I.M.F. head facing 2nd accusation in France

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ter for lunch before going to the airport, where he realized he had lost one of several — some suggest seven — cellphones, calling the hotel and asking that they return it to him at the airport.

The Web site even suggests that the maid in question, of African origin, is "not very attractive."

The New York police originally estimated the time of the alleged attack on the maid about 1 p.m., but since revised it to about noon. Another question raised was about the timing of "tweets" around the scandal, with the first one reportedly from a French student in President Nicolas Sarkozy's center-right party.

It was 4:59 p.m. in New York when J_Pinet posted on Twitter: "A friend in the United States just told me that DSK was arrested by police in a hotel an hour ago."

Twenty-four minutes later, a tweet by Arnaud Dassier, who ran Mr. Sarkozy's online election campaign in 2007, spread the news further, apparently before any New York newspaper. Mr. Dassier is a shareholder in the Web site Atlantico.fr, which Strauss-Kahn allies accused earlier this month of disseminating photos of him and his wife getting into a Porsche in a bid to tarnish his reputation with voters. On Monday, Atlantico published what it said were reports from the police and the F...

In shadow of absent chief, crisis talks go on

BRUSSELS

BY STEPHEN CASTLE

Despite the absence of Dominique Strauss-Kahn, the managing director of the International Monetary Fund, European finance ministers on Monday approved a bailout package for Portugal and debated new aid for debt-strapped Greece.

But the scandal engulfing Mr. Strauss-Kahn cast a long shadow, depriving ministers of the advice of a powerful and experienced European with a pivotal role on the global financial stage.

A former French economy minister, Mr. Strauss-Kahn was a member of the political generation that created the euro and someone who had the respect of the euro zone's most senior politicians and officials.

And, though most diplomats expected him to leave the I.M.F. soon anyway to run for president of France in elections next year, the thought that he might now depart under a cloud increased concerns that the cozy arrangement under which a European gets to lead the fund was in doubt.

European officials insisted that the absence of Mr. Strauss-Kahn, who was being replaced in Brussels by Nemat Shafik, a deputy managing director at the I.M.F., would not affect efforts to control the debt crisis.

E.U. finance ministers said Monday that they agreed "unanimously" to grant aid worth a total of €78 billion, or $111 billion, to Portugal under a three-year program jointly administered by the European Union and the I.M.F.

In a statement, the ministers said the package would "address in a decisive manner the fiscal, financial and structural challenges of the Portuguese economy," and would "thereby also help restore confidence and safeguard stability in the euro area."

It added that the Portuguese authorities would encourage private investors "to maintain their overall exposures on a voluntary basis." Although it was unclear how that encouragement would be offered, one possibility would be special guarantees to those who agreed to retain Portuguese bonds.

No interest rate was specified on the loan portion of the Portuguese package, though the country was expected to pay a little less than 6 percent.

Earlier on Monday, Amadeu Altafaj Tardio, a spokesman for the European Commission, the executive arm of the European Union, sought to reassure nervous markets that all parties to the talks were conducting business as usual despite the absence of Mr. Strauss-Kahn.

"There's absolutely no question: Decisions which are under way will not be impacted, and this will not have an impact on the programs being applied," Mr. Altafaj Tardio told reporters. The I.M.F., he added, "remains a strong institution as it always has been, and there will be full continuity."

But even with Mr. Strauss-Kahn at the helm, Europeans have felt a hardening of attitudes at the I.M.F., where concerns have grown in North America about Europe's internal policy divisions over the debt crisis.

Meanwhile, some in the developing world are concerned about the amount of effort the I.M.F., which has traditionally devoted resources to their problems, is having to concentrate on Europe, said an E.U. diplomat who was not authorized to speak publicly.

Chancellor Angela Merkel of Germany said Monday that it made sense for Europe to keep the top job at the I.M.F. for now, given its role in tackling the euro zone crisis, Reuters reported from Berlin. However, she said it was not yet time to discuss a successor.

"Generally, we know that in the medium term developing countries certainly have a claim both to the post of I.M.F. chief as well as World Bank chief," Mrs. Merkel said. "I believe however that in the current phase, there are good reasons for Europe to have good candidates ready." That view was echoed in Brussels by Didier Reynders, the Belgian finance minister. "It would be preferable if we continued to hold these posts in the future," he said.

The new mood of uncertainty coincides with a change of leadership at the European Central Bank, with Mario Draghi of Italy all but certain to succeed Jean-Claude Trichet of France as president. Mr. Draghi's nomination was expected to be formally proposed at the meeting Monday.

As a former French government minister, Mr. Strauss-Kahn is a strong presence who feels at home in the complex world of E.U. policy making.

A Frenchman who speaks English and German, he was well placed to play at Europe's top table. He would have met Mrs. Merkel on Sunday had he not been held by the authorities in New York. Their discussion would probably have focused on the issue of a second aid package to Greece, which risks being consigned to recession because of its giant debt mountain.

Technical work was continuing with officials from the I.M.F., the E.C.B. and the European Commission. The I.M.F. is providing about a third of the original €110 billion loan package for Greece.

Special guarantees might go to holders of Portuguese bonds.

But European officials are finding it increasingly difficult to quash speculation that Greek debt will have to be restructured, and have been careful not to rule out the possibility of "re-profiling," or a voluntary easing of loan terms.

"Of course we discuss all kinds of topics, including restructuring," said Jan Kees de Jager, finance minister of the Netherlands, as he arrived at the meeting Monday. "But in public, we are very reluctant about discussing and debating restructuring."

On Sunday, Wolfgang Schäuble, the finance minister of Germany, suggested that extending the maturities of Greek bonds could be a way to help ease the country's debt crisis if private investors participated. A central point in any extension of maturities, he told the German public broadcaster ARD, was to avoid "the private sector steadily withdrawing from its positions" and shifting the burden to taxpayers.

"That's why we need clear rules: If there is an extension, then everyone has to be extended," he said, adding that a "full-blown restructuring" by Greece would create a situation that was hard to control.

The I.M.F is believed to be more positive toward a restructuring of Greek debt than the E.C.B. and particular European governments, prompting some speculation that Mr. Strauss-Kahn's absence might have an impact on policy.

However Daniel Gros, director of the Center for European Policy Studies, said that the effect was likely to be felt more over the longer term. "They have pretty much made up their minds that nothing on restructuring happens before 2013," he said. "If they want to keep their promise then the voice of the I.M.F. might be relevant next year. And maybe the next I.M.F. managing director will be clearer in saying: 'You in Europe got us into this and we want to get our money back.'"

In the meantime, Mr. Gros said, the message from leading governments was that the euro zone would do what was necessary, though the details of another aid package for Athens, and what Greece could offer as a quid pro quo, were not yet clear.