

Switzerland To Oppose Lawsuit by Nazi Victims

Central Bank Contests Authority of U.S. Courts To Judge Its Actions

By Alan Cowell
New York Times Service

BONN — A new battlefront loomed in the "Nazi gold" affair Friday when Switzerland's central bank served notice with unusual bluntness that it would fight a pending class-action lawsuit in the United States and disputed the authority of U.S. courts to judge its actions.

The lawsuit alleges that the Swiss National Bank "collaborated with Nazi Germany in the knowing receipt of looted assets," including gold, bonds and securities, according to Michael Hausfeld, a Washington lawyer involved in the suit. The suit has been prepared but not yet filed and does not specify an amount for restitution, he said in a telephone interview.

In a statement, the Swiss National Bank said: "We are resolved to oppose any such action, which would have no basis in law, with all the legal means at our disposal, particularly since we contest the competence of the U.S. courts in our case."

The move came just eight days after Switzerland's big three private banks agreed to negotiate what was termed a "global settlement" to halt three class-action suits brought by Holocaust survivors. Those suits seek \$20 billion in restitution of assets stolen by the Nazis and stashed in Switzerland during and after World War II.

Werner Abegg, a spokesman for the central bank, said the statement had been issued to "make it very clear that, even under the threat of a class-action suit, the National Bank as a public body, cannot

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Prime Minister Costas Simitis of Greece, left, conferring with the Indonesian vice president, B.J. Habibie, Friday at the 25-nation Asia-Europe summit meeting in London.

Japan's Sickly Economy Goes From Bad to Worse

Clinton Urges Tokyo to 'Take Bold Course'

By Jonathan Gage
 and Thomas Crampton
International Herald Tribune

Japan came under stiff pressure Friday to act quickly and decisively in rescuing its economy as the nation received a warning that its creditworthiness was faltering. President Bill Clinton urged Tokyo to jettison strategies "that are not appropriate to the present."

The credit warning, by the rating concern Moody's Investors Service, pushed the Japanese yen to a six-and-a-half year low against the dollar and drove down share prices and currencies across Asia.

It came at the end of a week of grim economic news for Japan and heightened fears that the world's second-largest economy was headed into a recession that could unleash a new round of financial and economic turmoil across Asia and perhaps around the world.

In Washington, Mr. Clinton reminded Japan that it was the "key to stability and growth in Asia" and issued his administration's bluntest remarks to date on Tokyo's deepening economic problems. "I think

we need to be both respectful but firm in urging the Japanese to take a bold course," he said.

Mr. Clinton said Prime Minister Ryutaro Hashimoto was "an able man" and said, "He understands the economy, and I believe he wants to take such a course." Nonetheless, he portrayed Japan's policymakers as being divided between entrenched bureaucrats and those more willing to act decisively, and he warned: "You can't simply stay with a strategy that is not appropriate to the times and expect it to get the results that are needed."

Mr. Hashimoto, speaking in London at a meeting of European and Asian leaders, offered words of reassurance, saying that the worst of Asia's economic crisis was over. He repeated his frequent pledge to keep his country from falling into recession. (Page 9)

"Japan will take the necessary economic measures and, at the same time, provide assistance to the countries of Asia," Mr. Hashimoto said. "The current difficulties will be overcome in the not too distant future, and Asia will most certainly return to a path of growth." He provided no fresh details

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U.S. Stocks Breach the 9,000 Barrier

Unemployment Goes Up but Optimism on Economy Prevails

By Mitchell Martin
International Herald Tribune

NEW YORK — The Dow Jones industrial average topped 9,000 points for the first time Friday, reflecting seemingly insatiable demand for stocks from investors around the world.

Since the Wall Street rally began in 1995, the major U.S. stock averages have more than doubled. Among major European exchanges, only the Spanish, Swiss and Swedish markets turned in similar performances when measured in dollars. The Dow has advanced by about 13.5 percent so far this year.

Although some analysts are concerned that American stock prices have reached levels that do not reflect the values of the companies behind them, the market seems likely to move higher.

One influence is interest rates, which have been on a downward trend for the 1990s. Traditionally, interest rates decrease when economic growth slows, but American gross domestic product has been expanding at a lively pace.

Interest rates, however, also reflect market perceptions of inflation, and thanks to falling commodities prices and rising international competition,

prices for goods and services have not been rising much.

On Friday, there was some positive news on the inflation front, with a government report that 36,000 jobs disappeared in March, raising the unemployment rate to 4.7 percent from 4.6 percent. Analysts had been projecting an increase for March of more than 200,000, but a lot of the difference was laid to weather-related factors associated with the El Niño effect. Bruce Steinberg, chief economist at Merrill Lynch & Co., noted that the rate of job growth for the first quarter was 205,000, a level he considers sustainable for the long term.

The Dollar			
New York	Friday @ 2 P.M.	previous close	
DM	1.8488	1.8538	
Pound	1.6575	1.6635	
Yen	134.99	133.45	
FF	6.199	6.2121	

The Dow			
	Friday @ 2 P.M.	previous close	
	9006.57	8986.64	
change	+19.93		

S&P 500			
	Friday @ 2 P.M.	previous close	
	1125.27	1120.01	
change	+5.26		

Low interest rates help the stock market.

They reduce the attractiveness of bonds for investors and they make it easy for companies to borrow money to finance expansion.

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Indonesians Caught Up in Chicken-Egg Predicament

By Seth Mydans
New York Times Service

BOGOR, Indonesia — People here are waiting to see which will go first, the chickens or the eggs. Either way, both foods may soon disappear from people's diets, heralding severe food shortages in the world's fourth most populous nation.

"We have almost no chickens left," said Ho Cu Ciong, who farms eggs here in Indonesia's poultry-breeding capital, about 40 miles (60 kilometers) south of Jakarta. Already he has slaughtered or sold off most of his 90,000 chickens because of the high cost of feeding them. His eggs have become an expensive luxury item.

"If you ask me which will be the first to go down, it is both of them," he said. "In the market the shelves are already empty, empty, empty."

With the cost of imported chicken feed more than doubling because of Indonesia's weakened currency, 90 percent of the country's poultry farmers have already gone out of business, said Karyoto, an industry analyst.

The U.S. Department of Agriculture predicted recently that Indonesia would soon run out of chickens entirely. The government is trying to keep at least some large producers in business by helping them pay for feed.

Self-sufficient in rice for most of the past decade, Indonesia may have to import 4 million to 5 million tons this year — more than 30 percent of the rice on the world market — at a cost of at least \$1 billion.

The country's worst drought in 50 years has deepened the prospects of a severe food shortage in this nation of 200 million people.

"For the first time in 30 years we're looking at two consecutive declines in food production because of the drought," said Ben Fisher, an analyst at the World Bank. "It was down by about 4 percent last year and quite possibly another 4 to 5 percent this year."

The United Nations said recently that more than 7 million people face "food

Court Orders Papon to Pay \$750,000 Fees And Damages

By Craig R. Whitney
New York Times Service

PARIS — Maurice Papon, the former French civil servant who was convicted of being an accomplice to Nazi crimes against humanity during World War II, was ordered by a criminal court Friday to pay 4.6 million francs in legal fees and damages to the victims and their lawyers. The sum is the equivalent of \$750,000.

More than a score of lawyers representing 20 associations and 54 individuals who were complainants in the state's case against Mr. Papon asked the court to make him pay 12.5 million

Germans move to try Le Pen for stirring racial hatred. Page 5.

francs in fees and damages. All the lawyers had been working for no money during the six months of the trial, which ended in a verdict Thursday.

The court, presided over by Judge Jean-Louis Castagnede, found Mr. Papon guilty of complicity in Nazi crimes against humanity because, as a French civil servant during World War II, he turned Jews over to the Germans in occupied Bordeaux.

It sentenced him to 10 years in prison, clearing him of charges of deliberately sending the victims to their deaths in Auschwitz as an accomplice to the Nazi plan for the elimination of all Jews from Europe. Mr. Papon, now 87, was secretary-general of the Gironde regional prefecture in Bordeaux for the Vichy collaborationist government during the war. He has appealed his conviction and can remain free at least until his case is tried in the appeals court in Paris, probably next year.

His trial, the first of a French civil servant on such charges and the longest

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Newsstand Prices	
Bahrain.....1,000 BD	Malta.....55 c
Cyprus.....C £ 1.00	Nigeria.....126.00 Naira
Denmark.....14.00 Dkr	Oman.....1.250 OR
Finland.....12.00 FM	Qatar.....10.00 QR
Gibraltar.....£ 0.85	Rep. Ireland.....IR £ 1.00
Great Britain.....£ 0.90	Saudi Arabia.....10 SR
Egypt.....£E 5.50	S. Africa.....R12 + VAT
Jordan.....1.250 JD	U.A.E.....10.00 Dh
Kenya.....K. SH. 160	U.S. Mil. (Eur.)...\$ 1.20
Kuwait.....700 Fils	Zimbabwe.....Zim.\$40.00



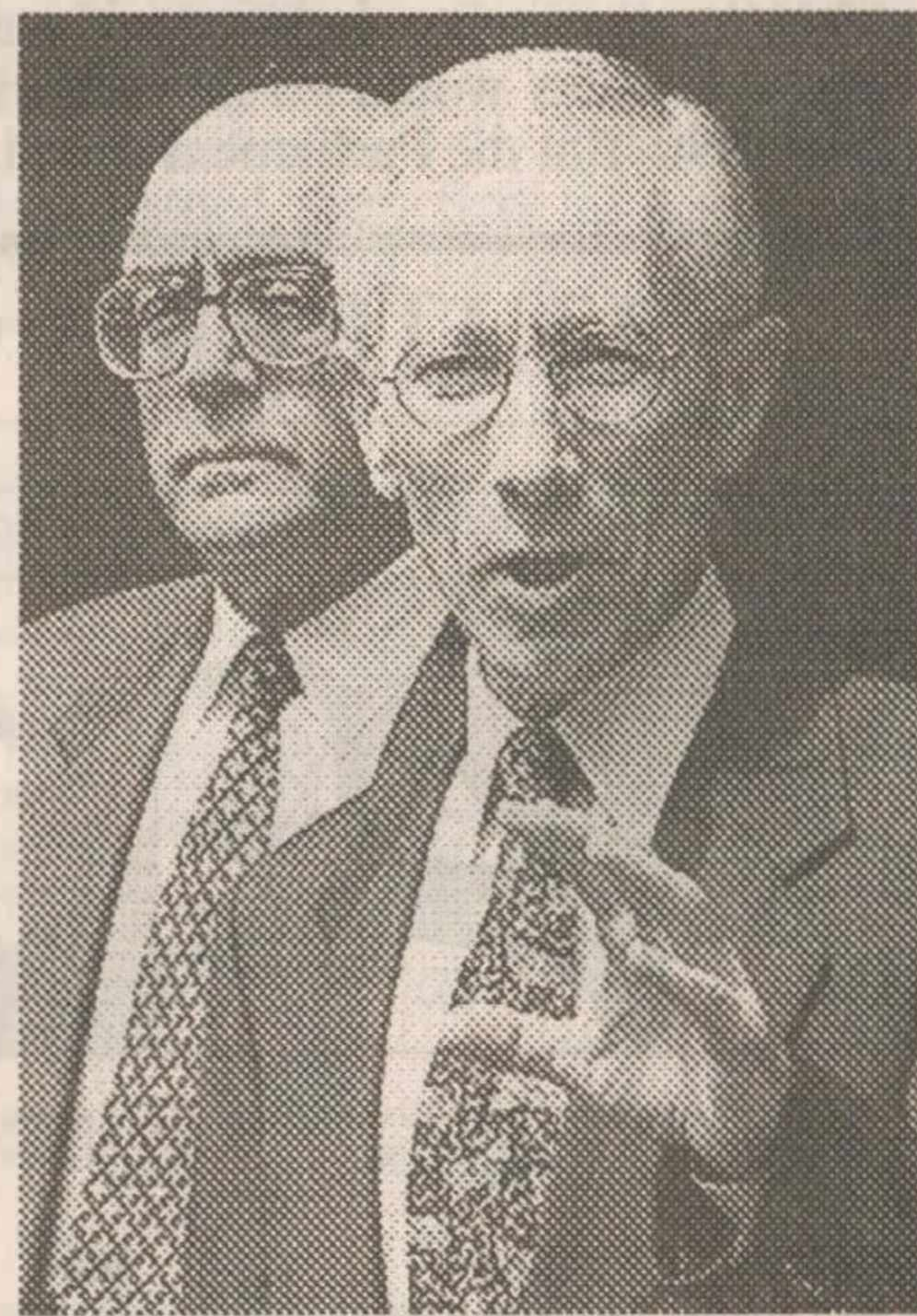
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AGENDA

North America Goes on Daylight Time

Effective Sunday at 0700 GMT the United States and most of Canada will change from standard time to daylight time. Clocks in both countries will be

moved forward one hour at that moment. During the summer, eastern daylight time will be four hours behind Greenwich Mean Time.



Stanley Fischer of the IMF, with an adviser behind him, says a deal with Jakarta is close. Page 9.

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Yeltsin Wins Delay On Kiriyenko Vote

MOSCOW (Reuters) — Russia's Communist-led Parliament accepted an olive branch from Boris Yeltsin and, with a bit of constitutional conjuring, put off Friday's confirmation debate on the president's youthful nominee for prime minister.

The week's delay was agreed to make time for talks with Mr. Yeltsin, but the chief Kremlin spokesman said the president had no intention of giving way to Communist calls for a coalition cabinet.

Nonetheless, a pattern of compromise started to emerge and the eventual confirmation of Sergei Kiriyenko, 35, as prime minister began to look more likely, despite vocal opposition.

"Today a dialogue began to take shape, and that's very important," the Interfax news agency quoted Mr. Kiriyenko as saying.

The political uncertainty persuaded Mr. Yeltsin to postpone a planned trip to Japan on April 11-13 by one week.

Widening a Rift, Greens Take Aim at Schroeder

Ecologist Calls Foreign-Policy Plan a 'Disaster'

By John Vinocur
International Herald Tribune

LEIPZIG — The leader of the Greens party who wants to be in charge of foreign affairs in a new Social Democratic-led German government calls Gerhard Schroeder, the Social Democrats' candidate for chancellor, ignorant on international policy matters — and says that his idea to bring Britain into a leadership triangle with France and Germany would be "a disaster for Europe."

Speaking of Mr. Schroeder in an interview, Joschka Fischer, the Greens leader, said: "He doesn't understand anything about foreign policy. If he tried to widen the German-French relationship to a triangle with Britain it would be a disaster for Europe. Britain just doesn't know what it wants."

The remarks made Wednesday by Mr. Fischer, often described as a likely foreign minister if a coalition between the Social Democrats and the Greens takes power after national elections scheduled for Sept. 27, were a startling element liable to further undermine the ecological party's credibility as the Social Democrats' possible government partner.

For the last month, the Greens have unveiled a series of positions calling for increases in gasoline prices for automobiles, rejection of the North Atlantic Treaty

Organization's expansion eastward, and restrictions on vacation trips through new taxes on aviation fuel that have led Mr. Schroeder to say that the "radical pacifist wing of the Greens can expect to play no role in a government of mine."

Considering the gap between mainstream public opinion in Germany and these positions, Mr. Schroeder could say little else.

But now his competence and judgment have been challenged by the Greens' leader most representative of what the party itself refers to as its realpolitik wing, a moderate one.

Mr. Fischer said that Britain's ambivalent position on joining the planned European single currency and its eager backing of the United States in the recent Iraq crisis reflected attitudes that had very little to do with the deepest reflexes of France, Germany or their partners in Continental Europe.

His comments coincided with a visit by Mr. Schroeder to Paris, where he met with Prime Minister Lionel Jospin and reiterated the importance of German-French ties, but stressed that closer relations with Britain were a "sensible addition" to the cross-Rhine partnership.

Current opinion polls indicate that if the Social Democrats can outrun the

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Conspiracy Theories Hover Over Martin Luther King Observance

By Kevin Sack
New York Times Service

MEMPHIS, Tennessee — Thirty years after the Reverend Martin Luther King Jr. was killed on the balcony of a motel by a sniper's shot to his jaw, thousands of pilgrims plan to gather here this weekend to try to draw meaning from his remarkable life and death.

The three-day series of marches, rallies, forums, concerts and re-enactments will be larger in scale and substance than previous commemorations in Memphis, a city that the Reverend Jesse Jackson likens to Calvary, "the site of the crucifixion."

This year's "Pilgrimage to Memphis" was to feature a service at Mason Temple Church, with the playing Friday evening of the introspective "I've Been to the Mountaintop" speech that Mr. King delivered there on the night before the April 4, 1968, shooting, when he seemed to forecast his death.

On Saturday, the 30th anniversary of the assassination, marchers will retrace the route taken by Mr. King and the striking sanitation workers whose protests against subhuman conditions brought him to Memphis. That night, they will hold a vigil at the Lorraine Motel, the site of the killing, which has been converted into a civil rights museum.

Mr. King's leadership was fundamental to the civil rights movement's success in ending the legal

segregation of blacks in the South and elsewhere in the United States.

But as those assembling in Memphis try to reinvigorate the relevance of his legacy, they may have difficulty drowning out the background noise generated by an intense, yearlong re-examination of the assassination itself.

On at least one level, that search for answers has divided the civil rights community into camps — pitting those who believe that James Earl Ray fired the fatal shot, perhaps to collect a bounty, against those who believe that he was a patsy in a vast government conspiracy aimed at silencing Mr. King's preachings against poverty and the Vietnam War.

Those who are convinced of Mr. Ray's guilt say it is time to put the questions about the assassination aside and to acknowledge that the full truth may never be known.

"It is tragic that real progress may be held up while we debate about something that may never be proven," said Benjamin Hooks, the Memphis minister, lawyer and judge who served for 16 years as executive director of the National Association of Colored People.

Julian Bond, the recently elected chairman of the association and a longtime civil rights advocate and historian, called the continuing focus on the

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Coretta King wiping tears away as she stood with a son, Dexter, at her husband's crypt.