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GLOBAL.NYTIMES.COM

U.S. hobbled by dawdling over green technology

LEICESTER, ENGLAND

A policy void has let profit and jobs disappear to companies overseas

BY ELISABETH ROSENTHAL

The Mark Group started hunting for a new untapped market when it realized that its core business of insulating old homes using innovative technology would drop off in coming years. Based in this industrial city, the company had grown gangbusters over the past decade thanks largely to generous and mandatory government subsidies for energy conservation that impelled the British to treat their homes.

But as a result of those incentives, market saturation was nearly complete: more than 80 percent of the country's older homes had been at least partially retrofitted by 2010, the company estimated.

So company executives recently opened their newest office in another country, one with a paucity of expertise in their specialty — cutting home energy bills and greenhouse gas emissions.

"The United States was a nearly untouched market with 120 million homes, most of them very energy inefficient," said Bill Rumble, the commercial director of the Mark Group, who had recently returned from his new U.S. headquarters, in Philadelphia. "It was a massive opportunity."

Many European countries, along with China, Japan and South Korea, have stimulated commercial development of carbon-reducing technologies with a robust policy mix of direct government investment, tax breaks, loans, regulation, and laws that cap or tax emissions.

But with the U.S. Congress deeply divided over whether climate change is real or if Americans should use less fossil fuel, efforts in the United States have paled in comparison. That slow start is ceding profit and job growth to companies overseas that are now exporting their goods and expertise to the United States.

Incentives in Europe have fostered SUBSIDIES, PAGE 15



Dora Juhasz and her mother, Erzebet Juhasz, in short-term housing in Ajka, Hungary, donated by a charity. Dora suffered internal burns after swallowing waste from the spill last year.

Spill fades but scars remain in Hungary

AJKA, HUNGARY

Those who lost family and homes struggle to adjust to a new normal

BY DIMITER KENAROV

Dishes in the kitchen sink; a bedroom littered with children's toys; 3-year-old Dora watching cartoons on television: on the surface Erzebet Juhasz's life looks like anyone else's.

But nothing is normal here. Eight months ago, when a containment reser-

voir at the Ajka Alumina plant in western Hungary collapsed, releasing a million cubic meters of highly corrosive red mud that covered more than 1,000 hectares, or 2,500 acres, her family was one of the worst affected.

Still in pain from the death a few years earlier of their son, who had been hit by a train, the Juhaszes saw their home destroyed, watched Dora suffer severe internal burns after ingesting toxic sludge, and had to endure another death in the family when Angyalka, who was barely a toddler, drowned in it.

"Our family is cursed," Mrs. Juhasz said, tears streaking her cheeks. "Tragedy follows us everywhere."

Today she and her husband, Zoltan, rent a small residence paid for by the Hungarian Maltese Charity Service while awaiting the completion of a housing development for the victims of the flood.

Every effort is being made to recover from the environmental disaster, which killed 10 people, damaged about 350 houses west of Ajka, in the village of Kolontar and the towns of Devecser and Somlovasarhely, and left more than 150 with toxic burns. Since then, the Hungarian government alone has spent 30 billion forints, or \$166 million, on cleanup and reconstruction, while local and international charities have provided

much additional support.

But nothing will ever be the same around Ajka. Peter Pallanki, 26, survived by wading through the sludge and climbing onto the roof of a house, but he has been incapacitated by his injuries and lost his job as a butcher. The flesh of his legs was eaten away by the alkaline red mud. He has a gaping wound on his left knee.

"Painkillers are my breakfast now," he says, holding with trembling hands a thick folder of medical documents and bills. "Sometimes the pain is so bad I wish they would cut off my leg."

Respiratory complaints are by far the HUNGARY, PAGE 4

Germany pushes back on Greek rescue plan

PARIS

Demand that lenders take a hit underscores deepening divide in E.U.

BY MATTHEW SALTMARSH

Putting Germany at odds with the European Central Bank and the French government, Berlin has proposed extending the maturities on Greek bonds by seven years, insisting that private investors must share in the cost of any fresh financial aid to Greece.

The German finance minister, Wolfgang Schäuble, in a letter to his European counterparts as well as to the International Monetary Fund, the E.C.B. and the European Commission, who will meet June 20 to discuss aid, wrote: "Any additional financial support for Greece has to involve a fair burden sharing between taxpayers and private investors and has to help foster the Greek debt sustainability."

Mr. Schäuble added that any deal to support Greece at the meeting would have to "lead to a quantified and substantial contribution of bondholders to the support effort" and would "best be reached through a bond swap leading to a prolongation of the outstanding Greek sovereign bonds by seven years." The letter was dated Monday and released Wednesday.

Richard McGuire, a strategist at Rabobank in London, said the letter



Wolfgang Schäuble, the German finance minister, wants lenders to make a "substantial contribution" to a Greek rescue.

highlighted a division among the core members of the euro zone as well as with the central bank. As a result, he said, there is "the clear risk a Greek deal could well hit a snag." That risk was underscored Wednesday by a report from the so-called troika — the I.M.F., the European Union and the E.C.B. — monitoring Greece's progress at meeting its goals for receiving a €110 billion, or \$160 billion, bailout.

The report said that Greece could not receive the next installment this month until a plan to meet the country's financial goals is approved. EURO, PAGE 14

GREECE'S FADING DREAM OF EASING PAIN

Athens has shelved any notion of transferring its debt to the European Central Bank and has returned to its austerity planning. PAGE 13

REUTERS BREAKINGVIEWS

The government of Chancellor Angela Merkel is on a collision course with the European Central Bank. PAGE 18



Turkey aids Syrians A refugee outside a Red Crescent camp close to Hatay, near the Syrian border, on Wednesday after villagers fled a feared military assault. PAGE 8

The enforcer behind Syria's crackdown

Brother of president inspires fear as head of elite military units

BY KATHERINE ZOEPPF AND ANTHONY SHADID

As reports mount of defections in the Syrian military and the government staggers from the killing of soldiers and police officers in a northern city this week, President Bashar al-Assad may turn increasingly to his brother, Maher, whose elite units in a demoralized army could prove decisive to his government's survival, activists and analysts say.

Maher al-Assad heads the Syrian Army's elite Fourth Division and the Republican Guard, while wielding great influence in Syria's powerful intelligence services, analysts say. In the nearly three-month uprising, he has emerged as a lightning rod of dissent over his perceived role in the ferocious crackdown that has led to the deaths of 1,300 people, by activists' count, and the arrests of more than 10,000.

To many, Maher al-Assad's power has underscored the narrow circle his brother presides over — a circle that relies on connections of clan, family and friendship and that has proved far less tested by crisis than the ruling elite their father cultivated over three decades.

The president's brother is so much at the center of that clique that many Syrians fervently believe he is the unidentified man who is shown taking potshots at demonstrators in a sensational video now in wide circulation. Though neither the video nor the gunman's identity could be independently verified, the fact that so many Syrians believe the shooter to be Maher al-Assad is a telling insight into the power and fear he has cultivated.

According to Bassam Bitar, a former Syrian diplomat who now lives in exile in Virginia, Maher al-Assad's control of the Syrian security apparatus makes him "first in command, not second in command." Since childhood, Bashar al-SYRIA, PAGE 8

BUSINESS

U.S. firms go abroad for cash Small businesses that cannot find much enthusiasm in the United States for public offerings are finding overseas markets offer lower hurdles and more open-minded investors. PAGE 14

E.U. to investigate Facebook

Facebook has turned on a new feature that uses facial recognition to identify people in photographs. E.U. regulators said they would look into the change for privacy violations. PAGE 15

Lessons in Europe's transition

Eastern European leaders offered advice and warnings in a meeting in Vienna where a major topic of discussion was how North Africa could respond to calls for rapid change. PAGE 13

SPORTS

Formula One shuns Bahrain Bernie Ecclestone, Formula One's chief, said objections from teams meant that the race there was "not on." PAGE 11

PAGE TWO

The high cost of straight A's

Parents with children at elite U.S. schools are spending vast sums above the usual fees to hire outside tutors and give students an edge in the intensely competitive college-application race.

WORLD NEWS

A call for realism in a long war

Ryan C. Crocker, nominee for U.S. ambassador to Afghanistan, offered an unvarnished assessment of American involvement in the nearly decade-old war. PAGE 4

Apparent split on E. coli status

The health authorities in Germany appeared divided on Wednesday over whether the outbreak was abating as the death toll rose by 3, to 25. PAGE 3

Gates calls for more Libya force

The U.S. defense secretary prodded Germany, Turkey and other NATO allies to commit more force to oust Col. Muammar el-Qaddafi. PAGE 8

U.S. to declassify an open secret

The Pentagon Papers were leaked to the press 40 years ago by Daniel Ellsberg, shown below as he surrendered to the authorities in Boston on June 28, 1971. On Monday, the U.S. government is to release the complete secret government study of the Vietnam War. PAGE 5



DONALD HOLWAY/NYT

VIEWS

The post-American Middle East

The changes wrought by the Arab Spring may make it more difficult to pursue goals like disarming Iran or reinvigorating the Arab-Israeli peace process, writes Ray Takeyh. PAGE 6

Reasons to fear change in Syria

Fury at the brutality of Bashar al-Assad's regime is counterbalanced by fears of the chaos that could follow his fall, writes Dilip Hiro. PAGE 6

ONLINE

Gold rush in Baghdad sewers

The jewelry district in Baghdad is the one place where wealth has trickled down, literally, from the jewelry shops to the sewers. Men desperate for an income descend into the dark in search of gold bits that have been washed down the drain by craftsmen cleaning up. On a good day, they say they collect enough to earn about \$20 from a smelter, which sells the gold back to the jewelers. global.nytimes.com/middleeast

NEWSSTAND PRICES

Algeria Dn 175	Brazil R\$ 10.00	Czech Rep C2N 200	Germany €3.00
Andorra €3.00	Bulgaria €1.55	Denmark Dn 23	Ghana G\$ 1.15
Austria €3.00	Canada C\$1.20	Ecuador \$2.35	Hong Kong HK\$ 3.00
Belgium B\$ 5.00	Canada C\$1.20	Egypt E£ 1.00	Hungary H\$ 10.00
Bhutan Nu 1.20	Chile P\$ 1.50	France €1.00	India €1.50
Bolivia B\$ 2.75	China Ren R\$ 1.00	France €1.00	Iran R\$ 1.00
Bosnia Herzegovina M\$ 5.00	Croatia HR\$ 1.00	Great Britain £1.50	Japan ¥1.00
	Cyprus €1.50	Green C2.50	Korea €1.20

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CURRENCIES NEW YORK, WEDNESDAY 1:30PM PREVIOUS

▼ Euro	€1=	\$1.4600	\$1.4690
▼ Pound	£1=	\$1.6400	\$1.6450
▲ Yen	¥1=	¥79.810	¥80.060
▲ S. Franc	₣1=	₣70.8350	₣70.8360

STOCK INDEXES WEDNESDAY

▲ The Dow 1:30pm	12,080.38	+0.08%
▼ FTSE 100 close	5,808.89	-0.95%
▲ Nikkei 225 close	9,449.46	+0.07%

OIL NEW YORK, WEDNESDAY 1:30PM

▲ Light sweet crude	\$101.65	+\$3.18
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