shuttered shop. She said she had voted for the Communist Party and would do so again.

Although the May 6 elections saw many people crossing party lines for the first time, ahead of the June 17 elections, a new line is forming between right and left following the collapse of the Socialist Party.

"The leftists are dangerous. They will kick out any remaining business from the country," said Dimitris Tsamis, 59, an unemployed construction worker and lifelong Socialist who voted for the conservative New Democracy party for the first time. "They couldn't even form a government now that they had the chance."

"I am all about a gradual unhinging from the memorandum, but we can't

just do it unilaterally," he added, referring to the bailout deal. "We are dignified people, we have taken money and now we have to give it back. But they have to cut us some slack."

Others who said they had voted for smaller parties in the last election would return to the larger ones next month. "People have to move to the right to fend off this uncertainty," said Dimitris Dimopoulos, 86, another lifelong Socialist who said he had voted for a smaller right-wing party, Independent Greeks. "We can't afford to have a left-wing government."

Some Greeks said they believed that Europe was still bluffing about Greece exiting. "If Greece leaves the euro then the rest of the Mediterranean will have to leave," a man who gave his name only as Giorgos said as he played backgammon with a friend in a park. "and what is Europe without the Mediterranean?"

Although there have not been bank

runs, the uncertainty has caused many Greeks to take money out of their accounts. "Right before elections, nothing was moving, it was like people were in shock. No deposits, no withdrawals. Two days after elections, the panic started," said a banker in a branch in downtown Athens who declined to give her name.

"I've witnessed a loyal customer closing her account, all €150,000 of it, putting it in her handbag and walking out the branch," the banker said. She added that it was more common for people to take out smaller amounts, €3,000 to €5,000. "It's the middle ground between their uncertainty and their fear that if we abruptly return to the drachma, they can have some money for the first few days."

Some say that Greece is at a major historical turning point. The May 6 election results were "national suicide," said Theodoros Pangalos, a Socialist Party veteran and former deputy prime minister. He said that Greece had revealed its tendency for self-harm in 1922, in the bloody conflicts as the Ottoman Empire collapsed, and again when Greece followed World War II with a civil war.

"This is a country where Eros is very powerful and Thanatos is very tempting," Mr. Pangalos added, referring to the ancient Greek concepts of love and death, the life instinct and the self-destructive one.

But other Greeks said such historical sweep merely gave cover to the Greek politicians who brought the country to this pass and now are forcing Greeks to choose between a failed political class or exiting the euro.

"I don't think they're bluffing but I'm mostly angry," said a 25-year-old who studied biomedical engineering but is now unemployed. "Of course I'm afraid because they don't care about us. They're playing their own little games and in the end we take the fall."

Dimitris Bounias and Niki Kitsantonis contributed reporting.

BRIEFLY

### Europe



SOFIA

#### Lawmakers ban smoking in all indoor public areas

The Bulgarian Parliament voted Thursday to ban smoking in all indoor public spaces starting on June 1 in an attempt to persuade one of Europe's heaviest smoking nations to kick the habit.

The European Union's poorest member state joined a growing list of nations to ban smoking in bars and restaurants. It also agreed to forbid smoking outside nurseries and schools and at stadiums during sports and cultural events. More than 40 percent of Bulgarian adults smoke.

Inspectors will impose fines of up to 5,000 leva, about \$3,250, for a first offense and up to 10,000 leva for a repeat violation for bar owners or managers who tolerate smoking in restricted areas. Smokers who break the law face a fine of up to 500 leva for a first offense, which could be doubled for repeat violations. A survey showed that 56 percent of Bulgarians, the second-heaviest smokers in the European Union after Greeks, opposed the total ban on smoking in closed public areas. (REUTERS)

VILNIUS, LITHUANIA

#### Mother regains child custody with the help of riot police

Riot police officers helped a mother regain custody of her 8-year-old daughter on Thursday in a case that has riveted Lithuania for three years and led to three deaths.

Thirty-nine protesters were detained as they tried to prevent the police from carrying out a court order allowing the mother to take her daughter from a house where relatives have been keeping her. Many residents in the southern town of Garliava violently opposed the order because they alleged that the girl's mother, Laimute Stankunaite, was part of a pedophile ring. But early Thursday Ms. Stankunaite and her lawyer — both wearing bulletproof vests and surrounded by dozens of police carrying shields — whisked the girl out of the house to a waiting van.

In 2009, the girl's father, Drasius Kedys, claimed his daughter was being abused by a pedophile ring involving Ms. Stankunaite. After Mr. Kedys failed to get a court order protecting his daughter, he allegedly killed a judge and the mother's sister, both of whom he accused of being part of the pedophile ring. Mr. Kedys then disappeared, only to be found dead near a reservoir in unexplained circumstances two years ago. (AP)

LONDON

#### Murder conviction overturned after justices review case

A man convicted of murder as a teenager has had his conviction overturned by judges after more than seven years in jail.

Sam Hallam, 24, was released after prosecutors here said they would not contest his appeal. Mr. Hallam had been found to be part of the gang that murdered 21-year-old Essayas Kasasahun in north London in 2005. But no forensic evidence linked him to the scene and a hearing was told that new evidence cast doubt on his identification as being among those involved.

On Thursday Mr. Hallam's conviction was canceled by three senior justices after a review of his case. (AP)

ANKARA

#### Kurdish rebels kill 3 Turkish soldiers

Kurdish rebels killed three Turkish soldiers in southern Turkey on Thursday, officials said. Rebels of the Kurdistan Workers' Party are fighting for autonomy in the largely Kurdish southeast. (AP)

### After dozens of arrests, phone-hacking investigations could 'last years'

LONDON

BY RAVI SOMAIYA

The phone-hacking scandal that shook Rupert Murdoch's global media empire and hit the heart of the British government began quietly on a Monday in 2005 when aides to the British royal family gathered in a palace office appointed with priceless antiques to air suspicions that their voice mail messages had been intercepted.

Seven years and dozens of arrests later, the day after the latest criminal charges were brought, information from the police, prosecutors and investigators indicated on Wednesday that the investigations would probably go on for years, with no obvious end in sight.

Rebekah Brooks, the former editor of Mr. Murdoch's tabloids, The Sun and The News of the World, who rose to become chief executive of his British newspaper subsidiary, News International, and a close friend of Prime Minister David Cameron's, was among the first to face criminal charges, the authorities announced Tuesday. Ms. Brooks, her husband and four former

colleagues were accused of perverting the course of justice by removing materials pertinent to police investigations — charges she called "unjust."

Ms. Brooks, who is to appear in court on June 13, will most likely not be the last to face prosecution, the police and prosecutors said. There are three police operations, Scotland Yard confirmed: Operation Weeting, which is examining illegal voice mail interceptions, employs 95 officers and staff members and has made 22 arrests; Operation Tuleta, which is looking into computer hacking, employs eight and has made three arrests; and Operation Elveden, which is exploring illegal payments by journalists to public officials, employs 29 and has made 28 arrests.

"It is difficult to give an end date," said a police spokesman, who declined to be identified in line with policy. "We follow the evidence and it's impossible to say where it will lead. It's safe to say it will last years."

A police budget for all the investigations into journalism extends into 2015 and is expected to reach \$64 million in total.

Criminal trials for central players in

the scandal could air new information. Among those who could face charges is Andy Coulson, the former editor of The News of the World who later became Mr. Cameron's director of communications.

If it is proved that those in Mr. Murdoch's employ conspired to pay public officials to further business interests, experts say he could be at risk of sanctions in the United States under the Foreign Corrupt Practices Act. Even a small fine would threaten to take the scandal across the Atlantic and increase political pressure on Mr. Murdoch's lucrative U.S. interests.

A far-reaching public inquiry, led by a senior judge, Lord Justice Brian Leveson, is running parallel to the criminal investigations. It has elicited explosive testimony from Mr. Murdoch, his son James and their former senior executives and will continue into July with appearances by leading past and present politicians, said John Toker, a spokesman for the inquiry.

On the witness stand in the next two weeks will be Culture Secretary Jeremy Hunt, who is accused of seeking to aid Mr. Murdoch's bid to take over a satellite broadcaster, British Sky Broadcast-

ing, or BSkyB, instead of adjudicating it impartially.

It is unclear whether Mr. Cameron and his chancellor of the Exchequer, George Osborne, will also give evidence on their relationships with the Murdoch family and company executives.

Both officials have faced embarrassing allegations that dinners and parties

#### A police budget for all the inquiries extends into 2015.

with the Murdochs, including a gathering that Mr. Cameron attended on Mr. Murdoch's yacht, reveal an inappropriate coziness that may have influenced the BSkyB deal.

The inquiry's report will be released in October, Mr. Toker said, and the second part of the inquiry, focusing on the hacking scandal, will begin after criminal proceedings have ended.

More than 100 civil lawsuits alleging illegal voice mail interceptions have been filed, according to court records. Many suits have been settled at an undisclosed cost, which could reach hundreds of millions of dollars in damages and legal

fees. The police have said that there are probably more than 800 victims.

The judge overseeing the cases, Geoffrey Vos, set a trial date of Feb. 18, 2013, for any cases that are not settled out of court.

News International has also come under some pressure to waive legal privilege and allow the release of an internal dossier on hacking, compiled by the law firm BCL Burton Copeland in 2006, that might reveal whether senior executives knew of widespread illegality even as they said that hacking was limited to "one rogue reporter," Clive Goodman, who was jailed in 2007. A News International spokeswoman declined to comment on the matter, and the law firm did not respond to messages.

"We're now thinking in terms of years, not weeks or months," a News International official said, speaking on the condition of anonymity to discuss internal strategy. But the company may not be alone. Other allegations of phone hacking outside of Mr. Murdoch's empire — including accusations that it took place at a large corporation — are likely to emerge, one person familiar with the investigations said.