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Athens runs short of time to remain in euro bloc

ATHENS

Even as Europe worries about Spain, Greece remains a trouble spot

BY RACHEL DONADIO AND SUZANNE DALEY

Only a month after installing a new government, Greece is once again in peril. Its official lenders have signaled a growing reluctance to keep paying the bills of the nearly bankrupt nation, even as the government seeks more leniency on the terms of its multibillion-euro bailout.

Adding to the woes: The Greek government, itself a motley coalition of conservatives and Socialists, and the leaders of the troika of European lenders are increasingly divided among themselves. That is creating more uncertainty as Greece and the rest of Europe head for another showdown, raising fresh doubts about how long Athens can remain within the euro currency bloc.

Fears are also mounting in Europe about the deteriorating situation in Spain. But Greece remains a problem child.

The question now is whether the troika is prepared to force Greece to default. Much of the rhetoric on both sides is aimed at extracting concessions in negotiations. But while Greece has been pushed to the edge before, it now appears to be running out of time because its European partners, however complicit in Greece's current plight, appear to be running out of patience.

On Thursday, the president of the European Commission, José Manuel Barroso, is expected to make his first visit to Athens since 2009 to meet with Prime Minister Antonis Samaras of Greece. The commission and the other two members of the troika — the International Monetary Fund and the European Central Bank — have begun a sweeping assessment of how well Athens has complied with harsh austerity measures imposed as the price for providing enough money to prevent the country from slipping into a financial abyss.

"We knew at the fund from the very beginning that this program was impossible to be implemented because we didn't have any — any — successful example," said Panagiotis V. Roumeliotis, a vice chairman at Piraeus Bank and a former Greek finance minister who until January was Greece's representative to the I.M.F.

Because Greece is in the euro bloc, he noted, it could not take one of the basic steps that the I.M.F. typically encourages countries to take when it extends aid: Devalue the currency to help improve the nation's economic competitiveness.

At the same time, Mr. Roumeliotis added, the troika underestimated the harm its austerity medicine would have on the Greek economy.

Greece's lenders say they will not aid the country further unless it meets its GREECE, PAGE 14

EURO ZONE'S DIVISIONS WIDEN

As Germany brushes off a credit rating warning, Spain's borrowing costs are hovering near record levels. PAGE 13



JOB LOSSES The Kyowa factory in Seki, Japan. Its owner, worried about the yen's rise, is moving his production to a new plant in Vietnam.



RETIREMENT SECURITY Shigeru Ono, once an oil company manager, said deflation helped him afford a Chinese-made flat-screen television.

Strong yen feeds a 'clash of generations'

SHIZUOKA, JAPAN

Falling prices benefit retirees but are pushing industries to leave Japan

BY MARTIN FACKLER

As Japan has ceded its dominance in industry after industry that once lifted it to economic greatness, there has been plenty of blame to go around. A nuclear disaster that raised energy costs. A lack

of entrepreneurship. China's relatively cheap work force.

Increasingly, however, business leaders point to what they call a more immediate threat and one that is at least partly within the government's power to control: a punishingly high yen that has made Japanese exports, from televisions to memory chips, prohibitively expensive abroad. The government is doing almost nothing to try to rein in the yen, despite general alarm that the record-high currency is dealing crippling blows to the country's once all-important export machine.

One big reason, analysts and some politicians say, is simple, if generally left unsaid: A high yen benefits Japan's rapidly expanding population of elderly residents, even if it hurts other parts of the country.

By speeding the flood of less expensive imported products into Japan, the strong yen is contributing to a broader drop in prices of goods and services, known as deflation, that has helped retirees stretch their pensions and savings. The resulting inaction on the yen, according to a growing number of economists, JAPAN, PAGE 4

Ex-editors charged in hacking scandal

LONDON

Former Cameron aide and Murdoch executive are among 8 facing trial

BY JOHN F. BURNS AND RAVI SOMAIYA

After a year of furious controversy over the widespread phone hacking by one of Rupert Murdoch's tabloid newspapers, British prosecutors brought criminal charges on Tuesday against eight of the most prominent figures in the scandal, including Andy Coulson, who was Prime Minister David Cameron's communications chief at 10 Downing Street until the scandal forced his resignation last year.

Also charged was Rebekah Brooks, the chief executive of Mr. Murdoch's newspaper empire in Britain until she, too, resigned last summer. Others who were indicted include five journalists who played prominent roles at The News of the World, the tabloid where Ms. Brooks and later Mr. Coulson were the top editors at the time that the hacking is alleged to have occurred, from 2000 to 2006.

The criminal charges — and the possibility of prison terms if prosecutors win convictions — are a sharp turning point in the affair. The case adds the drama of high-profile trials to a scandal that has already thrown the worlds of politics, policing and journalism in Britain into a prolonged fit of self-examination and shaken the foundations of the Murdoch empire.

The eighth person charged was Glenn Mulcaire, a private investigator who served a prison term in 2007, together with a News of the World reporter covering Britain's royal family, for hacking into the cellphones of younger members of the royal family and their aides. Those convictions remain the only ones so far in the hacking furor.

After Tuesday's announcement by Alison Levitt, the senior legal adviser at

the Crown Prosecution Service, headlines in Britain focused on Mr. Coulson and Ms. Brooks, both of whom have strong personal links to Mr. Cameron — Mr. Coulson through his years at Mr. Cameron's side, in and out of government, and Ms. Brooks because of the friendship she and her husband, Charlie Brooks, had with Mr. Cameron before the scandal erupted.

Political analysts said the fact that the two now face criminal trials that seem certain to run on at least through the next year, attracting wide news coverage, posed a potentially serious hazard to the prime minister. With a general election due in 2015, the analysts said, Mr. Cameron and the Conservative HACKING, PAGE 3



Andy Coulson was Prime Minister David Cameron's communications chief until being forced to resign over the scandal.



The criminal charges mark a spectacular fall for Rebekah Brooks, a former chief executive of News International.

Advice from the digerati: Log off from time to time

BY MATT RICHTEL

Stuart Crabb, a director in the executive offices of Facebook, naturally likes to extol the extraordinary benefits of computers and smartphones. But like a growing number of technology leaders, he offers a warning: log off once in a while, and put them down.

In Silicon Valley, a place where technology is seen as an all-powerful answer, it is increasingly being seen as too powerful, even addictive.

The concern, voiced in conferences and in recent interviews with many top executives of technology companies, is that the lure of constant stimulation — the pervasive demand of pings, rings and updates — is creating a profound physical craving that can hurt productivity and personal interactions.

"If you put a frog in cold water and slowly turn up the heat, it'll boil to death

"It's this basic cultural recognition that people have a pathological relationship with their devices."

— it's a nice analogy," said Mr. Crabb, who oversees learning and development at Facebook. People "need to notice the effect that time online has on your performance and relationships."

The insight may not sound revelatory to anyone who has joked about the "crackberry" lifestyle or followed the work of researchers who are exploring whether interactive technology has addictive properties.

But hearing it from leaders at many of Silicon Valley's most influential companies, which benefit from people spending more time online, can sound like DISTRACTIONS, PAGE 15



WORLD NEWS

Syrian battleground A Syrian rebel on Tuesday at an old military base near Aleppo, Syria's largest city, which insurgents are seeking to capture. PAGE 4

Bomber in Bulgaria had help

The suspect in a suicide attack in Bulgaria was aided by an "experienced" group, the prime minister said. PAGE 3

3 to 6 years for Catholic official

Msr. William J. Lynn, of Philadelphia, was sentenced to prison for his role in covering up for abusive priests. PAGE 5

BUSINESS

Settlement near in Google case

The European Commission said Tuesday that it had reached an "understanding" with Google that could lead to a settlement of an antitrust investigation into allegations that it abused its dominance of the Internet search and advertising market. PAGE 13

Rosneft wants to buy out BP

The Russian state oil company said it was negotiating to buy out BP's share of the joint venture TNK-BP that may be worth \$30 billion. The British oil company and its Russian partners have clashed repeatedly over whether and how to expand the venture. PAGE 13

SPORTS

Suzuki gets wish with Yankees

Ichiro Suzuki, one of baseball's greats, was traded from the struggling Seattle Mariners to the post-season-bound New York Yankees. He joins a long list of stars who have joined the Yankees in the twilight of their careers. PAGE 11

IEWS

David Brooks

People use events like the killings in Aurora, Colorado, to indict whatever they don't like about society. But dealing with such tragedies has more to do with psychology than sociology. PAGE 7

Britain's flawed libel law reform

The British Parliament's efforts to quell libel tourism fall short of protecting the country's own writers from unreasonable lawsuits, writes Rachel Ehrenfeld. PAGE 6

ONLINE

Parents, before and later

Two projects by the photographer Dona Schwartz — "On the Nest" and "Empty Nesters" — document the bookends of the child-rearing experience. She photographed pairs of expectant couples, then different couples who were coping with an empty home after their children grew up and moved out. The contrast is, at times, stark. lens.blogs.nytimes.com

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CURRENCIES NEW YORK, TUESDAY 1:30PM PREVIOUS

▼ Euro €1= \$1.2050 \$1.2110

— Pound £1= \$1.5500 \$1.5500

▲ Yen ¥1= ¥78.180 ¥78.360

▼ S. Franc \$1= SFO.9960 SFO.9910

Full currency rates Page 17

STOCK INDEXES TUESDAY

▼ The Dow 1:30pm 12,570.58 -1.19%

▼ FTSE 100 close 5,499.23 -0.63%

▼ Nikkei 225 close 8,488.09 -0.24%

OIL NEW YORK, TUESDAY 1:30PM

▼ Light sweet crude \$88.33 -\$1.35

