

INTERNATIONAL Herald Tribune

THE WORLD'S DAILY NEWSPAPER PUBLISHED BY THE NEW YORK TIMES EDITED AND PRINTED IN PARIS

FRIDAY, AUGUST 27, 2004



by BRIAN KNOWLTON
Allocations in a terror war

PAGE TWO



Floyd Norris: In Germany,
a workers' paradise lost

BUSINESS | 11



At the Chiemsee,
Bavaria's summer fantasy

TRAVELER | 8

Poverty in the U.S. climbs for third year

By Brian Knowlton

WASHINGTON: The number of Americans living in poverty rose by 1.3 million last year, to 35.9 million, while those without health insurance climbed by 1.4 million, to 45 million, the Census Bureau reported Thursday.

It was the third straight annual increase for each category.

The figures, which the administration issued a month earlier than usual, quickly became the focus of political charges.

"Today confirms the failure of President Bush's policies for all Americans," Senator John Kerry, the Democratic nominee, said of the new data. "Under George Bush's watch, America's families are falling further behind."

President George W. Bush, while not specifically addressing the report, said in a campaign appearance in Las Cruces, New Mexico, that "we have more to do to make quality health care available and affordable."

But he said his administration had strengthened Medicare and had "expanded quality care through community health centers for low-income Americans."

The president, as he usually does, credited American workers and entrepreneurs, as well as his own "well-timed tax cuts," with moving the country beyond the worst economic troubles.

Other Republicans noted that, even as the number of uninsured Americans grew, the number of insured had as well, by a million.

Median household income remained basically flat, at \$43,318 when adjusted for inflation.

The numbers were not unexpected, and they do not reflect the economic growth of the past several months, which has created hundreds of thousands of jobs.

Dan Weinberg, a Census Bureau analyst, said that the numbers were typical for a post-recession economy but that the numbers of uninsured Americans reflected continued uncertainty over employment.

Employers have cited the high costs of providing health insurance as a reason to hire conservatively.

Still, the new numbers come during a close election campaign in which debate over economic health and fairness looms large.

For campaign advisers to Kerry, who have spent the past week defending the candidate's war record, the new numbers provided a welcome gift.

Kerry wasted no time seizing on the report Thursday as evidence to bolster his criticisms of the administration's economic and health care policies.

The new figures mean that "five million Americans over five years have lost their health insurance," Kerry told an audience in Anoka, Minnesota.

"About 45 million Americans go to bed every night worried," Kerry said.

POVERTY, Continued on Page 4



Wounded demonstrators receiving help Thursday after being fired upon in Najaf near a U.S. Army and Iraqi National Guard base.



Ailing pope plays his last Russia card

By Jason Horowitz

VATICAN CITY: For many people walking under the towering dome of St. Peter's Basilica on Thursday afternoon, a tiny 12-by-10-inch copy of a Russian icon brought more attention than the masterpieces of Michelangelo and Bernini surrounding it.

Hundreds of the faithful lined up during a Mass for a farewell veneration of the "Mother of God of Kazan," an icon plated in gold, bedecked in precious jewels and embroiled in a dispute between the Roman Catholic and Russian Orthodox churches that has kept Pope John Paul II from visiting Russia.

"I wanted to see the icon before they

took it away, because it will never come back again," Rosa Pelliccioni, 56, said before cardinals kissed it goodbye and put it in a wooden case for its journey back to Russia on a military plane Friday.

The Vatican hopes that Russia will appreciate the return of the icon as a gesture of unity and reconciliation, and that it will help pave the way for a visit by a Slavic pope, who has long desired to go to the country that he is often credited with helping to free from communism, and to mend the centuries-old schism between the Orthodox and Catholic religions. Now sick and frail, the pope is making what some see as a final push to overcome the resistance of the Russian church.

Vatican officials had floated the idea of a possible papal stop in Kazan during a proposed trip to Mongolia last August, but the trip was postponed while Russian Orthodox leaders continued to accuse the Vatican of proselytizing since restraints on religious freedom eased.

Some Orthodox leaders and icon experts doubt that a copy of the Mother of God icon has enough currency to win the 84-year-old pope an invitation.

"The Vatican have been playing tricks to make the icon sound far more important than it is," said John Lindsay Opie, a professor specializing in Russian Icons at the University of Rome.

POPE, Continued on Page 4

Clerics forge plan for peace in Najaf

Dozens killed before accord is reached

By Dexter Filkins

NAJAF, Iraq: Iraq's most powerful Shiite cleric, Grand Ayatollah Ali al-Sistani, and the rebel cleric Moktada al-Sadr met Thursday and forged an agreement aimed at ending the fighting that has engulfed this city for the past three weeks, aides to the cleric said.

The aides, while describing the talks as successful, did not provide details of the agreement. But they indicated that the thousands of followers who journeyed here Thursday to join Sistani would be allowed to demonstrate on Friday as a prelude to some form of final resolution.

The agreement still requires approval from the Iraqi government, the aides said, and they were waiting for that. But at least twice, agreements with Sadr have fallen apart, leading to a resumption of fighting.

The aides, who called a news conference at 11 p.m. here to discuss the talks, hinted at good news to come later in the night and indicated that Sadr might go on television to speak.

Sistani, the senior Shiite cleric, had called for a mass demonstration to end the fighting when he returned to the country on Wednesday from a hospital stay in London.

On Thursday, thousands of his supporters trailed his convoy and flowed in from other parts of Iraq to mark his entrance into the holy city, where

American forces have battled almost to the gate of the shrine where Shiite insurgents are based.

But the occasion of his return was marred by widespread violence. At least 45 people were killed and hundreds were wounded by gunfire and in a mortar attack.

U.S. forces have been battling Sadr's militia for three weeks here.

Sistani, who commands the loyalty of millions of Shiite Muslims, had urged his followers Wednesday not to enter the city's gates until he arrived in Najaf from Basra, in southern Iraq. His return to the holy city has been seen by Iraqi and American officials as offering a way out of the fighting.

But early Thursday, Najaf and neighboring Kufa erupted into mayhem and bloodshed. A mortar barrage slammed into a mosque in Kufa filled with Iraqis preparing to march on Najaf, killing at least 27 people and wounding 63, and at least 3 people were killed when Shiite marchers were fired on there.

It was not immediately clear who was responsible for the attacks.

At least 15 people were killed, according to Najaf hospital officials, when Iraqi forces opened fire over the heads of people, trying to prevent them from making their way to Najaf's Old City, where the Imam Ali shrine is located.

IRAQ, Continued on Page 4

Taking over in France: the anti-de Villepin

By Elaine Sciolino

PARIS: Everyone knew that Dominique de Villepin, the perma-tanned, America-obsessed poet-diplomat, would be a tough act to follow as foreign minister of France.

Certainly, Michel Barnier's appearance on Thursday at the annual conference of French ambassadors left many of them perplexed.

In a speech intended to give his 150 foot soldiers their marching orders for the coming year, Barnier never once mentioned the United States.

Nor did the words Russia, NATO, Israel or Palestinian or the phrases trans-Atlantic alliance or Sept. 11 emerge from his lips.

He said almost nothing about the crisis in Iraq, except to list the country as one of the "open conflicts" in the world and a target of terrorist acts. There was no discussion of how France should help resolve the Israeli-Palestinian crisis, which de Villepin often called the most urgent regional problem facing the world.

The fact is that Barnier was once the Quai d'Orsay's point man on Europe and served for four years as the European Union's commissioner for regional policy and institutional reform be-

fore becoming foreign minister. He tends to see the world through the lens, not of France, but of Europe.

He told his envoys that the only way to maximize their influence around the world was to think European. "The first reflex, I say bluntly, must be European," he said. "I know that this evolution is not inscribed in the long and prestigious history of our ministry. But the influence of our country depends on it."

In a tonal shift, Barnier called for a France that is humble. That adjective was not normally associated with de Villepin, who once was described in a profile in the French magazine Le Point as "a silver wolf with burning eyes" and who became Europe's most vocal critic of the Bush administration's march to war against Iraq.

"France is not great when it is arrogant," said Barnier, a former deputy in parliament in the Savoy region. "France is not strong if it is alone."

His performance, which gave a number of ambassadors their first look at him in action, caught many unprepared. "He is at base a local politician coming from the Savoy, not a traditional Gaullist at all," said one ambassador. "He came across as the anti-de Villepin."

FRANCE, Continued on Page 4

UPDATE

Flight recorders damaged, Russians say

Russian officials said Thursday that the flight recorders of two airliners that crashed nearly simultaneously on Tuesday night had been damaged and would provide little help in determining the causes of the twin disasters, which killed at least 89 people. The authorities did not

say whether they suspected that terrorism had been involved in the crashes. But they confirmed that the pilots on one of the planes, Flight 1047, had activated an alert system, which indicated the aircraft was being hijacked. Both Flight 1047 and the other plane, Flight 1303, had taken off from Domodedovo International Airport. Page 3

On the Web: www.iht.com

In this issue

Books	10
Crossword	20
Opinion	6-7
People	10

Newsstand prices

France € 1.85

Algeria.....	Din 40	Ivory Coast..	CFA 1.500
Andorra.....	€ 1.85	Reunion/Antilles....	€ 2.10
Cameroun....	CFA 1.500	Senegal.....	CFA 1.500
Gabon.....	CFA 1.500	Tunisia.....	Din 2.500

For information on delivery, or to subscribe in France, call toll-free: 00 800 44 48 78 27 or email us at subs@iht.com



CURRENCIES | New York

Thursday 4 P.M.		
	Thursday 4 P.M.	Previous
€1 =	\$1.2106	\$1.2086
£1 =	\$1.7964	\$1.7965
\$1 =	¥109.59	¥110.16
\$1 =	SF1.2725	SF1.2733

Full currency rates | Page 12

OIL | New York

Thursday 4 P.M.

Light sweet crude \$43.10 ↓ \$0.37

STOCK INDEXES

Thursday

The Dow 4 P.M. 10,173.41 ↓ 0.08%

FTSE 100 close 4,453.90 ↑ 0.96%

Nikkei 225 close 11,129.33 ↓ 0.01%

ATHENS OLYMPICS

Changing face of Games

For Chinese, 'beans are out of the bottle'

By Christopher Clarey

ATHENS: It was easy to see that Lithuania was a better basketball team than China in the Olympic quarterfinals Thursday, but it was also easy to fill in the blanks and the seats with future Olympics in mind: to imagine Yao Ming with a better, stronger supporting cast and to imagine the stands that were dotted with Chinese flags here in Athens becoming a sea of national colors in Beijing in four years.

The face of the Olympics is changing, even before Gianna Angelopoulos-Daskalaki and the rest of the

Athens organizers pass the torch to the Chinese delegation at the closing ceremony Sunday.

Deep into the second week, China is running a very close second to the United States in the gold-medal count. The Chinese have 25; the Americans have 28.

"That's very surprising for me," said Yao, China's truly towering center, as he answered questions after Lithuania's 95-75 victory with his interlocutors reaching up, way up, with their digital recorders to capture his improving English.

BASKETBALL, Continued on Page 4

ROUNDUP OF EVENTS

■ TRIATHLON A New Zealander outduels fellow Kiwi. Page 17

■ PENTATHLON A Russian finishes far ahead. Page 18

■ BASKETBALL Stephon Marbury paces the U.S. team. Page 20

Full Coverage, Pages 17-20

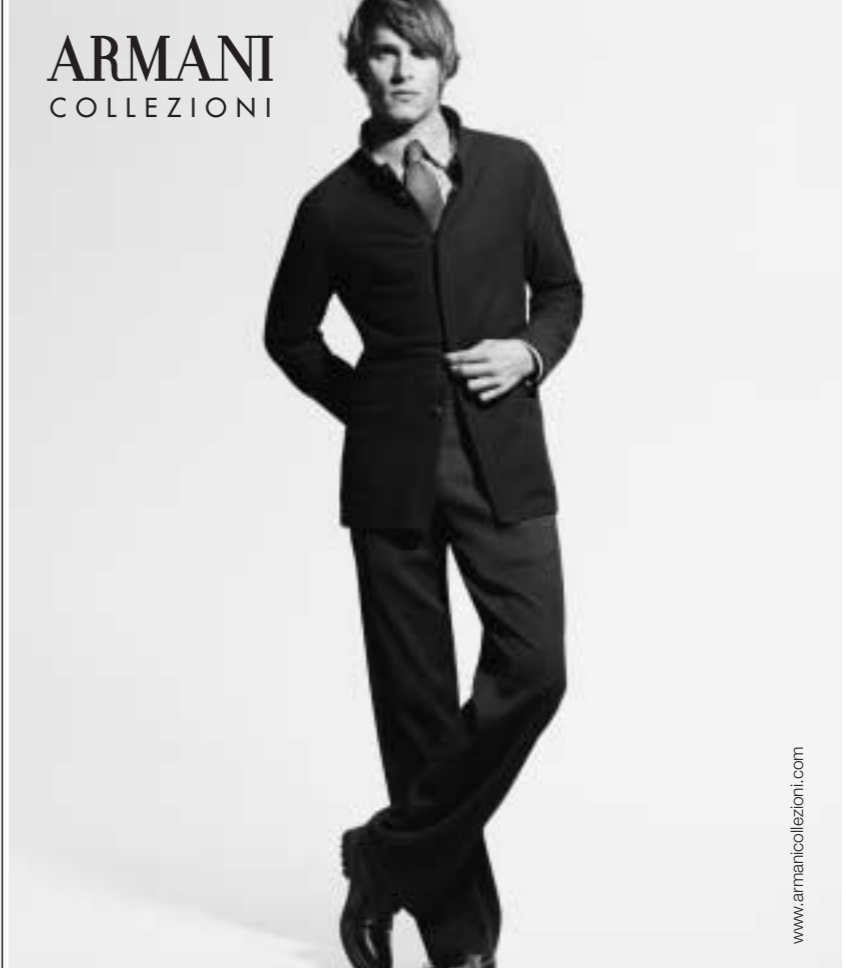
TODAY'S HIGHLIGHTS

■ ATHLETICS Marion Jones paces the U.S. 400-meter relay team.

■ BASKETBALL Semifinals for men's and women's teams.

■ ON THE WEB: Slide shows, multimedia, an updated medal count and more: www.iht.com/olympics

ADVERTISEMENT



www.armanicollezioni.com