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DOWNTOWN

Want Amid Plenty

An Indian Paradox: Bumper Harvests And Rising Hunger

The World Has Enough Food, But Poor Can't Afford It; Growing Jobs and Crops

A Taxi For Mr. Manangalli

By Roger Thorne
And Lee Soltman

THIRUVANMURAI, India—In the 1990s, the country set out to prevent famines by boosting agricultural production. The push was so successful that when anti-poverty groups approached 30 million tons, by 2001, India had its own grain surplus business. But Mr. Manangalli, a 24-year-old Illinois peasant, who still hungered, had to turn to growing crops just to stave off his food.

Last weekend, an agricultural research foundation gave Mr. Manangalli a small annual stipend.

Mr. Manangalli drove a taxi, with the foundation's help, to and from meetings of this rural village, received a loan to buy a three-wheeler, battery-powered vehicle. The last two months, netting more than \$2,000 a day, Mr. Manangalli takes home a monthly salary of about \$85.

For the last three to say, his family is regularly able to eat three nutritious meals a day.

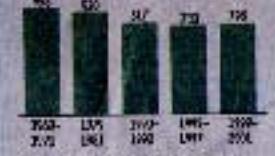
The transformation is just a fresh approach to solving a pricing paradox. The world is producing more food than before countries such as India, China, and Brazil change as forces in global agriculture. But at the same time, the number of people hungry is on the rise—including India—after falling for decades. Despite its overflowing granaries, India has more hungry people than any other country, as many as 200 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 say that once enough attention is given to rural areas,

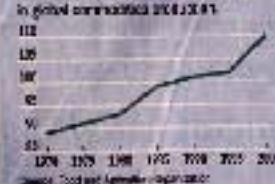
FEAST OF FAMINE

U.S.-based NGOs provide the backbone

World Hunger



Indicated by the U.S. Food and Agriculture Organization showing hunger in developing countries 1960-2000.



risingly growing more food and not ending the most fundamental problem of all: poverty itself. The World Bank's new poverty—poorer, more food, food more people—is giving way to a new rule: Create more jobs, provide income to hungry food.

"Increasing production is great, but we have to think about the whole chain," says K.S. Swaminathan, the 78-year-old scientist who helped engineer India's agricultural boom and whose foundation set up Mr. Manangalli's taxi. India has learned to conquer hunger of food, he says. Now it is suffering from a famine of jobs and livelihoods.

The stark contrast between food plenty and rural poverty is helping to transform Indian politics. India's ruling Bharatiya Janata Party had overseen a

Photo: AP/Wide World

What's News—

Business and Finance

World-Wide

JOHN MACK WILL RESIGN

as Credit Suisse's cochief executive next month. The departure comes after he clashed with some at the firm over his desire to pursue a merger with another financial-services company, suggesting Credit Suisse will continue its effort to remain independent. Mack's departure will leave Oswald Grubel as the sole CEO.

(Article on Page A1)

A U.S. appeals court barred the FCC's revised media-ownership rules from taking effect, a setback for media companies that was limited by conservative groups.

(Article on Page A1)

New-home sales soared in May despite higher mortgage rates. Durable-goods orders fell and jobless claims edged higher.

(Article on Page A2)

AT&T shares fell on fears of a price war for business customers that would erode its dividend and worsen its financial condition.

(Article on Page A2)

The Dow industrials fell 35.7 to 10,488.81 on weak economic data and the Midwest bombings. Gold and Treasury bonds rose.

(Article on Page A2)

The European Commission proposed replacing the euro's fiscal rules with ones that gives countries more budget flexibility.

(Article on Page A2)

British utility National Grid is in talks to acquire the U.K. operations of Houston-based Crown Castle for about \$2 billion.

(Article on Page A2)

Deutsche Post's DHL unit plans to spend \$1.2 billion over the next three years to improve its U.S. package-delivery network.

(Article on Page A2)

AT&T will buy America Online for \$435 million in a deal aimed at boosting its online-business.

(Article on Page A2)

Norway's oil industry said it plans to lock out striking workers, but the government is expected to intervene in the labor dispute.

(Article on Page A2)

ONE Shipping's trustee is suing for losses allegedly inflicted on the now-bankrupt small firm by a group of chemical shippers.

(Article on Page A2)

Shell named as chief financial officer Peter Voser, a former Shell executive who helped pull off a recent turnaround at ABB.

Yokohama American Steven Theodore is CEO of the Russian oil firm, succeeding Simon Rikters.

(Article on Pages A2 and B1)

SEC officials said not one mutual-fund firm has voluntarily agreed to discuss business problems or ways to avoid conflicts.

(Article on Page A2)

Fund managers' sentiment toward Asian stock markets is deteriorating because of concerns over China's overheating economy.

(Article on Page A2)

Citigroup suspended two senior Chinese bankers over the presentation of false information, according to an internal memo.

(Article on Page A2)

Tokyo's core consumer prices are expected to be flat in June for the first time since 1999, a "slight deflation could be ending."

(Article on Page A2)

Markets

Stocks: NYSE vol. 1,251,261, +1%
shares, Nasdaq vol. 1,045,253, +2%
Dow 10,488.81, ▲ -0.3%
Nasdaq composite 581.07, ▲ -0.4%
S&P 500 index 1,101.58, ▲ -0.1%

Bonds: 10-year Treasury
▲ +0.27, +0.45%; 30-year
Treasury ▲ +2.75, +0.1%;
Dollar ▲ +0.33 yen, ▲ -0.01;
Euro ▲ +0.27 cent against the dollar.

Commodities: Oil, WTI, +\$2.50 a barrel, ▲ +8.3%; Gold (Comex)
\$311 per troy ounce, ▲ +8.1%; Dow
Jones-AIG futures 1,070.60, ▲ +1.3%;

Returning to Beirut, An Architect Has Designs on Its Future

Bernard Khoury's Plan

In Restoring a Building

Is Not to Forget the War

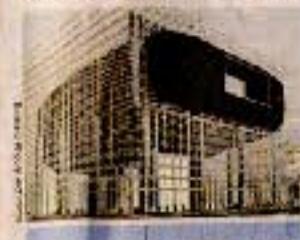
By Bill Sikes

BEIRUT, Lebanon—Bernard Khoury started up an egg-shaped building, half of it sheared away. A tangle of broken concrete, rusting girder and bent steel rods sticks out the side. What remained was packed with bullet holes and mortar holes from the Hezbollah-trained Lebanese architect, here was something to rebuild. "It's beautiful," he said. "This is our cathedral."

Razed for destruction as recently as last year, the Beirut City Center building is among the first structures in Beirut's now-war-torn downtown that will see the scars of the war torn down and on June 2010, the second anniversary of the conflict, first made safe by the city's memory—voted the Park of the Middle East.

Khouri went on to another adventure and a mall shooting and shelling by ethnic Christians, religious fanatics and the French, 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 commercial, and often controversial, renewal effort led by a private development company, Solidere, whose biggest investor, Saudi Arabia, is now Lebanon's billion-dollar prime minister.

Tourists now again fill downtown Beirut's pavilions, which are lined with Italian, French and Mediterranean cafés. The downtown renovation has



The rebuilt Beirut City Center building (right); the building was

scarred almost all signs of the war. Assem Salam, a prominent Lebanese architect and Solidere's chief, says it has been done with a total disregard for the memory of the war.

But in a region where strife is again on the rise, the City Center building's path to preservation shows how Beirut's turbulent past continues to intrude on its present-day future.

Although Mr. Khoury, 55 years old, grew up in Beirut, he rarely remembers the distinctive egg-shaped dome from his childhood. The war started when he was 7 years old. Beirut was especially contested precisely because it was the area where the city's Christian and religious powerhouse—Christian Maronites, Christians, Sunnis and Shiites—met each day and held competing rallies. It became a Christian town divided by a "Never Land" demarcating claims to completely Christian east side from the mostly Muslim west. 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 1984 to attend the Rhode Island School of Design, and then Harvard University's architecture school, where he became interested in the reconstruction of his hometown, just getting under way. He returned with his ideas, mostly for the monumental architecture he figured would mark the effort. But after more than a dozen attempts to win major contracts

Please Turn to Page A8, Column 5

Wild Ride

- Dec. 18, 2000: Bin Laden reportedly kills 160 in 12th floor of World Trade Center.
- Nov. 26, 2001: Bin Laden kills 192 in New York.
- Jan. 22, 2002: Heavy fighting begins over oil-rich Shabwa district in Yemen.
- April 22, 2004: Bin Laden attacks 1,000 soldiers in northern Iraq.

Source: Central Intelligence Agency

Graphic: Central Intelligence Agency

Source: Central Intelligence Agency

Returning to Beirut, An Architect Has Designs on Its Future

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Bernard Khoury's Plan In Restoring a Building Is Not to Forget the War

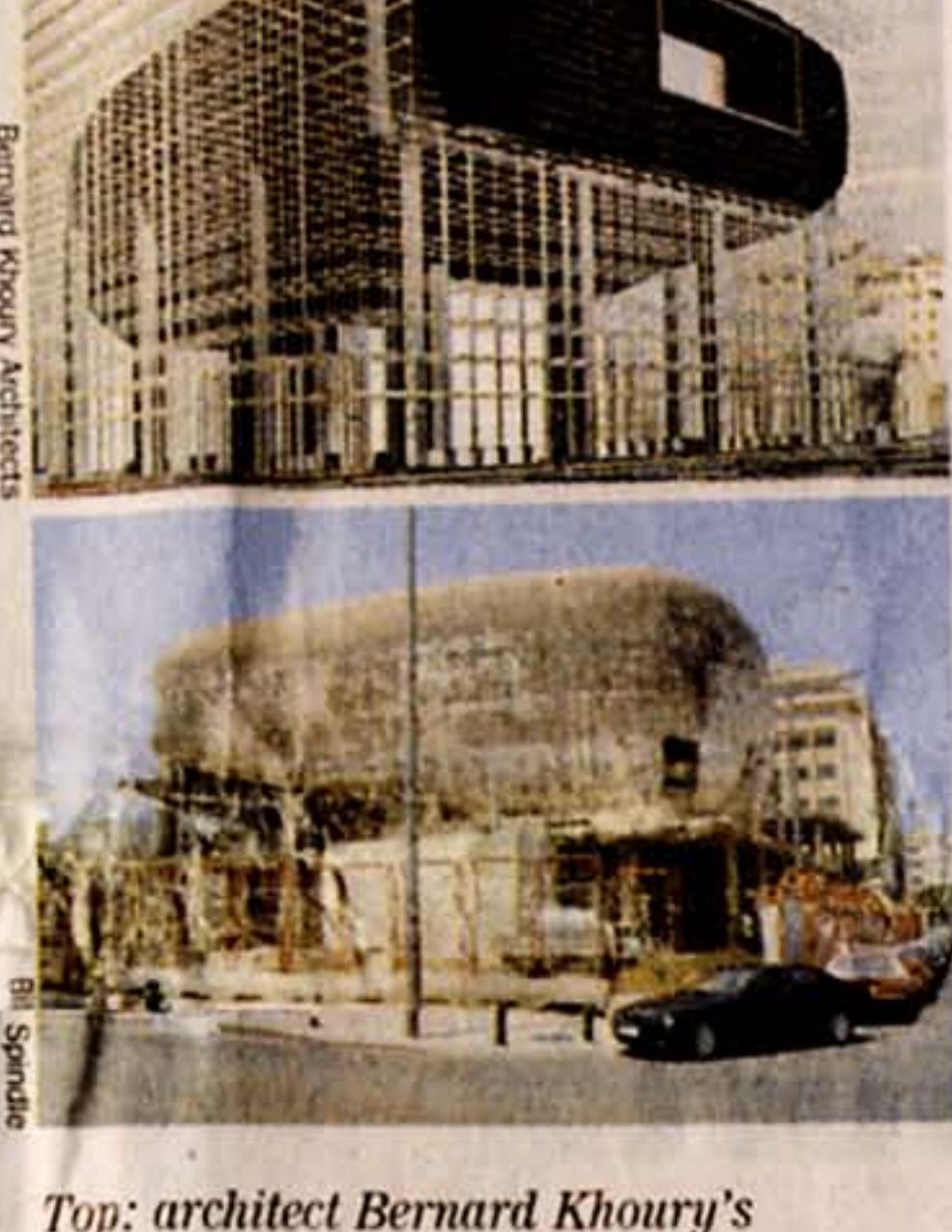
By BILL SPINDLE

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

Slated 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 commonly 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, Solidere, whose biggest investor, Rafik Hariri, is now Lebanon's billionaire prime minister.

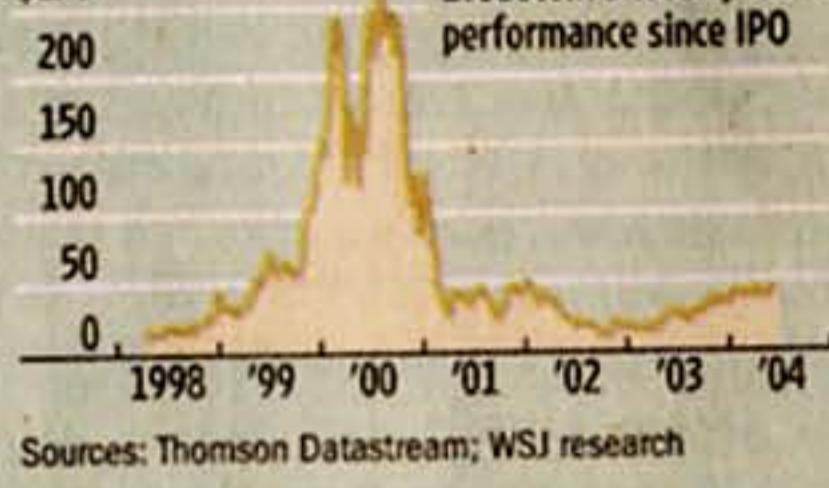
Tourists once again fill downtown Beirut's pavilions, which are lined with Italian, French and Mediterranean cafés. The downtown renovation has



Top: architect Bernard Khoury's conceptual design for the **Beirut City Center building**; above: the building now

Wild Ride

- **Dec. 18, 2000:** Broadcom acquires SiByte, its 12th acquisition of 2000.
- **Nov. 25, 2002:** Broadcom cuts 16% of staff.
- **Jan. 23, 2003:** Henry Nicholas steps down as CEO; company posts \$2.2 billion loss for 2002.
- **April 22, 2004:** Broadcom reports \$39.9 million quarterly profit after year-earlier loss.



Sources: Thomson Datastream; WSJ research

Holding the Chips

At Broadcom, Co-Founder Is Gone But Not Forgotten

Mr. Nicholas, 'Retired' at 44,
Still Has a Huge Stake;
Seeking 'Proper Distance'

'Just a Dad Without a Job'

By GEORGE ANDERS

IRVINE, Calif.—For more than a decade, Henry "Nick" Nicholas III ran Broadcom Corp. in his own style. He started meetings as late as 10 p.m. and blared heavy-metal music into company trade-show booths. He gobbled protein bars instead of meals, urging aides to do the same so they could refuel faster. Once, he piloted a helicopter and hovered over the company's volleyball court, he says, just because he thought it would be fun.

His semiconductor company was one of the great high-tech success stories of the 1990s and Mr. Nicholas—a co-founder of Broadcom and self-made billionaire—seemed answerable to no one.

Then Mr. Nicholas abruptly left as chief executive officer in January 2003, the same day the company reported a \$2.2 billion loss for 2002, largely for write-downs related to acquisitions. He also resigned his board seat. Employees were stunned. Broadcom stock dropped 10%. In a conference call with investors, Mr. Nicholas said he wanted to repair his marriage and spend more time with his three children. Asked if other factors were at play, Mr. Nicholas and the company shooed away speculation.

In fact, Broadcom directors now say in interviews, they grew concerned in late 2002 about Mr. Nicholas's ability to

In Return to Beirut, An Architect Has Designs on Its Future

Continued From First Page

sions, 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. "There was just nothing here for me," he says.

But after moving to New York in 1997—for good, he thought—Mr. Khoury was asked by a friend to design a dance club back 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 the first World War and Palestinians in the early 1970s. In 1976, about 1,000 Palestinians were massacred on the spot just after the beginning of the war.

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, named for the number of an apartment where the club owner threw parties during the war, attracted a big local and international following. It also won Mr. Khoury a measure of acclaim in architectural circles.

That led to bar and restaurant commissions from Beirut to Berlin, another city struggling to integrate its past with its present and future through architecture.

Meanwhile, Solidere continued with its multibillion-dollar recasting of downtown and frequently hired eminent architects and urban designers. Despite long delays and financing headaches, the project helped put Beirut back on the international bon vivant circuit. What was once the local opera house is now a Virgin MegaStore. Officials talk of bringing Formula One auto racing to town.

The next big phase of the project was

launched earlier this month with an international competition to design what's known as Martyr's Square, a once bustling plaza where ethnic groups mixed more than almost any place else in the country. It is now a barren swath of land. But plans to revitalize the square have forced a confrontation with one painful result of the war: Balkanized into sectarian enclaves, Beirut is still 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 urban development division of Solidere. "If [downtown] works, it means the idea of a multireligious, multiethnic society is back in business."

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 '90s Lebanon's finance ministry eyed the building as 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 recognized little special about the building and planned to demolish it. But as Solidere Chairman Nasser Chamma squired celebrity architects around town in the past year, many were struck by the odd-shaped building next to Martyr's Square. "I'm glad we didn't do anything to it," Mr. Chamma says.

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

Classic restoration, though, isn't what he has in mind. He plans to surround the distinctive dome in huge red scaffolding that spreads out over the whole property, giving it the permanent feel of a construction site. The surface of the building 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're excited, and they especially hope the new City Center will attract more young residents downtown. So does Mr. Khoury. But 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 Fassihi

contributed to this article.



Bernard Khoury

PT Bank Permata

Indonesian Government Plans To Sell Entire Stake in Firm

The Indonesian government plans to sell all of its holdings in PT Bank Permata this year, revising a plan to sell only a 71% stake in the state-owned bank. "We have decided to sell the government's entire 97.17% stake in Bank Permata," Mohammad Syahrial, president of PT Perusahaan Pengelola Asset, said. PPA plans to hold a roadshow in late July. "We expect to complete the sale of Bank Permata by October," Mr. Syahrial said, adding that PPA expects to sell the stake at 1.8 times Bank Permata's book value, which is at 238 rupiah (three cents) a share. PPA has named ABN Amro as financial adviser for the sale.