

## COLUMN ONE

### As Hunger Rises in Line With Food Production, India Shifts Its Strategy

Nation Now Emphasizes Job Creation, Fighting Poverty Over Higher Output

'Don't Turn People Into Beggars'

By ROGER THURLOW  
And JAY SOLOMONOV

THIRUKANCHIPY, India—In the 1980s, this country set out to prevent famine by boosting agricultural production. The push was so successful that wheat and rice stockpiles approached 60 million tons. By 2001, India had its own grain-export business. But Managapati Masangatti, a 29-year-old illiterate peasant, was still hungry. He had no land to grow crops and no steady income to buy food.

Last summer, an agricultural-research foundation gave Mr. Masangatti some unusual advice: Drive a taxi. With the foundation's help, he and 15 members of his rural village received a loan to buy a three-wheeled, battery-powered vehicle. The taxi business makes as much as \$25 (€21) a day and Mr. Masangatti takes home a monthly salary of about \$55. For the first time, he says, his family is able to regularly eat three daily nutritious meals.

The Thirukanchipet taxi is a fresh approach to solving a jarring paradox. The world is producing more food than ever before as countries such as India, China and Brazil emerge as forces in global agriculture. But at the same time, the number of the world's hungry is on the rise—including in India—after falling for decades. Despite its overflowing granaries, India has more hungry people than any country on earth, as many as 215 million according to United Nations estimates, or one-fifth of its population.

The paradox is propelling a shift in strategy among the world's hunger fighters. International agencies that once encouraged countries to solve starvation crises by growing more food are now tackling the more fundamental problem of rural poverty as well. The old development mantra—produce more food, feed more people—is giving way to a new call: Create more jobs, provide income to buy food.

"Increasing production is great, but we have to think about the whole chain," says M.S. Sureshbabhan, the 75-year-old scientist who helped engineer India's agricultural boom and whose foundation set up Mr. Masangatti's taxi. India has been able to

### Capital Improvements: Architect Who Left Beirut Has Designs on Its Future

After Building Reputation in Clubs, Mr. Khoury Sets Sights on City Center

By BILL SPINALE

BEIRUT, Lebanon—Bernard Khoury stared up at an egg-shaped building, half of it shored away. A tangle of rebar concrete, rusting girders and bent steel rods stuck out the side. What remained was pocked with bullet and mortar holes. For the Harvard University-trained Lebanese architect, here was something to behold. "It's beautiful," he said. "Like Beirut is beautiful."

Stated for destruction as recently as last year, the Beirut City Center Building is among the last structures in Beirut's once war-torn downtown that still bear the scars of the war that raged off and on here until 1990. The building, constructed in the 1960s, has been empty since 1975, when the conflict first broke out in the city, which had formerly been called the Paris of the Middle East.

Beirut went on to suffer a decade and a half of shooting and shelling by ethnic clans, religious fanatics and the Israeli, U.S. and Syrian militaries. Since the end of the war, much of the area around the City Center building has been restored through a monumental, and often controversial, renewal effort led by a private development company, Solihère, whose biggest investor, billionaire Rafik Hariri, went on to become Lebanon's prime minister.

The downtown renovation has erased almost all signs of the war. Assam Salam, a prominent Lebanese architect and Solihère critic, says it "has been done with a total disregard for the memory of the city. But in a region where strife is once again on the

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Index	Value	% Chg.	Index	Value	% Chg.
DAX	4,372.8	+0.95	FTSE 100	4,911.1	+0.37
Nikkei	14,121.0	+0.21	Hang Seng	11,100.0	+0.18
ASX	3,100.0	+0.10	IBEX 35	3,800.0	+0.10
SEMI	3,500.0	+0.10	TAIEX	1,200.0	+0.10
NYSE	11,500.0	+0.10	EURO STOXX	3,500.0	+0.10
NYSE	11,500.0	+0.10	EURO STOXX	3,500.0	+0.10
NYSE	11,500.0	+0.10	EURO STOXX	3,500.0	+0.10
NYSE	11,500.0	+0.10	EURO STOXX	3,500.0	+0.10
NYSE	11,500.0	+0.10	EURO STOXX	3,500.0	+0.10



**VAIN EFFORT**  
On guard, lads. The fashion world aims to enhance your figure.  
Article on Page A7



**HOT SPOTS**  
Let's hit the beach and get some sun. It's holiday time.  
Article on Page P1



**SPORTY FOLK**  
Americans seem to be abandoning their couches for vacation.  
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**The Washington Post**  
■ Traditions of the world's oldest hereditary monarchy weigh on Princess Masako of Japan. Page A3  
■ Amid Iraq's chaos, a young widow turns to prostitution to earn money for her family. Page A3  
■ David Ignatius on Iraq's prime minister. Page A8

## What's News—

**Business and Finance**  
**JOHN MACK WILL QUIT** as co-CEO of Credit Suisse in mid-July, departing as the firm rejected his push to merge with a rival financial-services firm. The move suggests the company will continue to try to remain independent and steadily build businesses while many rivals have made acquisitions and boosted their size. (Page A1)

**National Grid is in talks** to buy Crown Castle's U.K. business for about £1 billion in a deal that would extend the utility's reach in broadcasting TV and phone signals. (Page A1)

**EU fiscal rules would be rewritten** to make them specific to each nation and economic cycle, replacing the 3% of GDP deficit limit, the executive body proposed. (Page A1)

**America Online agreed** to acquire ad-space reseller Advertising.com Inc. for \$40 million, its first major acquisition since it bought Time Warner in 2001. (Page A1)

**Germany will sell €2 billion** of Russian debt exposure to ease pressure on Berlin's budget. News of the plan drove down prices for Russian state and corporate bonds. (Page A1)

**Yellow hired U.S. ex-industry veteran Steven Thode** for the CEO job, succeeding Simon Knies. The company is seeking to settle back taxes with the Kremlin. (Page A1)

**Shell named Peter Voser** chief financial officer. The former Shell executive is widely credited with leading the recent turnaround of engineering firm ABB. (Page A1)

**DHL will spend \$1.2 billion** over three years to bolster its U.S. delivery network. The plan highlights parent Deutsche Post's ambitions. (Page A1)

**Siemens reached a landmark agreement** with unions that will allow it to extend hours at two German phone plants and cut benefits without lifting wages. (Page A1)

**DaimlerChrysler's board** appears divided over how quickly to name a new leader for Mercedes-Benz, two months after canceling the appointment of a new chief for unit. (Page A1)

**U.S. stocks succumbed** to disappointing economic numbers. The Dow Industrials fell 8.75 points to 10,431.51, leaving them almost unchanged on the year. (Page A1)

**European stocks rose** slightly amid investor caution ahead of the coming transfer of sovereignty in Iraq and a U.S. central-bank decision on interest rates. (Page A1)

**Economists expect Japan** to signal its emergence from five years of deflation with the release of consumer-price data. Tokyo's core price index will be the focus. (Page A1)

**Comdex organizers said** they were canceling this November's computer show in Las Vegas amid tepid demand from big companies. (Page A1)

**Oslo may order Norway's** oil sector to resolve a labor dispute in the wake of an industry group's threat to lock out workers. The state can order an end to strikes. (Page A1)

**New details emerged** of Microsoft's internal discussions about buying SAP. (Page A1)

**World-Wide**  
**NATO WILL HELP** train the Iraqi military, officials said. Leaders of the alliance's members are expected to open the door to wider international involvement following a request for aid from Allawi, but NATO will stop short of deploying ground troops. Meanwhile Zarqawi's group claimed responsibility for coordinated attacks across Iraq that left more than 90 Iraqis and three U.S. soldiers dead. Mosul, hammered by three car bombs, fell the heaviest casualties, but fighting in Baghdad, Fallujah and Ramadi. Separately, former Sen. John Danforth was named U.S. ambassador to the U.N. (Page A1)

**Turkey was hit by two separate blasts** during a NATO summit. One was near a hotel where Bush is expected to stay; the other, on a bus, killed four.

**Swiss prosecutors are moving** forward on a probe into terrorist financing that centers on three men with long-standing business ties in Switzerland. (Page A1)

**Greece's Parliament approved** a new antiterrorism bill ahead of the Olympics. It includes the faster extradition of terror suspects to other EU nations.

**Tehran released U.K. custody** eight British allies detained in Iranian waters, ending a growing diplomatic crisis.

**The U.S. Supreme Court** sent a dispute over the agency of Cheney's 2001 energy paper back to a lower court, ending the Bush administration a critical win.

**Bush was interviewed** by prosecutors in connection with the investigation into the leak of a CIA operative's name last year.

**Israeli troops raided** Nablia, searching for militants. International peace efforts backed Egyptian aid for a postposit Gaza.

**EU leaders had** Bush this weekend for a half-day summit, where both sides plan to showcase their common ground.

**Poland's Silesia** was confirmed as prime minister in a 236-210 parliamentary confidence vote, starting off early elections.

**A U.S. appeals court** threw out the contentious media ownership deregulation enacted by regulators last year, a lawyer said.

**A German court rejected** sentence appeals of the four people convicted in the 1995 bombing of a Berlin disco blamed on Libya.

**India's new premier** made his first speech to the nation, saying his top priority is to better meet the needs of the poor.

**Musharraf convened** the first meeting of Pakistan's new national security council, despite a boycott by opposition leaders.

**Rwandan courts began** trying suspects in the nation's 1994 genocide of more than 400,000 Tutsis and moderate Hutus.

**Economists may trigger** an abrupt chain reaction that can lead to asthma in children, a new theory suggests.

## NATO Set to Accept Role Of Training Iraqi Military

Expected More May Widen International Involvement In Reconstruction Efforts

By PHILIP SHIMON  
And FREDERICK KING

BRUSSELS—The North Atlantic Treaty Organization is expected to agree next week to a role training the Iraqi military, opening the door to a wider international involvement in Iraq reconstruction even as it stops short of the NATO-led ground troops sought by Washington. Leaders from the alliance's 21 member nations will meet in Istanbul Monday, just two days before the U.S.-led coalition hands over sovereignty to an interim Iraqi government amid a wave of escalating violence. On Thursday, more than 90 Iraqis and three U.S. soldiers were killed as militants launched a series of coordinated attacks on government



'I'll see to it that the alliance does not slam the door in (Iraqi Prime Minister) Allawi's face.'

— Jaap de Hoop Scheffer, NATO Secretary General

**Bid for Support**  
■ Can President Bush get Europe to do more in Iraq? — A2  
■ In the chaos of the new Iraq, a young widow turns to prostitution. A3

buildings. An alliance official says the attacks won't change NATO's plans but will reinforce the urgency of training the Iraqis to improve their own security. In an interview at NATO headquarters here, NATO Secretary General Jaap de Hoop Scheffer wouldn't confirm details of the training plan, but senior NATO officials said an announcement was planned for Monday. Mr. Scheffer raised a request for the NATO training this week by Iraq's interim prime minister, Iyad Allawi, "a lot of political significance," and signals he was open to further demands on NATO's role there. "What the Iraqi government might want to ask NATO is the future I don't know," he said. "But I'll see to it that the alliance does not slam the door in Allawi's face."

The NATO summit comes at the end of an intense month of high-level meetings among U.S. and European officials, much of it shadowed by the impending handover of sovereignty in Iraq. The

## Iraq Attacks May Spur A Security Crackdown

BAGHDAD, Iraq—A wave of coordinated attacks in five cities left more than 90 Iraqis and three U.S. soldiers dead and hundreds wounded and seemed certain to push the incoming interim government closer to a broad security crackdown that will take away some of the freedoms Iraqis have enjoyed since the country fell to U.S. control last year. The attacks, which made Tuesday one of the most violent days of the U.S. occupation, came just six days before the planned transfer of U.S. sovereignty to the United Nations-appointed interim government. That government, led by interim Iraqi Prime Minister Iyad Allawi, already has been considering declaring martial law in several areas of the country almost immediately after taking power. The contemplated decree would impose stringent curfews, bar most public demonstrations and make it easier for security personnel to search private cars and homes. Mr. Allawi already has made plans to order the country's nascent police force

to focus on battling the insurgents and terrorists behind the ongoing violence. Allawi says he will use army and paramilitary units in the hunt for militants if the police prove unable to effectively combat them. Mr. Allawi also plans to bring back the death penalty for both criminals and insurgents, and is considering a wider array of measures, including a potential clampdown on Arabic media that the government considers overly sympathetic to the insurgents, aides say. The planned steps come amid a recent spike in insurgent violence, which U.S. and Iraqi officials say is designed to derail the scheduled transfer to the government headed by Mr. Allawi, a Shiite with close ties to the Central Intelligence Agency. Thursday, in the five-hour simultaneous attacks, militants used car bombs, rockets, small arms and other weapons to kill more than 90 people in their offensive, including at least three American soldiers, and wound approximately 200 others. The deadliest attacks took place in the northern city of Mosul, which was hammered by three car bombs and at least one rocket strike. But other cities also saw significant combat. Insurgents took control of large portions of the city of

## EU Proposes New Budget Rules, Replacing the Oft-Broken Pact

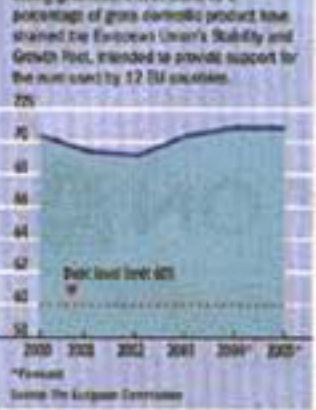
Country Deficit Limits Could Reflect Fluctuations In Economic Conditions

By G. THOMAS SIBS  
And JUDY MILLER

In an acknowledgment that Europe's oft-broken fiscal pact underpinning the euro is all but dead, if enforcers at the European Commission proposed a replacement that would give euro-zone countries more flexibility to fix their own budgets.

Under the proposal, the one-size-fits-all rules that limit national budget deficits to 3% of gross domestic product would be made "country-specific," despite opposition from the European Central Bank. Government spending would rise and fall according to economic cycles, meaning countries would spend less during good times so that they have more room to post deficits during bad times. In a move that many economists have been pleading for, more attention would be paid to a country's overall debt level—

### Widening Debt



a better indication of a country's fiscal health—rather than on year-to-year budget deficits. That would allow countries with low debts to spend more. The commission's apparent throwing in of the towel comes just days after it lost a big fight over its power to enforce the pact. "It's a sort of formal acknowledgment that the pact doesn't work, can't work and is too rigid," said Charles Wyplosz, economics

## Mack Resigns Post of Co-CEO At Credit Suisse

John Mack, co-chief executive of Credit Suisse Group, will step down in mid-July, departing as the firm rejected his push to merge with a rival financial-services firm, according to people who have spoken with Mr. Mack. The development suggests that the Zurich- and New York-based Credit Suisse

By Erik Postinger, Randall Smith and Gregory Zuckerman

will stick to its knitting, continuing its effort to remain independent and steadily build its businesses. The go-it-alone strategy comes as many of its rivals have made acquisitions and drastically ramped up their size. "At this point I time, we have no interest in pursuing a merger with another financial institution," Credit Suisse Chairman Walter B. Koelbke said in a statement. "Credit Suisse Group's financial performance has improved significantly as a result of strong measures taken by management." Mr. Mack's unexpected departure leaves Oswald Grubel, who previously shared the CEO post with Mr. Mack, as sole CEO. Messrs. Mack and Grubel had

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## Opinion Pages

Something else cooking in Canada. Page A8

Replacement badly needed. Page A5

## Online Today

On the Other Hand: Would a half-point U.S. rate increase be good medicine for the market?

## MARKETS SUMMARY

Markets & Currencies	Value	% Chg.	Value	% Chg.	
DAX	4,372.8	+0.95	FTSE 100	4,911.1	+0.37
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NYSE	11,500.0	+0.10	EURO STOXX	3,500.0	+0.10

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# Native Architect Has Designs on Beirut's Future

*Continued From First Page*

rise, the City Center Building's path to preservation shows how Beirut's turbulent past continues to intrude on the city's present—and future.

Although Mr. Khoury, 35 years old, grew up in Beirut, he barely remembers the distinctive egg-shaped dome from back then. The war started when he was seven years old. Downtown was especially contested precisely because it was the area where the city's ethnic and religious hodgepodge—Druze, Maronite Christians, Shiite Muslims and Palestinians—mixed each day and held competing claims. It became a fearsome no-man's land. Though Christian, Mr. Khoury's immediate family lived on the predominantly Muslim side of the city, separated from relatives in the east.

Mr. Khoury left Lebanon in 1986 to attend the Rhode Island School of Design, and then Harvard's architecture school, where he became interested in the reconstruction of his hometown that was just getting under way. He returned with big ideas, mostly for the monumental architecture he figured would mark the effort. After more than a dozen attempts to win major commissions, he came up empty. Solidere was meticulously rehabilitating downtown, but largely in a refined French Colonial style. Mr. Khoury bristled at this "postcard image" of the Middle East.

After moving to New York in 1997—for good, he thought—Mr. Khoury was asked by a friend to design a dance club back home in Beirut. The project wasn't exactly what he had aspired to, but he agreed to do it. The site for the new club, eventually named B018, had a long history as a refugee camp: Armenians congregated there around World War I and Palestinians in the early 1970s. In 1976, about 1,000 Palestinian were massacred there just after the beginning of the war.



**The Beirut City Center Building**

Mr. Khoury says that kind of history can't be ignored, even for a dance club. So he designed a dark, bunker-like underground space with a retractable roof and a dance floor studded with benches clearly designed to evoke coffins. Criticized by some as utterly macabre, B018 nonetheless attracted a big local and international following. It also won Mr. Khoury acclaim in architectural circles. That led to other bars and restaurant commissions.

Meanwhile, Solidere continued with its multibillion-dollar recasting of downtown, and frequently hired eminent architects and urban designers. The next big phase of the project was launched this month with an international competition to design Martyr's Square, a once-bustling plaza that now is a barren swath of land.

Here the symbolic heart of the city is forcing a confrontation with one painful result of the war: Balkanized into sectarian enclaves, Beirut still is a long way from the mixing pot it once was. Solidere planners want a rejuvenated Martyr's Square to help remedy that. "It's the only place where all the groups in the city really came together. That has to happen again," says Angus Gavin, who manages the ur-

ban-development division of Solidere.

Overlooking Martyr's Square is the wreck of the Beirut City Center Building. It was designed in the 1960s by Lebanese architect Joseph Philippe Karam. At the time, Lebanon was coming into its own two decades after gaining independence from the French. Beneath the large white dome, which housed a theater and exhibition space, were six underground floors of shopping and parking.

The war brought a long period of neglect. In the early 1990s, Lebanon's finance ministry considered the building for a headquarters, and even constructed a foundation and four basement floors for a new tower next to the egg before aborting the project. At first, Solidere planned to demolish the building. But as Solidere's chairman, Nasser Chamma, squirmed celebrity architects around town in the past year, many were struck by the odd-shaped building next to Martyr's Square.

Having decided to spare the building, Solidere officials didn't know what to do with it. They did know who might: Mr. Khoury. He jumped at their offer.

Classic restoration, though, isn't what he has in mind. He plans to surround the dome in a huge red scaffolding, giving it the permanent feel of a construction site. The building surface will be left as is—bullet pocks, mortar holes, crumbling plaster and all—wrapped in wire mesh. A pavilion below the dome will be studded with windows onto the subterranean floors, which will house gallery and exhibition spaces.

Solidere officials say they hope the new City Center will attract more young residents downtown. So does Mr. Khoury. If it does, he points out, the attraction will be the way Beirut's past and future intersect in its present. "It's a complicated situation, and I like complicated situations," he says.

—Farnaz Fassih  
contributed to this article.

# *Capital Improvements: Architect Who Left Beirut Has Designs on Its Future*

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Mr. Khoury Sets Sights on City Center

By **BILL SPINDLE**

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Bernard Khoury

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