

Cambodian Now Says He Favors Khmer Trial

Hun Sen, Under Fire, Asserts 2 Pol Pot Aides Weren't Given Immunity

By Seth Mydans
New York Times Service

PHNOM PENH — In an angry statement, Prime Minister Hun Sen denied Friday that he opposed a trial for two high-ranking Khmer Rouge defectors and said he supported an investigation into the mass killings of the 1970s.

Responding to criticism for his statement this week that the defectors should be met with bouquets rather than handcuffs, he said that his first priority had been to secure peace and that the question of trials was the next order of business.

"My position is that the trial of the Khmer Rouge is a fait accompli and should proceed," he said, referring to a case that was opened 20 years ago under an occupying Vietnamese Army.

He noted that in a statement welcoming the defectors, Khieu Samphan and Nuon Chea, he had said explicitly that he could make no guarantees of immunity.

On Friday he said he had been consistent for years in seeking to bring the Khmer Rouge to justice. He accused foreign nations of "fake morality" for nurturing the Khmer Rouge in a decade-long civil war against him when it suited their purposes, then criticizing him when he lured Khmer Rouge leaders in from the cold with a promise of national reconciliation.

In a revealing comment about the apparent contradictions of his statements, Mr. Hun Sen, who plays chess, said, "The best chess player is the one who knows how to move a large number of pawns in support of each other from point to point to secure victory."

He also seemed to reveal the logic of some of his moves when he said he would have been a "cowardly commander" if he had negotiated the surrenders of Khmer Rouge leaders only to turn on them and arrest them the moment they were in his hands.

Though it does not appear that any arrest of a Khmer Rouge leader is imminent, the two recent defectors may have reason to rest somewhat less easily following Mr. Hun Sen's statement. He has many pawns on the board, he is testing the political winds and his options are open.

Feeling the heat, the Khmer Rouge mounted a propaganda counterattack Friday, with a spokesman also raising the muddy political and moral issues of the past.

Any trial of Khmer Rouge leaders for the deaths of more than a million people from 1975 to 1979 should also include an examination of "200 days and 200 nights" of U.S. bombing of Cambodia during the war in Indochina, said the spokesman, Long Norin.

"If they push for a tribunal, we will dig up the past and we will present our own case," he said. "Then we will go to The Hague together for trial."

Mr. Hun Sen stirred controversy

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For 11 Countries, a Single Currency Europeans Place Monetary Bets on Greater Unity

By Barry James
International Herald Tribune

BRUSSELS — Nearly 300 million Europeans awoke Friday to a new page in history that the finance minister of Portugal, Antonio de Sousa Franco, described as "impossible to turn back."

At midnight, 11 national currencies had been fused into a single money, the euro.

Although familiar francs, marks, markkaa, lire, pesetas, punts, schillings, guilders and escudos will continue to circulate for three years, on Friday they were no longer independent currencies but subdivisions of the common currency. Euro banknotes and coins will be introduced in the first half of 2002, but already this year the euro will become the main European currency for noncash transactions such as electronic transfers and credit card payments.

The signing of an accord Thursday in Brussels by Mr. de Sousa and the ministers of the 10 other

euro nations, as schoolchildren outside released hundreds of blue balloons into the gray sky, was a defining moment not only for the European economy but for the struggle over the past half century to forge a closer political identity.

Some of the ministers seemed quite moved by the occasion. "I'm proud to be able to call myself a European citizen, born in Italy," said Treasury Minister Carlo Azeglio Ciampi of Italy. "That is what I feel like today." He said the euro represented a decisive step toward "the ever closer union" of the peoples of Europe.

Finance Minister Dominique Strauss-Kahn of France said, "I do not feel any less French. But we all feel a bit more European."

Wim Duisenberg, president of the European Central Bank, took over the reins of European monetary policy, including the setting of interest rates, a power that until Friday had been a closely guarded responsibility of sovereign governments.

"The euro has become a currency that will keep its value over time and contribute to a peaceful and stable Europe," he said.

After agreeing on the rates at which national currencies will enter the euro, the ministers celebrated their pact by opening bottles of Champagne topped with the symbol of the new currency, an E crossed with two strokes.

No one wanted to rain on the parade of goodwill, but nevertheless a dispute over the tenure of Mr. Duisenberg cropped up again. The question was, did he or did he not give a commitment to President Jacques Chirac of France in May that he would step down midway through his eight-year term to make way for Jean-Claude Trichet, president of the central bank of France?

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not leave early, in contrast to earlier assumptions. On Thursday, he said he would break with his usual policy of giving straight answers to straight questions and reply with a "no comment."

"You will have to live with uncertainty on this for a long time to come," he told reporters.

Financial markets are watching the dispute closely for any sign that the central bank might be prone to political pressure from governments, particularly at a time when some politicians are calling for the bank to reduce interest rates below the current benchmark of 3 percent in the euro zone in an effort to stimulate economic growth.

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Euro Mints New Questions Over Dominance of the Dollar

By Paul Blustein
Washington Post Service

WASHINGTON — The beginning of the end for one of America's great free lunches comes Monday, when 11 European countries begin trading the euro as their common currency.

That is one scenario, based on some analysts' expectation that the introduction of the euro will undermine the dominance of the U.S. dollar in the global monetary system, threatening America's ability to maintain its profligate economy by borrowing cheaply from overseas.

But others offer another, less disturbing prediction of how the euro will affect the United States: It will do little harm to the U.S. economy, in this view, and may do considerable good. The dollar will retain its premier role in world finance and trade, while a more unified Europe offers lucrative opportunities for American corporations and provides reassurance that the Continent will never again plunge into war.

Such conflicting forecasts are among

the many maddening uncertainties surrounding Europe's grand experiment in creating a unified currency.

What nearly everyone agrees on is that the euro could pose the first serious challenge to the half-century reign of the dollar as the undisputed king of global currencies.

The U.S. Treasury — the guardian of the international status of the dollar — is blasé about the euro. Both publicly and privately, economists in the administration of President Bill Clinton wish their European counterparts in establishing a credible currency that helps foster a more vibrant, stable economy on the Continent.

"We have everything to gain and little to lose from the success of this momentous project," Lawrence Summers, deputy Treasury secretary, said recently. "If Europe benefits, this will greatly benefit the United States."

A number of economists and money-market experts are far less sanguine about the ramifications of the new currency.

After all, the dollar commands a position in the world economy that far

exceeds the United States' 27 percent share of global output. The dollar is used in more than half of all international trade and international borrowing, and it accounts for 57 percent of the reserves held by central banks.

Such a disproportionately important role for the dollar could come into question with the creation of a single currency for "Euroland," the informal name given to the countries adopting the euro — Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain. Euroland has a larger population than the United States, and its gross domestic product is 77 percent the size of the U.S. economy.

The euro is likely to be used instead of the dollar for much of the commerce within Euroland and between the bloc and its major trading partners, such as Britain, Brazil and South Africa.

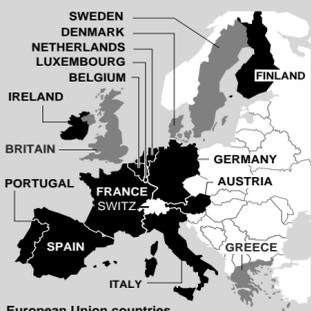
"The euro's rise will convert an international monetary system that has been dominated by the dollar since

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For What It's Worth ...

The value of the euro as of Jan. 1, 1999:

- 13.76 Austrian schillings
- 40.34 Belgian francs
- 2.20 Dutch guilders
- 5.95 Finnish markkaa
- 6.56 French francs
- 1.96 German marks
- 0.79 Irish punts
- 1,936.27 Italian lire
- 40.34 Luxembourg francs
- 200.48 Portuguese escudos
- 166.39 Spanish pesetas



The euro is expected to start trading on Monday at \$1.17, 132.8 yen and 0.705 British pounds.

NYT



A crowd surrounding a giant euro symbol in a park in Frankfurt's banking district Friday, the day the currency was officially introduced.

At Currency's Birth, 3 Proud Fathers

Schmidt, Heath and Giscard Recall a Long and Difficult Gestation

By Craig R. Whitney
New York Times Service

HAMBURG — Twenty years ago, when he was chancellor of West Germany, Helmut Schmidt thought there would be a single European currency by the early 1980s. Instead, he is still carrying around six different kinds of money in his briefcase.

"I always have the German mark, English pounds, French francs, Swiss francs and Italian lire, plus American dollars, but I always end up just using credit cards," laughed Mr. Schmidt, who travels frequently as a publisher of the weekly newspaper Die Zeit.

But now he can write checks in euros, the common currency that 11 countries in the European Union are introducing, almost two decades later

than he and other European leaders had planned. And three years from now, he will finally be able to put euro notes in his briefcase.

The euro's introduction is a particular point of pride for Mr. Schmidt and two other prominent European leaders, Valéry Giscard d'Estaing, once president of France, and Sir Edward Heath, a former prime minister of Britain. The three men took some of the earliest steps toward a single currency, in the 1970s, and kept promoting the idea even when it lost its luster.

"It should have happened a lot earlier," said Mr. Schmidt, 80.

Indeed, it could have, said Sir Edward, 82, who negotiated the 1972 treaty that took Britain into the European Economic Community when he

was prime minister. Later that year, he and other European leaders endorsed a plan devised by Pierre Werner, then prime minister of Luxembourg, for a common European currency to combat the monetary instability caused by the collapse of the Bretton Woods system, which had been based on the dollar.

"We hoped then to have it done by 1980," he said, but the sharp rise in oil prices in 1973 derailed the project.

Mr. Giscard d'Estaing, now 72, and Mr. Schmidt, friends from the days when both served as finance ministers, tried to get monetary union back on the rails over drinks in Mr. Schmidt's lakeside cottage north of here in 1978.

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U.S. Is Ready for the Bug

Computer Glitch Is Looking Less Ferocious

By Rajiv Chandrasekaran and Stephen Barr
Washington Post Service

WASHINGTON — With one year to go until the world's computers confront their electronic day of reckoning, a growing number of technology experts say large U.S. corporations and government agencies have dramatically increased the pace of their repair work and now appear to be on track to solve the year 2000 problem.

Many analysts still warn that next New Year's Day will not be trouble-free — many small U.S. companies, as well as many businesses and governments in other countries, have been paying only scant attention to the problem. But the specialists have become sanguine enough to dismiss doomsday

predictions of widespread power outages, telephone failures and grounded jetliners in the United States.

Confidence is up, they say, because of three key developments: Businesses and federal agencies that were lagging in their repair work early last year have redoubled their efforts in recent months; telephone and electric networks, which

are crucial to the operation of almost all large computer systems, are in better-than-expected shape, and technicians have found remarkably few date-related problems with the electronic circuitry in a host of other everyday devices, from subway cars to elevators.

John Koskinen, the chief year 2000 adviser to President Bill Clinton, predicts that the bug's impact will be similar to that of a powerful winter storm: minor inconveniences for many people and severe but short-term disruptions for some.

"We still don't know how many storms there will be, but the risk is localized storms, not national debacles," he said.

"I'm very optimistic that this is not the end of Western civilization as we know it," said Senator Robert Bennett, a Utah Republican who heads a special committee examining the issue.

The year 2000 problem, known as Y2K, stems from the fact that millions of electronic devices, whether they are mainframe computers that send out

AGENDA

19 Die in Nigeria In Protest Over Oil

LAGOS (Reuters) — At least 19 protesters have been shot and killed in clashes in Nigeria's oil region since an ultimatum to oil companies to leave ethnic Ijaw areas expired, witnesses said Friday.

Militant Ijaw youths alleging pollution and deprivation of wealth demanded oil multinationals leave by Dec. 30, at which time clashes erupted between soldiers and protesters.

One report said eight people were killed in the town of Kaiama, while four died near Yenegoa. Seven protesters were killed earlier.

Texas Wins Bowl

Rookie quarterback Major Applewhite led the University of Texas to its first Cotton Bowl victory since 1982. He threw three touchdown passes to lift the Longhorns over Mississippi State, 38-11. Page 18.

Growing Baby Bell

Bell Atlantic Corp., the largest U.S. local-telephone company, is negotiating to buy AirTouch Communications Inc. for \$45 billion in stock. Page 9.

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Republican on Impeachment Tightrope

Lott Presses for Speed, Angering Right Wing

By Thomas B. Edsall
Washington Post Service

WASHINGTON — In floating a trial balloon aimed at bringing a swift conclusion to impeachment proceedings, the leader of the Senate Republican majority, Trent Lott of Mississippi, has embarked on a risky political path that has already provoked the Republican right.

Mr. Lott is gambling that it is worth

angering hard-line House members, his party's conservative wing and Republican activists in his home state to protect vulnerable Republican senators facing tough re-election fights in 2000, according to Republicans and Democrats involved in the process.

The majority leader has consulted with more than two dozen Republican senators in recent days as part of an outreach campaign that has had his "phone lines burning," in the words of an aide, but not yet produced a workable consensus on how Republicans will proceed with the politically incendiary impeachment issue when they return to Washington on Wednesday.

Adapting a bipartisan proposal crafted by Senators Joseph Lieberman, Democrat of Connecticut, and Slade Gorton, Republican of Washington, Mr. Lott hopes to encourage a speedy end to an impeachment drama that polls say the public long ago grew weary of by dividing the trial into two distinct phases.



President Bill Clinton teeing off on a golf course at Hilton Head, South Carolina, where he was attending the Renaissance Weekend retreat.

In the first phase, the Senate would hear the equivalent of opening arguments from House prosecutors and President Bill Clinton's defense team, then cast votes on whether the alleged offenses — even if true — warrant the president's removal from office. Only if two-thirds of the Senate voted "yes," which most vote-counters regard as unlikely, would the trial enter a second phase with a presentation of evidence. The most likely option, senators say, would be a motion to end the case with a resolution of censure against Mr. Clinton.

Critics of Mr. Lott's still tentative decision said it would allow Mr. Clinton to avoid a lengthy Senate trial and the embarrassment of direct testimony by

Monica Lewinsky and others, preventing an opportunity to make a more convincing case to the public of Mr. Clinton's culpability and the legitimacy of removing him from office.

Mr. Lott remains in seclusion from the press and his aides have little to say about the rationale of his impeachment strategy. Others, however, were not so reticent.

"This is very discouraging," said Clark Reed, a driving force in building the Mississippi Republican Party over the past three and a half decades and who is a close associate of Mr. Lott's. "Frankly, I'm torn my own

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Ivory Coast.....	1,250 CFA	Tunisia.....	1,250 Din
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Kuwait.....	700 Fils	U.S. Mil. (Eur.).....	\$1.20



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