

To: jeevacation@gmail.com[jeevacation@gmail.com]
From: Office of Terje Rod-Larsen
Sent: Fri 5/18/2012 5:05:16 PM
Subject: May 18 update

18 May, 2012

Article 1.	<p>Wall Street Journal</p> <p><u>Total Sanctions Might Stop Iran</u></p> <p><u>Meir Dagan, August Hanning, R. James Woolsey, Charles Guthrie, Kristen Silverberg and Mark D. Wallace</u></p>
Article 2.	<p>Guardian</p> <p><u>Western diplomats are still getting it wrong on Iran</u></p> <p><u>Peter Jenkins</u></p>
Article 3.	<p>TIME</p> <p><u>Why Tehran Might Be Ready to Talk</u></p> <p>Joe Klein</p>
Article 4.	<p>Asharq Alawsat</p> <p><u>Iran's triple mistakes in Syria, Iraq and Bahrain</u></p> <p>Amir Taheri</p>
Article 5.	

	The National (Abu Dhabi) <u>Qatar's ties with the Muslim Brotherhood affect entire region</u> Ahmed Azem
Article 6.	NYT <u>Europe: Apocalypse Fairly Soon</u> Paul Krugman
Article 7.	Harper's Magazine <u>A pundit's rosy view of the Pax Americana</u> Andrew J. Bacevich

Article 1.

Wall Street Journal

Total Sanctions Might Stop Iran

Meir Dagan, August Hanning, R. James Woolsey, Charles Guthrie, Kristen Silverberg and Mark D. Wallace

May 17, 2012 -- As the Iranian regime races to fulfill its nuclear ambitions, the world faces a stark choice. Our near future carries

the risk of a military conflict with Iran, or a nuclear arms race in the already-volatile Middle East. It is still possible to avoid these outcomes, but only if like-minded nations act immediately to deliver a potentially decisive economic blow to the regime.

It is still in Iran's interest to change course and address international concerns regarding possible military aspects of its nuclear program. Our rationale is based on strong empirical evidence from the last few months that sanctions are having a tangible impact. For example, the value of Iran's currency, the rial, is currently in free fall.

Two actions that were long advocated by United Against Nuclear Iran have been enacted and have struck at the heart of Iran's economic system. First, the United States and the European Union passed financial sanctions against Iran's central bank and pressured Swift, the international banking consortium, to deny access to Iranian banks. The ripple effect has been staggering.

Second was the decision by countries to ban or significantly curtail oil imports from Iran. The EU joined the U.S. in enacting an outright ban on imports of Iranian oil, while other countries, like Japan, also took significant steps.

With these measures in place, now is the time for the international community to truly isolate the regime. This means passing the most robust sanctions against Iran in history. We propose decisive action in four key areas.

First, Iran must be fully denied access to the international banking system. Current sanctions and Swift's action have made a difference, but they did not include all Iranian institutions. By

designating all Iranian banks for sanctions, the global community can fully sever Iran from the international financial system.

Second, companies should be required to disclose any and all investments and business transactions in Iran. This can be accomplished by changing the rules of the U.S. Securities and Exchange Commission, the U.K.'s Financial Services Authority, and similar counterparts overseas. The moment companies are required to disclose their irresponsible business activities in Iran is the moment they end such business for risk of reputational harm.

Third, the world must deny Iran's access to international shipping, a move that would severely affect the regime given its dependence on global trade and seaborne crude oil exports. Aligned nations should prohibit international cargo shippers that service Iranian ports or do business with the Tidewater Middle East Co. (which handles 90% of Iran's container traffic) from shipping to the U.S., EU and elsewhere.

The U.S. and EU should introduce laws requiring all tankers and general cargo vessels arriving in ports to certify that they have not docked at an Iranian port, and that they have not carried Iranian crude oil or downstream petrochemical products, in the preceding 36 months. Any that have should be banned for the next 10 years.

Fourth, insurance and reinsurance companies that operate in Iran should be identified and prohibited from doing business in the U.S. and the EU, and they should be precluded from entering into insurance and reinsurance agreements with any entities in

the U.S. or EU. Insurers and reinsurers must also disclose all substantial investments in Iran. There are inherent risks associated with doing business in Iran, and if institutions are forced to assume the full ramifications of those risks, the allure of doing business in Iran will diminish significantly.

Some critics will say that these measures are too stringent and detrimental to the Iranian people. Others will say that no amount of economic pressure can prevent Iran from acquiring a nuclear weapon, and so the only option is a military one.

To the first group, we respond by saying that Iran's economy is widely controlled by the regime (specifically the Islamic Revolutionary Guard Corps), which profits at the expense of the Iranian people. History has made clear that the regime will never change course due to half-measures; only serious steps like we've outlined have a chance of success. With Iran finally feeling real impact from international sanctions, now is the time to increase the pressure.

As for the other argument, we cannot state with certainty that sanctions and pressure will compel the Iranian regime to change course. But it's common sense that before undertaking military action against a country, we should first try to dissuade it from its current course by applying decisive economic pressure. Doing so will show the regime that the world is serious and committed, willing to do whatever it takes to stop Iran's pursuit of nuclear weapons.

Messrs. Dagan, Hanning and Woolsey are former heads of the intelligence services of Israel, Germany and the U.S.,

respectively. Gen. Guthrie is a former chief of staff of the British armed forces. Ms. Silverberg is a former U.S. ambassador to the EU. Mr. Wallace is a former U.S. ambassador to the United Nations for management and reform. They are members of a new initiative of the U.S.-based group United Against Nuclear Iran and the U.K.-based Institute for Strategic Dialogue.

Article 2.

Guardian

Western diplomats are still getting it wrong on Iran

Peter Jenkins

17 May 2012 -- The outcome of talks between Iran and the P5+1 (France, Germany, Russia, UK, US and China) in Istanbul back in April gave hope to those who believe that war is no solution to the dispute with Iran. But, a month later, it's already unclear whether the west intends to honour promises made in Istanbul.

Lady Ashton has informed reporters of her expectations for another round of talks between Iran and P5+1 on 23 May: "My ambition is that we come away with the beginning of the end of the nuclear weapons programme in Iran." Her words give a hint of how western diplomats still struggle to understand the Iranian mindset. Iranians have repeatedly staked their honour on their assurance that Iran does not want nuclear weapons. The IAEA,

US intelligence experts and Israeli intelligence experts are agreed that Iran is not building nuclear weapons and has not decided to do so.

Diplomatic blunders like this one can at least be put right by a further statement. The failure to honour promises, however, will deliver a mortal blow to the negotiating process launched last month.

At talks in Istanbul in April, it had been announced that discussions would be guided by the principles of reciprocity and a step-by-step approach. Most observers understood this to mean that the fruit of negotiations would be harvested at intervals, and that each harvest would consist of two baskets of concessions, roughly equal in value.

To put it simply, the Iranian basket would contain measures extending beyond those Iran is required to concede, and has conceded, as a party to the nuclear non-proliferation treaty (NPT) – in order to increase western and Israeli confidence that Iran will not divert nuclear material to a clandestine military programme. The P5+1 basket, on the other hand, would mainly contain sanctions "relief" and the progressive lifting of the sanctions that the US, EU and UN have heaped on to Iran's back since 2006.

Yet now the terms of the bargain appear to have changed. According to an Iran specialist at the Brookings Institution, quoted in the Christian Science Monitor, US administration officials are saying: "Sanctions relief is not on the table unless and until we see substantial Iranian concessions." This does not sound like an approach "guided by the principle of reciprocity".

From a European capital, meanwhile, comes a report that the EU is reluctant to accept that initial Iranian concessions will have to be bought through substantial sanctions relief or removal.

The US has always been likely to find the removal of sanctions problematic. The authority to lift US sanctions rests with Congress, not the administration. Anti-Iranian feeling is strong in Congress. Getting Congress to agree to sanctions removal is going to be a hard slog. But the administration has latitude to offer sanctions relief.

EU regulatory procedures are simpler. It's open to the Council of Ministers, which on 23 January decided to impose restrictions on importing oil from Iran, to reverse that decision (a potential double relief, since European petrol prices would probably fall).

So what seems to be lacking is political will to offer concessions on sanctions at an early stage of the post-Istanbul process. An EU statement on 7 May offers a clue to one alternative that may be under consideration. "Iran must suspend its enrichment activities and heavy water-related projects," said the EU representative. Since EU members know fully well that, even under duress, Iran will never suspend these programmes, this EU insistence on suspension must have some ulterior purpose: the creation of a negotiating "concession", perhaps?

Yet Iran has made clear it wants sanctions concessions in return for the enrichment restrictions the west wants – not the dropping of western insistence on suspension. Iran has long seen the UN resolutions that enshrine the suspension demand as illegitimate, an abuse of authority, since those resolutions are not based on a finding that Iran's nuclear activities represent a threat to peace.

(How could these activities threaten peace in the absence of evidence that Iran is building or has decided to build nuclear weapons?) So dropping the suspension demand is not going to butter many parsnips.

This sort of miscalculation may betray a continuing western delusion. Numerous statements since Istanbul suggest western ministers and officials continue to overestimate Iranian susceptibility to the diplomatic application of western power.

There are circumstances, such as the 1995 Dayton peace process, in which the diplomatic application of power can be an effective dispute resolution tool. But since 2005 it has failed to work on Iran. Having what it takes to survive western aggression is vital to Iran's sense of self. Successful defiance enables Iran to demonstrate to itself and to other non-aligned countries that Iran is on the way back from 200 years of humiliation at western (and Russian) hands.

If the west wants a negotiated agreement, it must play straight. The west has promised reciprocity. A failure to respect that promise will produce yet another lost opportunity, to the detriment of the western interest in reduced tensions in south-west Asia and to the continuing cost of western living standards.

Article 3.

TIME

Why Tehran Might Be Ready to Talk

Joe Klein

May. 28, 2012 -- Here is how it usually works when the world attempts to negotiate with Iran about its rogue nuclear program: The U.N. passes a resolution, or threatens sanctions, or imposes sanctions. Iran's friends and trading partners, like Russia and China, quietly exert pressure for talks. Iran agrees to talks but dawdles, arguing that it will need time to prepare. Months pass. Finally, there are talks, which consist of dueling speeches. The members of the U.N. group designated to negotiate with Iran--the U.S., Britain, France, Germany, Russia and China--present a statement listing the world's concerns about the Iranian program. The Iranians read a statement demanding an end to sanctions before any talks can begin. And that's it. The Iranians go home, continue to enrich their uranium and continue to refuse the International Atomic Energy Agency (IAEA) access to inspect certain sites. That is what happened in Geneva in 2010 and in Istanbul in 2011. But something very different is happening this year.

A meeting was scheduled for Istanbul on April 13. At first, it seemed the same old dodge: weeks were wasted as the Iranians attempted to switch the site of the meeting to Baghdad. That effort met a brick wall; the U.N. coalition, often a spongy alliance, refused to countenance it, and the Iranians ... backed down. And then they began to actually talk with the European Union's designated negotiator, Helga Schmid. Their statement at the Istanbul meeting was substantive. They agreed to another meeting, which will take place on May 23 in Baghdad. They've continued to talk to Schmid. They seem to understand what the world is asking of them. They promise to make a serious proposal in Baghdad. There is some cautious optimism that, as the retired U.S. diplomat Nicholas Burns puts it, "for the first

time in 32 years, since the Iranian revolution, there is the possibility of serious, substantive and sustained talks with Iran."

What on earth happened? Diplomacy happened. The Obama Administration conducted a quiet, persistent two-year campaign to bring the Russians and Chinese into a united front supporting the most serious round of economic sanctions ever passed by the U.N.; the European Union and the U.S. have imposed further sanctions, against Iranian oil and Iran's central bank, that are scheduled to kick in this summer. The economic impact of these sanctions has been greater than anticipated. Iran's economy is nearing collapse; its oil sits on ships, awaiting customers. Iran's Revolutionary Guards Corps, the real power behind the regime, controls about a third of the Iranian economy, and it is being hurt badly. Iranian sources speculate that the Guards have been pressuring Supreme Leader Ali Khamenei to make a deal or get the sanctions eased by appearing to make a deal. But it's difficult to know for sure what's happening within the regime.

Israel has made a difference too. Its covert campaign to sabotage the Iranian nuclear program has been very successful. Its overt threats to bomb Iran's facilities are taken seriously by the regime, even if most experts believe that Israel lacks the capacity to do much permanent damage to the Iranian program.

So what can we expect from the Baghdad talks? The biggest issue on the table is the IAEA's ability to make intrusive, unannounced inspections of the Iranian nuclear program, including visits to military facilities like Parchin, where the Iranians may have been testing the blasting devices that can initiate a nuclear explosion. The U.N. has also demanded that Iran suspend its enrichment program. Neither of those

concessions is likely to be made in Baghdad. The Iranians have made noises about suspending their program to enrich uranium to 20% purity, a precursor to the creation of a nuclear bomb, in return for an easing of the sanctions. Iran may agree to ship out its 20%-pure uranium in return for fuel rods that can be used in its medical reactor, which creates isotopes for radiation therapy in Tehran. Or it may offer to simply talk about these possibilities. It won't agree to suspend its program to enrich uranium to 3.5% purity, the level necessary for peaceful nuclear power.

If Iran offers to suspend production of 20% uranium, that will be big news. And there will be pressure to ease the sanctions. It is possible that the Russians or the Chinese--or even the French, now that Nicolas Sarkozy is no longer in charge--will concede, which is what the Iranians are obviously hoping for. The true test of the Obama Administration's diplomacy will be if it can hold the coalition together and continue to demand rigorous IAEA inspections. Only if the coalition holds, and no immediate concessions are made, will we see if Iran is really serious about negotiations this time.

Article 4.

Asharq Alawsat

Iran's triple mistakes in Syria, Iraq and Bahrain

Amir Taheri

18 May 2012 -- Fearing isolation as a new geopolitical landscape takes shape in the Middle East; the Khomeinist regime is still clinging to three forlorn hopes.

The first is to save the Ba'athist regime in Damascus even if that means accepting a financial burden that Iran's crippled economy could ill afford.

The second is to prevent the re-emergence of Iraq as a viable state and a potential rival. The third is to transform the socio-political crisis in Bahrain into a power grab for itself.

In Syria, the mullahs' strategy is to portray the uprising as a Western conspiracy to punish a regime supposed to be part of "the resistance". The claim is that the United States and its allies wish to exclude actual or potentially unfriendly powers such as Iran, Russia and China from the region.

The mullahs hope to delay the fall of the Assad regime so that they have more time to confirm their foothold in southern Iraq, their second hope.

Emboldened by the victory of their Syrian brethren, the people of Iraq might decide that their country is potentially strong enough to avoid partial or total domination by Iran.

Tehran's plan for Iraq is to encourage the creation of a Shi'ite enclave in the south in the name of federalism. That would enable Tehran to dominate the Shi'ite theological centre in Najaf thus pre-empting a possible challenge to the Khomeinist ideology.

It is clear that Ali Khamenei, the "Supreme Guide" of the Khomeinist regime, lacks the qualifications to be marketed as a religious leader for Iraqi Shi'ites. This is why Iranian security services are working on a scenario under which a mid-ranking mullah is cast in the role of ayatollah and marja al-taqlid (source of emulation) for Iraqi Shi'ites.

The mullah in question is Mahmoud Shahroudi who has been on the payroll of the Iranian government for three decades. Initially, he was member of a guerrilla group created by the Islamic Revolutionary Guard Corps (IRGC) to fight Saddam Hussein. He then started wearing a mullah's outfit and transformed himself into a cleric. Currently, he heads an advisory committee attached to Khamenei's office.

While Tehran is trying to annex Syria with money and arms shipments to the Assad regime, the plan for Iraq is domination through a religious network backed by paramilitary groups controlled by the IRGC.

The plan for Bahrain is, in a sense, more straightforward because it aims at the annexation of the archipelago on the basis of Iran's historic claims.

In an editorial last Tuesday, the daily Kayhan, published by Khamenei's office, had a front page banner headline asserting that "Bahrain Is A Piece of Iran's Body". The editorial claimed, "A majority of the people of Bahrain regard Bahrain as part of Iran.... It should return to its original homeland which is Iran."

In an earlier article, the newspaper recalled the circumstances in 1970 under which Bahrain ceased to be a British protectorate to become an independent state.

In recent weeks, convening supposedly academic conferences to "prove" that Bahrain is part of Iran has become fashionable in Iranian seminaries. According to Khomeinist folklore the Shah's decision to accept a United Nations' "assessment mission" to decide the fate of Bahrain had been one of his "greatest treasons".

One of Khomeini's first acts after seizing power in 1979 was to create the so-called Bahrain Liberation Army. The group tried to invade Bahrain with a few boats but was stopped by the Iranian

navy that was still controlled by Prime Minister Mehdi Bazargan's government. With the seizure of the US embassy in Tehran in November 1979 by "students" and the Iraqi invasion of Iran in September 1980 the idea of conquering Bahrain was put on the backburner.

Tehran's intervention in Syria, Iraq and Bahrain has had a doubly negative effect.

In Syria, Iranian intervention has increased the human cost of a transition that seems inevitable. That intervention has given what is essentially a domestic struggle for power an external dimension that the Syrian people cannot control.

In Iraq, Iranian intervention has prevented the consolidation of a national consensus that had taken shape after the fall of the Ba'athist regime in 2003 and the bloody struggles of 2004-2009. Iraq is bound to end up finding its way and rebuilding the structures of a state. However, the cost of doing that has been increased by Iranian intervention.

Similarly in Bahrain, it is unlikely that a majority of Bahrainis, who are seeking greater reforms and better power sharing would want to live under Walayat al-Faqih (rule by mullah). Nor would they wish to sacrifice their national interests at the altar of a regime whose fate is under question in Iran itself.

Khamenei's triple gamble in Syria, Iraq and Bahrain also has a negative effect on Iran's own interests as a nation state.

As a nation, as a people, Iran has no interest in enabling the Assad regime to kill the Syrians in their own cities and villages. Nor could Iran reap any benefit from sowing dissension and violence in Iraq and preventing a national consensus in Bahrain. Once again, in these three important cases, the interests of Iran as a nation-state do not coincide with those of Iran as a vehicle for the Khomeinist ideology.

Amir Taheri was born in Ahvaz, southwest Iran, and educated in Tehran, London and Paris. Taheri has published 11 books, some of which have been translated into 20 languages. Taheri's latest book "The Persian Night" is published by Encounter Books in London and New York.

Article 5.

The National ([Abu Dhabi](#))

Qatar's ties with the Muslim Brotherhood affect entire region

Ahmed Azem

May 18, 2012 -- The alliance between the Muslim Brotherhood and Qatar is becoming a noticeable factor in the reshaping of the Middle East. There are several striking aspects to this evolving and deepening relationship.

First, note that the Brotherhood is barely involved in Qatari domestic affairs. The arrangement is akin to the one between Qatar and Al Jazeera, the biggest Arab television channel, which is based in Doha. The station covers news throughout the Arab world but refrains from covering controversial events in Qatar.

As a formal organisation, the Muslim Brotherhood in Qatar dissolved itself in 1999. Jasim Sultan - a former member of the

Qatari Brotherhood - has explained in a television interview that this decision was justified because the state was carrying out its religious duties.

Mr Sultan supervises the Al Nahdah (Awakening) Project, which involves training, publishing and lecturing about public activism. Last August, he wrote an article asking Egyptian Islamists to change their discourse and move towards "partnership thought" instead of concentrating on "infiltrating the society to control it". Mr Sultan is active in training Islamists in Egypt and other countries on how to function within the institutions of democracy.

The second point of interest about Qatar and the Brotherhood is that the relationship was formed and is maintained largely through personal ties, which play a vital role. Doha has hosted individual activists, providing them with refuge and employment.

Yusif Al Qaradawi, a Qatari national and resident of Egyptian origin, is a good example. He is the head of the International Union of Muslim Scholars, and his television programme on Islamic laws and principles has made him a star on Al Jazeera. His current relationship with the Muslim Brotherhood is not clear, but he has been a leading member, and is highly respected by its members around the world.

One striking example of his influence is a recent photograph of him with Ismail Haniyeh, the prime minister of Hamas in Gaza. (Hamas is an arm of the Palestinian Muslim Brotherhood.) In the image, Mr Haniyeh, during a recent visit to Qatar, is bowing and kissing Mr Al Qaradawi's hand in a show of respect.

To better understand the role of Qatari-Islamist harmony in the Arab revolutions, consider the Academy of Change, headed by Hisham Mursi, an Egyptian paediatrician and British national living in Doha. News reports identify him as the son-in-law of Mr Al Qaradawi.

Mr Mursi has been active in Egypt's revolution from the very beginning. When he was arrested in the early days of the protests, Muslim Brotherhood websites campaigned for his release. His organisation takes a special interest in non-violent protest tactics; he has written manuals on the subject. He acknowledges, on the Academy of Change's website, that he benefits from the cooperation of Mr Sultan.

Another example of personal ties involves Rafiq Abdulsalaam, Tunisia's foreign minister. He is the son-in-law of Rashid Al Ghanouchi, the head of Ennahda, Tunisia's Muslim Brotherhood party. Mr Abdulasalaam was formerly the head of the Research and Studies Division in the Al Jazeera Centre in Doha.

An example from Libya is Ali Sallabi, described last December by The Washington Post as the "chief architect of Libya's most likely next government". Mr Sallabi has lived in Qatar for several years.

A third point to understand is what Qatar provides for the Brotherhood. There are strong indications of media help, political training and financial support. The role of people like those named above offers circumstantial evidence of such support. Further, key staff members of Al Jazeera have had - and maintain - close connections to the Muslim Brotherhood. These include the previous general manager, Waddah Khanfar, the

head of the Amman office, Yasser Abu Hillaleh, and the Egyptian TV presenter, Ahmad Mansur.

Last August, Nevin Mus'ad, a politics professor at Cairo University, told the Egyptian daily Al Shorouq that she was surprised to notice that the university was offering a training course on democracy and human rights, organised by the National Human Rights Committee of Qatar. She said bearded men wearing the jilbab (Islamist dress) were organising the entrance of participants, most of whom were wearing Islamist dress. The women were veiled.

In Libya, Mr Sallabi - who is known also for his connection to Mr Al Qaradawi - told reporters that he had asked the Qatari leadership for assistance during the early stages of the Libyan revolution.

Last year Al Akhbar, a Lebanese newspaper close to Hizbollah (Damascus's strong ally), said the rift between Qatar and the Syrian regime occurred when Doha attempted to convince Syrian President Bashar Al Assad to form an interim ruling council including Muslim Brotherhood representation.

The fourth factor helpful in understanding the Qatar-Brotherhood alliance involves what Qatar stands to gain.

First, the relationship ensures that Islamists will not criticise Qatari government policies or be active there. Second, as Islamists head towards power in several countries, Qataris are in position to expect special economic and political treatment in each. Third, Qatar will be well-positioned to mediate between Islamists and their rivals, and also between Islamists in general and the West. The Afghan Taliban, for example, are now

expected to open an office in Qatar. Such developments offer Qatar greater international influence.

Dr Ahmad Jamil Azem is a visiting fellow at the University of Cambridge's faculty of Asian and Middle East studies.

Article 6.

NYT

Europe: Apocalypse Fairly Soon

Paul Krugman

May 17, 2012 -- Suddenly, it has become easy to see how the euro — that grand, flawed experiment in monetary union without political union — could come apart at the seams. We're not talking about a distant prospect, either. Things could fall apart with stunning speed, in a matter of months, not years. And the costs — both economic and, arguably even more important, political — could be huge.

This doesn't have to happen; the euro (or at least most of it) could still be saved. But this will require that European leaders, especially in Germany and at the European Central Bank, start acting very differently from the way they've acted these past few years. They need to stop moralizing and deal with reality; they need to stop temporizing and, for once, get ahead of the curve.

I wish I could say that I was optimistic.

The story so far: When the euro came into existence, there was a great wave of optimism in Europe — and that, it turned out, was the worst thing that could have happened. Money poured into Spain and other nations, which were now seen as safe investments; this flood of capital fueled huge housing bubbles and huge trade deficits. Then, with the financial crisis of 2008, the flood dried up, causing severe slumps in the very nations that had boomed before.

At that point, Europe's lack of political union became a severe liability. Florida and Spain both had housing bubbles, but when Florida's bubble burst, retirees could still count on getting their Social Security and Medicare checks from Washington. Spain receives no comparable support. So the burst bubble turned into a fiscal crisis, too.

Europe's answer has been austerity: savage spending cuts in an attempt to reassure bond markets. Yet as any sensible economist could have told you (and we did, we did), these cuts deepened the depression in Europe's troubled economies, which both further undermined investor confidence and led to growing political instability.

And now comes the moment of truth.

Greece is, for the moment, the focal point. Voters who are understandably angry at policies that have produced 22 percent unemployment — more than 50 percent among the young — turned on the parties enforcing those policies. And because the entire Greek political establishment was, in effect, bullied into endorsing a doomed economic orthodoxy, the result of voter revulsion has been rising power for extremists. Even if the polls

are wrong and the governing coalition somehow ekes out a majority in the next round of voting, this game is basically up: Greece won't, can't pursue the policies that Germany and the European Central Bank are demanding.

So now what? Right now, Greece is experiencing what's being called a "bank jog" — a somewhat slow-motion bank run, as more and more depositors pull out their cash in anticipation of a possible Greek exit from the euro. Europe's central bank is, in effect, financing this bank run by lending Greece the necessary euros; if and (probably) when the central bank decides it can lend no more, Greece will be forced to abandon the euro and issue its own currency again.

This demonstration that the euro is, in fact, reversible would lead, in turn, to runs on Spanish and Italian banks. Once again the European Central Bank would have to choose whether to provide open-ended financing; if it were to say no, the euro as a whole would blow up.

Yet financing isn't enough. Italy and, in particular, Spain must be offered hope — an economic environment in which they have some reasonable prospect of emerging from austerity and depression. Realistically, the only way to provide such an environment would be for the central bank to drop its obsession with price stability, to accept and indeed encourage several years of 3 percent or 4 percent inflation in Europe (and more than that in Germany).

Both the central bankers and the Germans hate this idea, but it's the only plausible way the euro might be saved. For the past two-and-a-half years, European leaders have responded to crisis with

half-measures that buy time, yet they have made no use of that time. Now time has run out.

So will Europe finally rise to the occasion? Let's hope so — and not just because a euro breakup would have negative ripple effects throughout the world. For the biggest costs of European policy failure would probably be political.

Think of it this way: Failure of the euro would amount to a huge defeat for the broader European project, the attempt to bring peace, prosperity and democracy to a continent with a terrible history. It would also have much the same effect that the failure of austerity is having in Greece, discrediting the political mainstream and empowering extremists.

All of us, then, have a big stake in European success — yet it's up to the Europeans themselves to deliver that success. The whole world is waiting to see whether they're up to the task.

Article 7.

Harper's Magazine

A pundit's rosy view of the Pax Americana

Andrew J. Bacevich

The World America Made,

by Robert Kagan. Alfred A. Knopf. 149 pages. \$21.

Call it a hallowed tradition. To invest their views with greater authority, big thinkers—especially those given to pontificating about the course of world history—appropriate bits of wisdom penned by brand-name sages. Nothing adds ballast to an otherwise frothy argument like a pithy quotation from John Quincy Adams or George F. Kennan or Reinhold Niebuhr. In *The World America Made*, a slim volume of mythopoeia decked out in analytic drag, the historian and pundit Robert Kagan cites all three of those renowned figures. For real inspiration, however, he turns to a different and altogether unlikely source: Hollywood director Frank Capra. *The World America Made* begins and ends with Kagan urging Americans to heed the lessons of that hoariest of Christmas fantasies, *It's a Wonderful Life*.

Remember Clarence, the probationary guardian angel? Clarence saves George Bailey from suicidal despair (and earns his wings) by showing George what a miserable place Bedford Falls would have been without him.

As Kagan sees it, America's impact on history mirrors George Bailey's impact on Bedford Falls. Thanks to the power wielded by the United States, the entire postwar era has been "a golden age for humanity." Among the hallmarks of this golden age have been the spread of democracy, a huge reduction in world poverty, and, above all, "the absence of war among great powers." All of this Kagan ascribes to the United States and to

what he calls the “American world order.”

Accept any diminution of American preeminence and you can kiss the golden age goodbye. Just like Bedford Falls without George Bailey, the world will inevitably become a dark and miserable place. Upstart nations will “demand particular spheres of influence,” and the weakened United States will “have little choice but to retrench and cede some influence.” China, Russia, India, and others will begin flexing their expansionist muscles, with doom and gloom sure to follow. “The notion that the world could make a smooth and entirely peaceful transition” to a new order, Kagan writes, is mere “wishful thinking.”

Fortunately, none of this need come to pass if only Americans will be of good heart and heed the counsel of their own guardian angel, whose name happens to be Robert Kagan. His self-assigned mission is to prevent the United States from “committing preemptive superpower suicide out of a misplaced fear of declining power.” After all, our decline is far from inevitable. The key is to believe. Once George Bailey recovers his faith, “he solves his [firm’s] fiscal crisis and lives happily ever after.” If Americans just keep the faith, they can do likewise.

This is the stuff of stump speeches. And it’s hardly coincidental that Mitt Romney has enlisted Kagan as a “special adviser.” For when it comes to American preeminence, Romney himself is very much a man of faith, his run for the presidency anchored, he claims, in a passionate belief that “this century must be an American century.” We’re talking, of course, about a man who routinely winds up campaign appearances by leading the crowd in singing “America the Beautiful.”

Yet it would be a big mistake to associate hyperbolic sentiments like Romney's with any particular candidate or party. In fact, such views command reflexive support across the political spectrum. So word that Barack Obama has been flashing his own copy of *The World America Made* comes as no surprise. Whether the president has actually read it is beside the point. Merely having the book in his possession inoculates him against the charge of "declinism." Obama, the *New York Times* reports, has "brandished Mr. Kagan's analysis in arguing that the nation's power has waxed rather than waned." Let there be no doubt: Obama, too, is a believer.

How well does Kagan's Copernican interpretation of contemporary history—with America the sun around which all else orbits—stand up? Those who have already drunk the waters of American exceptionalism will likely find it persuasive, if less than novel. Others may judge the results more stringently. Even so, *The World America Made* deserves attention—not for the truths it purports to convey but as a sterling example of the spurious enterprise that it neatly embodies.

No doubt the postwar decades during which America was riding high do look pretty good next to, say, the period from 1914 to 1945. There Kagan has a point. Yet any such comparison sets the bar rather low. One might just as well argue that present-day Americans are enjoying an economic golden age, since the 10 percent unemployment rate reached at the nadir of the Great Recession falls well short of the Great Depression's 25 percent.

And grateful though we may be for so far having avoided World War III, Kagan's golden age has seen some very considerable bloodletting. Noteworthy episodes of violence include the

following, with their respective death tolls in parentheses: the partition of India (1,000,000), the Korean War (3,000,000), the French Indochina War (400,000), the Algerian Revolution (537,000), the Vietnam War (1,700,000), the Cambodian Genocide (1,650,000), the Iran–Iraq War (700,000), the Soviet war in Afghanistan (1,500,000), the Rwandan Genocide (800,000), the Second Congo War (3,800,000), and the Second Sudanese Civil War (1,900,000), not to mention the U.S. war in Iraq (weighing in with a relatively modest 150,000 civilian corpses). None of these catastrophes earn more than passing mention in Kagan’s account. Yet together they call into question the premise that merely avoiding a great-power war is an adequate standard for passing out laurel wreaths like the one adorning this book’s jacket.

Kagan, it should be said, demonstrates a real facility for passing out unearned laurels. The war against Nazi Germany, he writes, ended in a “victory by Allied democracies (and the Soviet Union).” This certainly reflects the commonplace American view. But assigning credit on the basis of who did most of the fighting and dying reverses the emphasis: Stalin’s Red Army prevailed (with Yanks, Brits, and others pitching in). In other words, in the so-called Good War, one brand of totalitarianism triumphed over another, with the Allied democracies playing a helpful if less decisive role. Imagine George Bailey, his building-and-loan association tottering on the brink of collapse, enlisting the help of Mr. Potter’s (equally evil) twin, who subsequently claims the eastern half of Bedford Falls as his reward. That’s World War II in a nutshell, albeit not as Capra might have scripted it.

To celebrate the United States for averting World War III

involves a similar distortion. “One of the main causes of war throughout history,” Kagan declares, “has been a rough parity of power that leaves nations in doubt about who is stronger.”

Through much of the postwar era, the precise opposite proved true. During the Cold War, rough parity constituted a check against general war. Militarily, neither the Soviets nor the Americans enjoyed a significant edge. The only overarching certainty was that each possessed sufficient power to annihilate the other. The prospect of Armageddon concentrated minds and helped prevent (or at least postpone) its occurrence. Credit for the Long Peace, therefore, belongs as much to the Soviet Union as to the United States—and perhaps to the nuclear scientists on both sides who so diligently built up their deadly arsenals.

Kagan’s corollary, that “there is no better recipe for great-power peace than certainty about who holds the upper hand,” also misleads. The Cold War’s passing ostensibly removed all doubt as to exactly who held that upper hand: the world’s sole remaining superpower, the United States, could now do pretty much as it wished. Yet rather than promoting global harmony, supremacy served principally to underwrite recklessness.

Convinced that the demise of the Soviet Union had freed the United States from all constraints, hawkish analysts (among them Kagan and William Kristol) urged policymakers to put American military muscle to work. Here are Kagan and Kristol in 2002, promoting preventive war against Iraq:

Whether or not we remove Saddam Hussein from power will

shape the contours of the emerging world order . . . A

devastating knockout blow against Saddam Hussein, followed by an American-sponsored effort to rebuild Iraq and put it on a path toward democratic governance, would have a seismic impact on the Arab world—for the better.

Kagan got his war, which did indeed have a seismic impact. One result was to blow a gaping hole in whatever remained of the postwar golden age. In *The World America Made*, however, the author skips lightly past Iraq and its consequences. Address that conflict with even a semblance of honesty and his whole argument—American power preventing war, fostering democracy, and promoting prosperity—collapses.

Yet Kagan's tacit attempt to trivialize the Iraq War won't wash. Among other things, that sorry episode confronts us with a troubling fact: in today's world, the most bellicose countries tend to be democracies, with the United States very much in the vanguard.

Kagan rehashes the cliché that “democracies rarely go to war with other democracies.” While offering reassurance that friendly relations between the United States and Canada are likely to endure, this dictum leaves unanswered a more pressing question. How is it that the magnanimous United States—which Kagan wistfully likens to “the catcher in the rye, preventing young democracies from falling off the cliff”—finds itself enmeshed in quasi-permanent war across large swaths of the

planet?

It's all well and good to fret, as Kagan does, about China's ambitions and its military buildup. Yet the last time the People's Liberation Army invaded a country was in 1979, during its relatively brief dust-up with Vietnam. By comparison, when was the last time U.S. forces went even a single year without engaging putative adversaries in some distant quarter of the world?

Splashy efforts to sum up the emerging strategic environment almost always enjoy an abbreviated shelf life. Kagan himself pokes fun at rivals, singling out Francis Fukuyama, Paul Kennedy, and especially Fareed Zakaria, who have in recent years presumed to decipher the course of history and establish whether the United States would determine—or conform to—that trajectory. In each case, propositions that once seemed prescient end up looking ridiculous, discredited by developments that the writers failed to anticipate.

Yet all those who engage in such forecasting, however disparate their predictions, share membership in the same fraternity. Whatever their pretense to serious analysis, they are fabulists, conjuring up simple stories that connect past, present, and future in a seamless narrative. The “declinism” that Kagan seeks to refute is, of course, one such fairy tale, but so is the American-made golden age that he offers by way of an alternative. Both qualify as the sheerest humbug, as does the predictive enterprise in general.

To divine the course of world events, you'd do as well to probe the entrails of dead animals. Better still, ask your hairstylist. She

will be at least as insightful and probably more entertaining a prophet than anyone you can read in Foreign Affairs or the op-ed page of the Washington Post.

Why the purveyors of such shameless quackery continue to peddle their wares is easy to understand. It's a good gig, offering practitioners a fair share of fame and fortune, along with a simulacrum of influence. Imagine having the president of the United States carry around your book!

That so many Americans continue to take their prognostications seriously is more baffling, and also more troubling. After all, these people have performed abysmally. Time and again—from the collapse of the Soviet Union to the events of 9/11 to the onset of the Arab Spring—events have caught the experts, whether in government or on the outside, completely by surprise. Business owners with comparable performance records go bust. Brokers lose their clients. Physicians get sued for malpractice. Yet think-tankers and policy wonks continue to opine, never pausing to reflect on—or apologize for—their spotty records.

What Kagan and others like him offer is not enlightenment but consolation. Trafficking in knowingness, as opposed to actual knowledge, they sustain the Hollywood fiction that if those who have their hands on the levers of power just do what needs to be done, things will come out all right. Books such as *The World America Made* fulfill our longing to believe that history does have purpose and direction, that the ongoing chronicle of collective human endeavor is not devoid of meaning. This is an illusion, of course—one to which we desperately cling, and which people like Robert Kagan exploit to the fullest. In the real

world, unlike in Bedford Falls, wishful thinking won't prevent the building and loan from collapsing. Either the books balance or they don't. As for living happily ever after—well, that's why we have movies.

Andrew J. Bacevich is Professor of History and International Relations at Boston University. He is the editor of The Short American Century: A Postmortem, published in March by Harvard University Press.