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By Roger Cohen

Egypt: Plenty to fill the heart

PAGE TWO



Souren Melikian on a new genre of art book

9



Good financial years and bad: What to tell the children

YOUR MONEY 14

Suspect charged with murder of 5 women in U.K.

A 48-year-old truck driver appeared in court Friday in Ipswich, England, charged with murdering five prostitutes whose naked bodies were found over a 10-day period this month. Steven Wright did not enter a plea, and his attorney did not seek bail.

Wright, who was arrested at his home in Ipswich on Tuesday, wore a dark suit that had been purchased for him by the Suffolk police for his hearing in the Ipswich Magistrates Court. "He wanted to appear smarrly dressed in court, bis attorney said.

A second man, who had been arrested earlier on suspicion of murder, was freed on bail without being charged. Page 3

Many Azeris see Iran behind unrest

An article denigrating Islam in an obscure newspaper in Baku has led to emotional demonstrations across Azerbaijan and in Iran. A prominent Iranian cleric demanded the death of the two writers of the article, who have been imprisoned in Azerbaijan. Many Azeris see the roots of the trouble in what they consider Iran's shadowy influence. Page 6

African health plans suffer from overlap

The world's leading public health officials praise malaria prevention efforts across Africa, but getting an unwieldy collection of international organizations to work together effectively is a challenge. There were too many cooks," said a malaria fighter for the World Health Organization, whose experts helped draft a six-country proposal. Page 2

4th day of dense fog disrupts Heathrow

A dense fog that has smothered southern England persisted into a fourth day Friday, disrupting hundreds of flights at Heathrow Airport on the busiest travel day of the holiday season. Delays and cancellations aggravated thousands of travelers as they tried to get home for the Christmas holidays. British Airways expected a return to normal by Sunday. Page 3

Toyota set to lift crown from GM

'07 forecast indicates end of 81-year reign

By Martin Fackler

TOKYO: Toyota Motor said Friday that it planned to sell 9.34 million vehicles next year, a figure that analysts said would be big enough to put it ahead of the troubled General Motors as the world's largest auto company. Toyota reported global group sales this year of 8.8 million cars and trucks, below GM's forecast for 2006 sales of 9.2 million vehicles. But the figures Friday showed the two rival car giants on starkly different trajectories, with Toyota expecting to add a half million in vehicles also in 2007, at a time when GM is closing plants and laying off workers. Surpassing General Motors would be a crowning achievement for Toyota, a company that got its start in the 1930s by reverse-engineering GM and Ford cars, and that spent decades catching up with Detroit. It would also end GM's Glyear reign over the global auto industry, and mark another step in the rise of Asian carmakers.

But becoming the global leader would also have its piffalls for Toyota, analysts warned. The Japanese automaker could become a victim of its own success and follow GM's decline, they said, if it grows complacent or lets quality control slip amid its rapid expansion. Being at the top could also make Toyota a fatter target for critics, particularly in the U.S. Congress, where the company's rise could fan a protectionist backlash, analysts said.

"Does being No. I matter? It matters or GM, and for America," said Hirofumi Yokoi, an auto analyst at CSM Asia. "It becomes a political issue when America gets passed in a core industry. Toyota will have to be even more sensitive and cautious in the U.S. market."

Toyota's emergence as No.1 would also realign the global auto industry. The Japanese car company would become the new industry benchmark, analysts said, and one that would be tough to match. While GM's strength in recent years has been its finance arm, Toyota's success is grounded in its formidable manufacturing provess. As the world's most profitable carmaker, Toyota also



Europe catches shopping fever

Europe has a long way to go before it reaches the shop-till-you-drop fervor of the United States, But countries traditionally protective of workers' rights, like Germany, are allowing stores to stay open longer, or do business on Sundays. Page II

Sunnis losing ground in Baghdad

At least 10 districts have become almost entirely Shiite

By Sabrina Tavernise

BAGHDAD: As the United States debates what to do in Iraq, this country's Shilte majority is already moving toward its own solution.

In a broad power grab in Baghdad Shilte militias are pushing Sunnis out, forcing them to flee to an increasingly embattled territory in the western part of the city. At least 10 mixed neighborhoods have become almost entirely Shilte this year, say residents, local officials and U.S. and Iraqi military commanders.

It is a fight for control of Baghdad that Sunni militants were once winning. For the first two years of the war, they forced Shiltes out of neighborhoods across the city, systematically killing bakers, barbers and trash collectors, jobs often held by Shiltes. But in February, after the bombing of the Samarra mosque, Shilte militias struck back, pushing west from eastern

strongholds and redrawing the sectarian map of the capital.

Shiftes are seizing power broadly. The Shifter-dominated government is demanding more control over the Iraqi security forces, but militias have settled deeply within their ranks and the Sunni public is terrified at the prospect.

There are plans for a new bridge that would isolate a violent Sunni area in the east and common the sunni area in the east and common the sunni area.

There are plans for a new bridge that would isolate a violent Sunni area in the east and a proposal for land handouts in towns around Baghdad that would bring Shiites into what are now Sunni strongholds.

Sunni political control in Baghdad is all but nonexistent! Of the SI members of the Baghdad Provincial Council, which runs the city, just one is Sunni. In many ways, the changes are a natural development.

Shiites, a majority of this nation's population, were locked out of the ruling elite under Saddam Hussein and now, after decades of oppression, have

power that matches their numbers.
Sunni Arabs now say that an emboldened militant fringe will conduct broader killings without being stopped by the government, or, some fear, with its help.

That could, in turn, draw Sunni countries into the fight and lead to a protracted regional war, precisely the outcome that the Americans most fear.

The Shilte-dominated government publicly condemns violence against Sunnis and says it is trying to stop the militias that carry it out. But the cleansing continues unabated and Sunnis say the government is somehow complicit.

"They say they're against this, but on the ground they do nothing," said Mahmoud al-Mashhadani, the speaker of Parliament, a Sunni He moved his family to the better protected Green Zone in October.

Koreans vow to *'improve'* deterrent'

North's threat comes after nuclear talks end without progress

By Joseph Kahn

BEIJING: Talks to end North Korea's nuclear weapons program closed Friday without tangible progress, and Pyongyang quickly renewed threats to "improve its nuclear deterrent."

American and Asian diplomats said that during five days of negotiations in Beijing, the North Korean delegation declined to discuss disarmament in formal sessions, insisting that would os on only after the United States removed financial measures that have further isolated Pyongyang from the international economy.

China, the hose for this and previous rounds of the inconclusive negotiations, said the participants in the talks — the United States, China, North Korea, South Korea, Ispan and Russia — had agreed to "reconvene at the earliest opportunity." A U.S. official said the talks could resume early next year.

But the latest impasse may signal the increased difficulty — analysts say the near impossibility — of persuading North Korea to give up its nuclear program now that it has tested a nuclear weapons state.

Christopher Hill, chief U.S. envoy at the talks, said the American side had not left "empty handed," arguing that North Korea had at least nominally recommitted itself to a 2005 draft accord to scrap its nuclear weapons. But he acknowledged that the latest round did little to bolster confidence in the six-party negotiating process.

"We are disappointed that we were unable to reach any agreement," Hill said Friday evening. "It was certainly a surprise that they refused to engage on the main issue before the six parties."

But he also suggested that the United States remain committed to finding a diplomatic solution.

"Diplomacy is not an easy task, but like many things in life you have to look at the alternatives," he said. North Korea's chief negotiator, Kim Kye Gwan, blamed the United States for the stalemate. Referring to the Treasury Department's decision in 2005 to blacklist a bank based in Macao that held North Korean assets, he said financial penalties must be removed before Pyongyang would discuss steps to dismantle its



Illuminator of the City of Light

François Jousse, the man charged with illuminating the monuments and official buildings of Paris, on a terrace of the Cathedral of Notre Dame. Jousse's goal is to steep the city's structures in history rather than treat them as jewels to be showcased. $Page\ 2$

In this issu	ıe	No. 38,505			
Art	9	Culture & More	7		
Books & Ideas	8	Opinion	4		
Business	11	Sports	16		
Crossword	7	Your Money	14		

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CURRENCIES | New York \$1.3141 \$1.9603 ¥118.39 SF1.2174 ¥118.81 \$1 = SF1.2186

OIL | New York

Light sweet crude \$62.41 \$0.25 STOCK INDEXES The Dow 4 P.M. 12,343.22 0.63% FTSE 100 close 6,190.00 🎓 0.10%

Nikkei 225 close 17,104.96 🎓 0.34%

Gazprom doubles gas price for Georgia

Gazprom, the Russian natural gas monopoly, agreed Friday to continue supplying natural gas to Georgia, but at double the price, the latest increase for a pro-Western nation on Russia's border. Gazprom demanded the price increase during an escalating campaign of economic sanctions. Page 13

Malone and Murdoch end battle with a swap

The billionaires Rupert Murdoch and John Malone on Friday ended a two-year battle over Liberty Media's stake in News Corp. with an \$11 billion asset swap, giving Liberty control of DirecTV Group and helping Murdoch tighten his grip on News Corp. Page II

Italian designers agree that bigger may be better Fashion industry will fight extreme thinness index of less than 18. Body mass index is a ratio of weight to height squared; women with an index of less than 18.5 are considered underweight. Giorgio Armani and other high-powered designers have condemned the use of ultra-thin models. But the code agreed to in Italy rejected a clear-

By Peter Kiefer

By Peter Kiefer

ROME: The Italian fashion industry pledged Friday to fight the health and image problems of extreme thinness among models by signing a code calling for more robust body imagery at fashion shows and in ad campaigns. Industry officials admitted that they agreed to the self-regulation so that they would not be held responsible for the precarious health of models, and legions of fashion fans.

The code was pushed and co-signed by Giovanna Melandri, who is Italy's youth policy and sports minister and one of the more fashionable of Italian ministers. Industry members agreed to rethink what constitutes beauty in women, to include larger sizes in new collections, to enforce stricter health standards on models and to turn away models under the age of 16.

Models who want to work at Italy's most prestigious fashion shows will have to provide a medical certificate, along with proof of age, according to the code. But regulation is voluntary and without direct enforcement.

Stefano Dominella, president of a lobby for Rome haute couture houses, canceded that no one risked "going to jail" for breaching the code but said that certain "technical penalities" would apply, such as unfavorable scheduling slots during fashion shows lot companies that violate the code. These technicalities are very imporant in fashion, "Dominella said.

The code, signed by Melandri and Mario-Boselli, president of the Italian Feathon-Chamber, is the latest in a string of initiatives addressing the problem of anorexia that have followed the death of a 21-year-old Brazilian model last month. That model, Ana Carolina Reston, who worked in China, Turkey, Mexico and Japan, died on Nov. I at at hospital in São Paulo.

The 1.72-meter, or 5-foot-8 inch, model eweighed 40 kilograms, or 88 pounds, at the time of her death.

In September, Madrid's Fashion Week banned model swith a body mass



Roger Cohen

Plenty to fill the heart in a place of passages



—lungs, intestines, liver — followed. But the heart, considered the center of being, remained.

If was in the heart, the Egyptians believed, that resided answers to the gods' questions as to what had been done right, what wrong, in the course of a life. For the passing to the after life the heart was a long the passage of an other of the lower life the heart was a long the passage of an other life.

Aswan is a place of passages, from the Egyptian worlds, from the Mile near Luxor.

AFP and the lower Nile to the First Cataract, from the Mediterranears tug to Africa's. The white-sailed feluccas tacking upriver now carry shiny-looking tourists in fluorescent orange life jackets, but you can imagine them laden with spices and gold.

There is much to imagine here and much to fill the heart. It is important to step back. The same puzzles of life and death, war and peace, love and estrangement confronted the men and women of 2000 B.C., and they summoned their own gods and demons to symbolize or lay to rest the mysteries.

The scarab, or dung beetle, was sacred to the ancient Egyptians. They

women of 2000 B.C., and they summoned their own gods and demons to symbolize or lay to rest the mysteries.

The scarab, or dung beetle, was sacred to the ancient Egyptians. They saw in the way it pushed a ball of mud across the earth a symbol of the power-bearing, power-granting sun being nudged daily across the arc of the sky. They thought the sun gained its ability to rise daily from a great sky beetle, and concluded that the image of a scarab adjacent to a corpse might give it the force to rise again.

We tend now to give reverence to the accelerators of life, the gadgets that connect and facilitate. There is something pleasing about the accordance of reverence to a black beetle rather than a Blackberry. "Piano, piano is va lontano." say the Italians, who know something about going a long way slowly. Anxiety is the enemy of discovery.

The feluceas move slowly, big sails in search of an erratic wind. They sail along the bank of Elephantine Island, where ivory was once traded and German archaeologists now dig through 3,500 years of history, making inventories of numbered stones. — a vast jigsaw — and despairing at the use of a Roman stariwell as a garbage dump. The American invasion of Iraq will one day be no more than a layer of history. Time is layered. Temples were made of stone, domestic quarters of mud; and of course the ground rose faster where the mud houses had to be replaced year after year. Points just 15 meters, or nearly 50 feet, apart may contain ruins 700 years apart.

Life will not be stopped, nor the human quest for consoling conviction. It's not unusual, at the temples of Philae or Kalabsha, to see amid the images of falcon-headed Horso or lovely Isis a Coptic cross engraved by the Christians who came later, only to be superseded by Muslims.

The temples themselves have been

1906: Defending Chinchow

Aswan, Egypt first step in mummification for the ancient Egyptians was the removal of the brain from a dead body, a process involving the use of hooked instruments to extract tissue through the nostrils. Other organs—lungs, intestines, liver—followed. But the heart, considered the center of being, remained.

It was in the heart, the Egyptians believed, that resided answers to the gods' questions as to what had been done right, what wrong, in the course of a life. For the passing to the after-life the heart was a key. The brain, by contrast, was altogether dispensable. At the passage of another eryear, that idea is still worth feeling.

Aswan is a place of passages, for the brain of the still worth feeling.

Aswan is a place of passages, for the first Cataract, from the Mediterranean's tug to Africa's. The white-sailed felucas tacking upriver now carry shiny-looking tourists in fluorescent orrange life jackets, but you can imagine them aden with spices and gold.

There is much to imagine here and much to fill the heart. It is important to step back. The same puzzles of life and death, war and peace, love and estrangement confronted the men and women of 2000 BAC. and they summoned their own gods and demons to symbolize or lay to rest the mysteries.

"Really?"
"Yes. Funny. Seems gold!" Khaled
laughs, pointing at the endless desert.

feluccas now carry shiny-looking tourists.

There's a lot of sand, all right. I try to imagine every grain as a jewel. The mild hookah abets dreamy reflection. In the souk, jewels abound, precious and semiprecious stones of myriad qualities. There are a thousand qualities of saffron in the souk, beginning with fake (in abundance) and ending with pure (rare). The jewels on the whole are more authentic. Perhaps, in another life, I would wish to be a jeweler, turning the silver and coral and agate over in my fingers, sipping teat, taking my time to make things of beauty, waiting for the solitary client who redeems the day. Or a camel driver returning from gusty places to a tree's shade and a hubble-bubble's consolation.

In a bookstore, a woman with gleaming eyes stares at me and says, "Tve seen you before." "No," I reply. "Yes," she insists. "Your own face." So, perhaps that other life has already occurred. The 3,000-year-old man whose perfectly preserved mummified head now sits in an Aswan showcase had no idea he would end up there. What really do we know with certainty? That what's worth knowing is worth knowing with the heart.

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IN OUR PAGES | 100, 75 & 50

Tuesday: Judy Dempsey writes about Germany and Russia.

In Africa's health efforts, too many cooks?

PONYAMAYIRI, Ghana: In this poor, dusty village of \$50 people, four babies died of malaria in October, among them Il-month-old Yire Are. As word spread that the government would be handing out mosquito nets that prevent malaria, his uncle made sure he was there with his own children, their heads shaved in mourning.

"I came claim a mosquito net," the uncle, Konyiri Doorkono, said firmly. But he and many of the village's families got much more. Children gulped down drops of polio vaccine, vitamin A and deworming medicine. They howled at the prick of a measles shot.

They had joined a campaign to better children's odds of surviving to their fifth birthdays. It reached into even the most remote communities in Ghana over five days in November. Similarly monumental drives unfolded in eight other countries across Africa this year, with the mosquito nets alone expected to save the lives of 370,000 children over the next three years.

But while the world's leading public health officials exuberantly praise this common sense strategy to provide a raft of inexpensive, lifesaving doses of prevention all at once, it is far from simple to pull off, Getting an unwieldy collection of international organizations and charities to work together effectively is a major challenge.

In one measure of the difficulty, even as the Ghana campaign gathered steam, the board of the Global Fund to Fight AIDS, Tuberculosis and Malaria rejected a \$46 million proposal, to expand the approach to six more African countries. An alliance of more than a dozen groups sponsored the proposal, but each of the six countries also submitted their own malaria applications to the Global Fund, which controls most international malaria spending — and no one made sure the many requests did not overlap or conflict with each other.

"There were too many requests did not overlap or conflict with each other."

"There were too many requests did not overlap or conflict with each other."

the World Health Organization, whose experts helped draft the six country proposal.

Though it failed, Kochi called the combined campaigns "a winning strategy," and Dr. Richard Feachem, who heads the Global Fund, described them as "spectacularly successful."

"Everybody is slack-jawed, aghast," said Mark Grabowsky, a public health doctor with the U.S. Centers for Disease Control and Prevention, who earlier this year joined the Global Fund as a malaria program officer. The idea of marrying measles and malaria in campaigns was his brainchild.

Both Feachem and Kochi say they hope their organizations can improve their coordination.

"Malaria is a preventable child holocaust which occurs in Africa for no reason," Feachem said. "We can stop this. The Global Fund's role is finance, and we must work more closely with the WHO, the Red Cross and others to ensure that the money flows to those who can use it effectively on the front line."



The man who makes the City of Light glow

By Elaine Sciolino

PARIS: François Jousse paced along the south roof of Notre Dame, chainsmoking French cigarillos as he waited for darkness to fall.

Suddenly, the southern façade of the cathedral lit up, its pillars, gargoyles and flying buttresses adorned in white.

"Ah, this gives me such great pleasure?" he said, warming his hands in one of the spotlight canisters. "I truly am blessed with the most splendid job." Indeed, the 64-year-old engineer is the troubleshooter for the City of Light. As chief engineer for doctrine, expertise and technical control, he is responsible for lighting 300 of the monuments, official buildings, bridges and boulevards of the French capital.

Working with a staff of 30 decorative lighting specialists at a City Hall annex, Jousse helps create new lighting projects, petitions the mayor for more financing, lectures to experts, negotiates with powerful players like the Catholic Church and resolves technical problems on sites throughout the city.

On one recent evening, Jousse was summoned urgently to an alleyway filled with garbage in a gritty neighborhood in the 19th Arrondissement. He had tried to mount a projector to shine one of his creations — images of six decorative windows he had photographed—onto a bare concrete well there.

One was half-opened, with a reddrape; another showed the silhouete of a black cat from an iconic late 19th-century poster.

But the images needed to be enlarged to match the real windows nearby. The

a black cat from an iconic late 19th-century poster.
But the images needed to be enlarged to match the real windows nearby. The deputy mayor of the neighborhood wanted the wall ready for Christmas. After a struggle to mount a different lens, he settled on a temporary compromise: the windows were enlarged, but two of them had to go because the existing lens could accommodate only four of that size.
"Oh, no, we can't lose the cat!" he

of that size.

"Oh, no, we can't lose the cat!" he said. "It's back to the lab."

Jousse became one of the world's foremost urban lighting experts by accident. A native of Paris, he landed a job in 1963 with the city's engineering division after graduating from college. His first job was to participate in the widening and deepening of the city's canals to allow them to accommodate bigger boats.

In 1971, he was put in charge of garbage collection for three arrondisse-

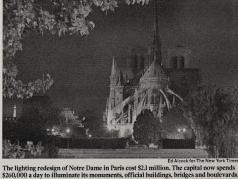
spotlights on the far side of the River Seine. The new lighting scheme was intended to allow spectators to discover the cathedral's facade slowly, through the power and drama of the details.

But as a national monument, Notre Dame belongs to the French state, whose team of architects and historians had the right to veto any design decision. Stones could not be moved, certain walls could not be drilled.

All material and equipment had to be moved in and out of Notre Dame at night to avoid annoying tourists.

A bigger headache came from the Catholic clergy. The designers had planned to light the facade's rose windown from within, so that it could be seen in full color by passers-by. The priests called the idea sacrilegious.

"It was very, very difficult dealing



The lighting redesign of Notre Dame in Paris cost \$2.1 million. The capital now spends with them," Jousses aid. "They said we wanted to perturb the faithful. They accused us of trying to turn Notre Dame into Disneyland."

Four days before Bertrand Delanoë, the mayor of Paris, was to officially into Jousses knew that something was a word. A quick trip to Lyon for its annual lighting festival convinced him that Notre Dame needed more work. Lyon has its own school of lighting, a pointilist approach that uses small spotlights to highlight the elaborate decorations and details of its Baroque architecture for dramatic effect.

The Paris school is much different, the celebration of a holistic approach that bathes structures in warm, even light.

"There were holes of blackness," Jousse said.

Urgent consultations with the official state architects, the two private contractors on the project and the City Hall team followed. Late into the night before the inauguration, electricians were busy bolting on several extra light fixtures.

"Now, the light at the top is stronger, so that you feel that the more light there is, the closer you are to heaven," he said. Jousse certainly doesn't have the look of a senior city hall bureaucrat. He keeps his gray and yellow beard long and bushy. He doesn't remember the last time he wore a tie. He thrusts his hands deep into the pockets of a leather jacket spattered with green paint. He prefers to drink a dark French beer with his workers than to sip fine wine at City Hall soirées.

Driving around town in a small, white Renault seadan with a special plate word with the surroundings, the discontinual plates and the control of the proper service of the proper service with the surroundings of the structures in history and integrate them history and integrate them the heavy first the proper services of the light with the surroundings of the structure in history and integrate them history and integrate them the heavy first the proper services of the light with the surroundings, white Renault s

1906: Defending Chinchow MANKING: China has notified the League of Nations that it will defend Chinchow should the Japanese carry out their threat to drive the Chinese out of Manchuria. Dr. Wellington Koo, former minister of foreign affairs and one of China's leading statesmen, made this announcement today [Dec. 22] in response to the Japanese ultimatum demanding complete surrender of Manchuria. Dr. Koo said he has appealed to the United States to uphold the sanctity of the nine-power treaty concerning China, declaring that Manchuria is an integral part of China and that China therefore had every right to control the region. Meanwhile, Japanese troops are completing smoothly enveloping movements in the Chinchow area designed to compel the Chinese to withdraw behind the Great Wall. It is the opinion of foreign military attachés in Mukden that the Chinese lack the power to stem the Japanese tide.

1931: Christmas In Berlin 1931: Christmas In Berlin
BERLIN: Many years have passed since
the Berliners have had such typical
Christmas weather. Snow on the
ground, fresh, cutting winds and prospects of skating — all augur fair for a
splendid Christmas time. The shopkeepers are rubbing their hands and
chuckling, for, owing to the great wave
of prosperity that swept over this city
last year, plenty of money is being
spent and there are hundreds and
thousands of customers. In fact, the
large stores are so crowded that they
have to be closed every ten minutes to
allow some of the customers to leave

before fresh ones are admitted. On "Golden Sunday," so called because of the golden shower it brings to the tradesmen of Berlin, the crowds in the streets are so dense that special police regulations are issued whereby passengers are permitted to proceed only in one direction along the principal thoroughfares. Every season in this country of toys brings its own specialty with it. The one on this occasion is the "Hauptman of Copenick," which is being vended by nearly all the gamins who congregate in front of the railway stations and in public places.

1956: Montgomery Boycott

1956: Montgomery Boycott

MONTGOMERY, Alabama: A white dime-store clerk sat down with a Negro maid today [Dec. 21] on a city bus here, bringing to a climax the long struggles of Negroes to win equal sealing facilities on city buses in the Deep South. Mongomery's year-long bus boycott by Negroes came to an end as the first whicles moved out on routes through this citadel of racial segregation. Af first, Negroes and whites, although riding the same buses, took separate seats. It was not until the early morning crush of passengers going to work that the city's segregation barriers really crumbled. Linda Russell, an 18-year-old white girl who clerks in a five-and-ten cent store, got on a crowded bus. Without hesitation she took a seat beside Arsulia Henry, a Negro domestic servant. There was just a moment of tension. Then it passed and the bus moved on without incident. The two women, perhaps not fully realizing the historical significance of their experience, did not exchange words or even looks.

Gas prices

for Georgia

Gazprom move seen by some as political

to double

By Andrew E. Kramer

BRIEFING

Bangkok central bank won't curb fund flows

won't curb fund flows

BANGKOK: The head of the Bank
of Thailand, Tarisa Watanagase, said
Friday that further measures to curb
the flow of international investors'
funds would not be introduced, after
controls this past week sent the Thai
currency, the baht, tumbling,
"The central bank will not introduce new measures," Tarisa said in
Bangkok. "We have been successful
in weakening the baht."

The central bank imposed rules
this week to weaken the currency
amid concern that its strength would
slow exports, which account for
about three-fifths of the Si76 billion
Thai economy. The baht headed for
its biggest weekly loss since 2002 as
investors withdrew funds.
The central bank on Monday imposed penalties on international investments held for less than a year.

The central bank on Monday im-posed penalities on international in-vestments held for less than a year. The move prompted a 15 percent col-lapse in the benchmark stock index the following day, prompting a re-versal of the rule on equity funds. (IHT, Bloomberg)

Buyout firms purchase Adesa for \$3.7 billion

SOUTHFIELD, Michigan: Adesa, a

SOUTHFIELD, Michigan: Adesa, a U.S. provider of auto auctions, agreed on Friday to be acquired by a group of private investment firms in a leveraged buyout that values the company at \$3.7 billion, including debt.

Shareholders will receive \$27.85 a share in cash, about 10 percent more than the stock's closing price on Thursday, Adesa said. The buyers are Kelso, Goldman Sachs, ValueAct
Capital and Parthenon Capital.

Adesa, established in 1989, raised \$150 million in an initial public offering in 2004. (Bloomberg)

TransCanada purchases pipelines from El Paso

NEW YORK: El Paso, the largest

NEW YORK: El Paso, the largest North American natural gas pipeline owner, agreed Friday to sell pipelines and storage facilities to TransCanada and its U.S. affiliate for about \$3.39 billion in cash to cut debt.

TransCanada, Canada's biggest pipeline company, will acquire ANR Pipeline, storage facilities in Michigan and a 50 percent stake in Great Lakes Gas Transmission from El Paso, the companies said. The transaction includes assumption of \$744 million in debt by Trans-Canada and TC Pipelines.

This will be the biggest divestiture yet by Doug Foshee, the chief executive officer of El Paso, who has spent three years turning around a com-

Weak factory data

undercut Wall Street

undercut Wall Street

NEW YORK: U.S. stocks fell on Friday, sending the Standard & Poor's
500 index toward its worst week in
two months, as more signs of a decline in manufacturing dragged down
shares of commodity and industrial
companies for a second day.
Alcoa slumped 6 cents to \$29.24,
leading raw materials stocks lower
for a second day on speculation that
slower growth would reduce sales.
Qualcomm, a major maker of mobilephone chips, slid 73 cents to \$37.81
after cutting its profit forecast.

The market was also soured by
news that orders for durable goods,
excluding transportation, fell 1.1 percent in November. The retreat follows a 1.6 percent decline in October.
"It shows mainstream industrial
America, which has been humming
to slow down," said Dan Bandi, a fund
manager at Integrity Asset Management in Independence, Ohio. "That
might be upsetting some people."

The S&P 500 fell 7.54 to 1.410.76.
The index suffered its worst five-day
decline since the period that ended
on July 14.

decline since the period that ended on July 14.

The Dow Jones industrial average dropped 78.03 points to close at 12.343.22. The Nasdaq composite index lost 14.67 to 240.18.

The Nasdaq's fall for a fifth day was its worst streak since June.

The decline in orders came a day after a Federal Reserve survey showed factory output in the Philadelphia area contracted last month. Stocks this week have fallen on con-

Stocks

AROUND THE MARKETS

pany mired in debt from energy trad-ing and power businesses that went sour after **Enron's** collapse. (Bloomberg)

Creditors put pressure on Delta to be flexible

ATLANTA: Seventeen creditors who hold \$2.25 billion in unsecured claims against Delta Air Lines in its bankruptcy case urged the carrier Friday to consider alternatives to its stand-alone reorganization plan. The creditors, who form an unofficial committee of unsecured claim-holders, said that while they appreciated Delta's progress to date in its restructuring efforts, the committee "expects Delta to consider methodically, proactively and fairly strategic alternatives to its proposed stand-alone Chapter II plan." (AP)

**P NEW JERSEY'S Investment Council, which oversees the state's \$77.8 billion pension, is drafting rules for increasing oversight of its hedge fund holdings as it continues to make investments beyond stocks and bonds. The chairman, Orin Kramer, said he was working with auditors to determine how much "control and transparency" is necessary for such investments.

CHINA'S economy will slow slightly next year but still should grow by a robust 9.8 percent even as Belijing extends controls to cool off an investment boom, the central bank said in a report. The forecast was in line with outside estimates but well above the 8 percent target for 2007 set by a government strategy report released this month.

(AP)

■ PPG INDUSTRIES' plan to re-PPG INDUSTRIES' plan to resolve almost all of the Ilio,000 asbestos lawsuits it faces for about \$1 billion by assigning them to a bankrupt joint venture was rejected by a judge, judge Judish Fitzgerald of the US. Bankruptey Court, ruled in Pittsburgh that it was impermissible for PPG to dispose of almost all its asbestos lawsuits by putting them in a trust proposed in the bankruptey case of Pittsburgh Corning, PPG coowns Pittsburgh Corning, PPG coowns Pittsburgh Corning, With Corning.

■ BERKSHIRE HATHAWAY, the olding company of the billionaire nvestor Warren Buffett, has agreed by buy closely held **TTI**, an electron to buy closely held TTI, an electronic components distributor, for an undisclosed amount. TTI, based in Fort Worth, Texas, and its Mouser Electronics unit are expected to become wholly-owned subsidiaries of Berkshire in the first quarter, according to a statement by the companies on Business Wire. (Bloomberg)

2007.

A separate Commerce Department report showed that personal income rose 0.3 percent in November while spending, which accounts for two-thirds of the U.S. economy, rose 0.5 percent. Both measures also trailed forecasts.

percent. Both measures also trailed forecasts.

Trading was below average before the Christmas Day holiday when markets will be shut. Some 460 million shares changed hands on the Big Board, down 52 percent from the same time last week. Almost five stocks fell for every two that gained on the Big Board. (Bloomberg)

Firm U.S. spending gives dollar a lift

NEW YORK: The dollar climbed to an eight-week high against the yen on Friday after reports showed that U.S. personal spending increased and that consumer confidence was stronger than forecast.

The U.S. currency also trimmed a weekly drop against the euro after the reports as traders pared bets that the Federal Reserve would cut interest rates next quarter. U.S. 10-year notes' yield advantage over Japanese debt rose to the most in three months.

months.

In 4 P.M. trading, the dollar rose to YII8.810 from ¥II8.480 late Thursday, reaching its highest level since Oct. 26. The euro slipped to \$1.3141 from \$1.3168, while the pound fell to \$1.9595 from £1.9603. The dollar traded at 1.2186 Swiss francs, up from 1.2178 francs.

Exxon's fine for Valdez halved

SAN FRANCISCO: A U.S. appeals court on Friday cut in half a \$5 billion jury award for punitive damages against Exxon Mobil in the 1989 Valdez oil spill that smeared black goo across roughly 1,500 miles of Alaskan coast-

against Exxon Mobil in the 1989 Valdez oil spill that smeared black goo across roughly 1,500 miles of Alaskan coast-line.

The case, one of the U.S.'s longest-running, non-criminal legal disputes, stems from a 1994 decision by an Anchorage, Alaska, jury to award the punitive damages to 34,000 fishermen and other Alaskans.

Their property and livelihoods were harmed when the Valdez oil tanker struck a charted reef, spilling Il million gallons of crude oil.

It is the third time the appeals court ordered the Anchorage court to reduce the \$5 billion award, the U.S.'s largest at the time, saying that it was unconstitutionally excessive in light of U.S. Supreme Court precedent.

This time, in its 2-l decision, the court ordered a specific amount in damages, while its previous rulings demanded a lower court to come up with its own figures.

"It is time for this protracted litigation to end," the court said.

U.S. District Judge H. Russel Holland of Anchorage begrudgingly complied in 2002, reducing damages to \$4 billion. Exxon, which is based in Irving, Texas, again appealed.

The following year, the appeals court ordered Holland to revisit his decision, this time balancing it against a new 2003 Supreme Court ruling that said punitive damages usually could not be more than nine times general



The Associate Fr
The ruling was the third time that Exxon had its \$5 billion jury award reduced for
the 1989 wreck of the Valdez oil tanker along the Alaska coastline.

damages.

The Anchorage jury awarded \$287
million in general damages — and issued punitive damages that were 17
times that amount.
Holland, appointed by President
Ronald Reagan in 1984, declared Exxor's conduct Terpehensible" and set
the figure at \$4.5 billion plus interest,
ruling that the Supreme Court's precedent did not directly apply to the
case.

Exxon again appealed, and argued
that it should have to pay no more than
\$25 million in punitive damages, which

Gazprom, the Russian natural gas monopoly, agreed Friday to continue supplying natural gas to Georgia, but at double the price, the latest increase for a double the price, the latest increase for a foreign and the standard search of the protection of the gas at the company's asking price of \$255 for 1,000 cubic meters, or \$5,000 cubic, feet, close to the prices paid by industrialized nations in Europe. Gazprom is insisting it will raise prices to European levels throughout the former Soviet Union.

The latest contract is considered short-term on both sides. Gazprom notes that the contract does not cover all of the country's needs and that it could still cut off supplies. And Georgia said that it was close to obtaining an alternative supply from a BF-trun natural gas platform off the Caspian Sea coast of Azerbaijan, Georgia's eastern neighbor.

That option for Georgia is available as U.S. policies from President Bill Clinton's term, which support alternative pipeline routes that skirt Russia, come to fruition, depriving Gazprom of its monopoly in the south Caucasus. Georgia says it will be mostly free of Russian gas by 2008.

Georgians see a political motive behind Gazprom's increase, which the company initially sought in November at the same time Russia imposed other sanctions on Georgia. Those sanctions were intensified after Georgia had deported four Russians accused of spy-

Start-ups explore abroad for IPOs

SAN FRANCISCO: For the last few

SAN FRANCISCO: For the last few years, a number of American venture capitalists have been visiting China to study how to break into the markets of that emerging giant. But one venture capitalist has spent time there studying exits — not from China, but from his start-ups back in the United States.

Ted Schlein, a partner at Kleiner Perkins Caufield & Byers, met in Shanghai last month with local investment bankers promoting an almost surreal concept: They want venture capital firms — the vanquard of capitalism — to take companies public on Chinese stock exchanges.

Schlein and other venture capitalists are cautiously thinking about it. Frustrated by the difficulty and expense of taking start-ups public in the U.S. market, these seed investors are considering overseas exchanges as an alternative place to turn handsome profits by selling their interests in start-ups.

Chinese exchanges, like those in Shanghai and Shenzhen, seem like more exotic choices for now. But investors said they were giving more serious consideration to the London Stock Exchange and its small-capitalization division, the Alternative Investment Market, as well as to exchanges in Japan, Hong Kong and India.

"It behooves all of us to start understanding each of the various exit options," Schlein said.

The ultimate questions about Chinese exchanges, he said, are whether "they will be a viable exit strategy for non-Chinese-based companies, and when."

"It think it's a matter of when."

for non-Chinese-based companies, and when?"
"I think it's a matter of when."
Already, there are a small but grow-ing number of venture-capital-backed companies based overseas that have

gone public in the nations where they have operations. Much rarer are examples of American-based start-ups that have sold shares on the foreign markets.

But a majority of venture capitalists said they thought the rarity of such listings was destined to change, and soon. In a report published Monday, the National Venture Capital Association found that 57 percent of the 200 investors surveyed expected a growing propensity in the industry to take American companies public in overseas markets in 2007.

The chief reason for interest: U.S. markets have not exactly been friendly places of late for venture capitalists to resell their interests in start-ups. In 2005, 56 venture-backed companies went public in the United States, down

Few U.S.-based startups have sold shares on the foreign markets.

from 93 in 2004 and a high of 273 in 1996. (About 37 venture-backed companies had gone public as of the end of September this year.)

Venture capitalists have been made a whipping boy of the Sarbanes-Oxley Act, the 2002 corporate accountability law that they say has markedly raised the cost of domestic public offerings. Talk by venture capitalists of taking companies public overseas could include some hot air, part of the industry's effort to persuade American regulators of the seriousness of their frustration.

But the venture capitalists acknowledge, too, that the U.S. public markets'

appetite for technology start-ups has not recovered from the collarse of the dot-com bubble.

There are serious challenges to taking U.S. companies public overseas. Investors must learn new laws and regulations, and they face the risk that rading interest and volumes in those foreign markets might be so low that the experience would not yield a meaningful return.

There is also the worry that less regulatory oversight means somn overseas exchanges could become the area of the companies of the companies of the verseas exchanges, the Alternative Investment Market in London has drawn the most intense inferest, said Mark Heesen, president of the venture capital association. But he said that it was not clear yet whether companies taken public there could yield enough value and daily trading volume to allow venture capital association. But he said that it was not clear yet whether companies taken public there could yield enough value and daily trading volume to allow venture capitalists to sell their interest.

"You could go public there and not get very far," he said. "If it diens' get the VC out of the company, if is just another step along the way, is AlM basically going to be the pink sheets of Europe, or really be an exchange?"

Charles Cameron, managing firector of Jefferies International, an meetiment bank arm of Jefferies that is advocating overseas exit strateges for some venture capitalists, said, "I'm hearing a lot of interest from venture capitalists but also some vencure naout what is the appropriate size and shape of a company for AlM."

Some US. investors, meanwhile, are having success taking foreign-backed companies public in overseas markets. One of the advocates and practioners of this concept is Dixon Doll, founding general partner with DCM-Doll Capital Management.

Based in Menlo Park, Galifornia, DCM has succeeded in taking at least five Japanese companies public in Japan since 1996.

Doll has made an investment in a cellphone manufacturer in Japan and, should it ever go public, Doll said that he

Gazprom insists it will raise prices to European levels throughout the former Soviet Union.

ing. The restrictions include bans on wine, mineral water and fruits and vegetables and a suspension of air, rail and roadway links.

The president of Georgia, Mikheil Saakashvili, had secured the supply from Azerbaijan's Shah-Deniz platform, which is coming online this winter, after talks with BP and the president of Azerbaijan, Ilham Aliyev. The gas will be exported through a pipeline that runs from Azerbaijan through Georgia to Turkey.

Much of the gas has already been sold to Turkey, But Georgia persuaded Turkey this past week to concede some of that supply, Zurab Nogaideli, Georgias prime minister, said by telephone from Tollisi on Priday.

"For us, it is cheaper," he said. "And it is important for us that the south Caucasus corridor is operational" for natural gas shipments from the Caspian Sea to Georgia, and on to world markets. The price offered by the BP-led consortium is a commercial secret, he said, but is "much better" than what Gazprom is offering.

Yet as the political deal to free Georgia from Russian gas as early as next month came into place, a well failure on the platform this past week required Georgia to buy gas from Russian gas next month came into place, a well failure on short-term contracts, leading to the agreement amounced Friday. The field's start was delayed until February.

Georgia's existing contract with Gazprom for natural gas at \$100 for 1,000 cubic meters expires on Dec. 31.

Speaking at a news conference in Moscow, Medvedev said that Gazprom had contracted for 1.1 billion cubic meters in Supply," he said.

Nogaideli said two additional contracts would be signed soon, meeting all of Georgia's contract with fire soon of the platform of the gas on Jan. I.

Medvedev described \$225 as a market price. Still, the company's prices vary. Ukraine will Buy gas for \$135 per 1,000 cubic meters in 2007 and Armenia, Georgia's southern neighbor, for \$110 in addition to allowing Gazprom control over some pipelines. Medvedev said the contracts would extend through the first quarter of 2007.

U.S. venture capital firms have been exploring taking companies public overseas, in places like Shanghai, above. The prospect of fewer regulations has drawn them abroad.

Currency Rates | Friday, Dec. 22

			Cı	ross R	ates				
	One \$	One €	100 ¥	One £	One SFranc	One DKrone	One SKrona	One Can\$	One
Britain	0,5102	0.6712	0.4295	_	0.4188	0.09	0.0746	0.4408	0.0194
Canada	1.1574	1.5199	0.9733	2.265	0.9481	0.2039	0.169	_	0.0440
Denmark	5.6568	7.4545	4.7831	11.0996	4.6498	_	0.8314	4.9188	0.2151
Euro Zone	0.758	_	0.64	1.4892	0.6239	0.1342	0.1112	0.6562	0.0288
Japan	118.45	156.16		232.49	97.41	20.95	17.42	102.56	4.54
Russia	26.2928	34.7065	22.2011	51.7048	21.6082	4.652	3.8506	22.8872	_
Sweden	6.827	9.015	5.777	13.4545	5.6037	1.207		5.9679	0.2617
Switzerland	1.2205	1.6031	1.0269	2.3897		0.2151	0.1782	1.0539	0.0457
U.S.	_	1.3141	0.8417	1.9595	0.8206	0.1763	0.1459	0.8645	0.038

Late local rates except Canada at noon and U.S. at 4 P.M. Interbank rates excluding commissions

	world Currencies								
	\$1	€1	£1		\$1	€1	£1		
Argentine peso Australian dollar Brazilian real Bulgarian lev Chilean peso Chinese yuan Czech koruna Egyptian pound Estonian kroon Hong Kong S	3.053 1.277 2.148 1.487 529.95 7.816 21.070 5.711 11.926 7.779	4.005 1.676 2.818 1.956 695.27 10.255 27.643 7.493 15.647 10.205	5.972 2.499 4.201 2.909 1036.8 15.291 41.220 11.173 23.332 15.218	Israeli shekel Kenyan shilling Kuwaiti dinar Latvian lat Lebanes pound Lithuanian litas Malaysn ringgit Mexican peso N. Zealand S Noryvegn krone	4.188 69.200 0.289 0.532 1,513 2.632 3.535 10.860 1.429 6.240	5.494 90.787 0.379 0.697 1,984 3.453 4.637 14.247 1.875 8.187	8.192 135.38 0.566 1.040 2,959 5.148 6.915 21.243 2.795 12.212	Romanian leu SDR Saudi riyal Singapore \$ Slovak koruna Slovenian tolar Sth Africn rand Sth Korean won Taiwan dollar Thai baht Turkish lira	total many
Hungarn forint Indian rupee Indonsn rupiah	44,578	254.03 58.483 11,909	87.209	Pakistani rupee Philippine peso Polish zloty		79.963 64.679 3.831		UAE dirham Venezuel bolivar	

2007 forecast puts Toyota on track to overtake GM

TOYOTA, From Page 1

has the cash to invest heavily in new technologies and products.

Analysts also said that reaching the top would not exhaust Toyota's opportunities for growth. They said the company would continue to gain in the American market, where higher gasoline prices have increased the popularity of smaller, more fuel-efficient vehicles. They said that Toyota was expanding in developing markets, particularly China, and into alternative-energy vehicles, like hybrid and fuel-cell technologies. Toyota's rise would also prove a victory of sorts for its unique corporate culture, the so-called Toyota Way, which is rooted in an obsession with craftsmanship and constant improvement, or kaizen. Analysts said the Toyota Way would likely become enshrined as the industry's gold standard and the model to mimic or suprass for new challengers from South Korea and China.

"This proves that the Toyota Way is

more than just an odd, quirky theory," said Chester Dawson, author of the book "Lexus: the Relentless Pursuit." "Being No. 1 means Toyota now sets the standards that everyone has to beat." For Toyota, the immediate concern appears to be avoiding any political fallout from passing GM. On Friday, Toyota's president, Katsuaki Watanabe, treaded lightly around the issue of his company's overtaking GM, while announcing it may open another factory in North America. At a press conference in Nagoya, near his company's Toyota City headquarters, Watanabe said passing GM "is just a question of results," and not a significant event for Toyota, according to Bloomberg News. Toyota is also considering another factory somewhere in North America, Watanabe said. The company just opened a SI.28 billion pickup truck plant in San Antonio, Texas last month, and has another factory under construction in Woodstock, Ontario slated to open in 2008. Toyota has been build-

ing plants in the United States since the 1980s, partly to blunt trade criticism. The expanded production will help Toyota to meet U.S. sales gains without increasing exports from Japan, a Toyota executive vice president, Tokuichi Uranishi, said.

Watanabe also addressed Toyota's growing number of recalls this year, which have tarnished the company's reputation for sterling quality. In Japan alone, Toyota has recalled 1.2 million vehicles this year, prompting the Transport Ministry to order the company to improve quality control.

Analysts said the growing number of defects could seriously undermine the company in the long run.

"Now that it's Toyota's turn on top of the industry," said CSM's Yokoi, "Toyota has to figure out how to keep from following GM into decline."

So far, the defect problems have not slowed Toyota's pace of growth. The company said Friday that it and its affiliates expected to build 9.42 million of the properties of the problems have not slowed Toyota's pace of growth. The company said Friday that it and its affiliates expected to build 9.42 million in one of the current in the company said Friday that it and its affiliates expected to build 9.42 million of the properties of t

Conrad de Aenlle

2007: Be afraid

Stock markets in the United States are about to finish a fourth straight winning year, the Federal Reserve may be engineering a soft landing for the U.S. economy, and valuations still seem reasonable. But instead of celebrating all that is going right entering 2007, it may be more sensible to consider what could go wrong.

When investment advisers are asked to consult their inner skeptic, they tend to be more than up to the challenge. They can envisage potential pitfalls for the bull market ranging from the financial (soaring bond yields, an oil shock, a hedge fund blowup) to the political (higher trade barriers, an escalation of tension involving Iran, Iraq or North Korea) and even the biological (an outbreak of SARS or avian flu).

These pitfalls, though, are mostly hypothetical. With the odd exception, portfolio managers, strategists and economists say they expect further gains for stocks and stress that they are not predicting these events, just raising their possibility.

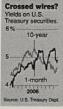
Because bull markets tend to end when sentiment is most positive, the rampant optimism— affirmed in numerous rosy forecasts issued by investment banks and fund providers—rather than any specific event may be the most formidable obstacle to another up year.

How bullish is Wall Street? When asked what could halt the raily, Ed Yardeni, chief investment strategist at Oak Associates, said the answer might be a more exuberant rally—a "melt-up" driven by an over whelming absence of investor anxiety.

"The bull market itself might set the stage for its own demise sometime next year," Yardeni said.

As potential hazards continue to be discounted or ignored, inconsistencies are beginning to creep into the pricing of some assets, and investors are increasingly relying on rationalizations and leaps of logic to justify hopeful forecasts.

Tobias Levkovich, chief U.S. equity strategist at Citigroup Investment Research, noted that Treasury bond yields had fallen while yields on short-term debt had headed higher, signaling economic weakness. Meanwhile,





Good years and bad: What to tell the kids

Openness about a change in income can cut anxiety and help instill values

In the 1943 book "Mama's Bank Account," a Norwegian immigrant mother teaches her family resourcefulness and sacrifice so they can avoid raiding a bank account she keeps in downtown San Francisco. Twenty years later, her daughter learns the account was imaginary.

Explaining the deception, Mama says, "It is not good for little ones to be afraid — to not feel secure."

Most parents can identify with Mama's wish to raise secure, confident children. But today's parents, unlike previous generations, must balance that goal against the pressures of a hyped-up consumer culture — one that encourages many children to feel deprived if they don't have the latest PlayStation, a pair of name-brand running shoes or an expensive ski vacation — and reckon with the risks of financial ups and downs.

As 2006 draws to an end with news of record Wall Street bonuses, rising world equity markets and bulging corporate profits, many families may feel free to splurge. But for families may feel free to splurge. But for families whose breadwinners work for companies that are cutting back, or whose income depends on residential real estate or other sectors that are looking shaky, the new year will almost certainly bring belt-tightening that is not always easy to explain to the next generation — especially in an affluent culture that tends to measure one's worth as a person by how much one earns.

And while celebrity philanthropy and

high-profile donations by moguls may be stimulating idealism and concern for the environment, materialistic values are not suffering. In fact, they are reinforced in economies where jobs are more precarious and individuals are increasingly encouraged to depend on their earning power rather than the state to secure their future.

Nowhere is this more apparent than in the United States, where, according to the latest census, 75 percent of first-year university stucents in 2005 described their primary goal as being "financially very well off." That compares with the 79 percent in 1970 who said their goal was to develop a meaningful philosophy of life.

"The question is how do you explain toyour kids the idea of money and how it comes in and goes out and how it influences you behavior," said Tim Kasser, a professor at Knox College in Illinois and author of "The High Price of Materialism."

That's a lot to chew on, especially for families that have a hard time talking frankly about any difficult topic. But experts agree that being open with children about whether this was a good or a bad year, financially, is key to instilling the values that you want them to have, and not the values they will pick up from popular culture or their peers.
"A lot of parents are uncomfortable talking about sex, others about money," Kasser said. "But if you don't discussi it, kids will be even more fascinated by it, and they will go somewhere else to learn about it."

These days, there is a lot to learn. Accord-

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ock market data, updated every 15 mi

ing to Brian Young, a psychology professor at the University of Exeter in England who studies children and materialism, there is growing confusion for young children about the difference between work and play that carries over into money matters. For example, to a small child, a parent working at a computer looks like he or she is playing computer games.

The confusion is compounded because money, in today's digital word, may seem as imaginary and as unmeasurable as Mama's bank account. Cash materializes from ATMs as if by magic; parents pay for many things by whipping out a credit card. But children rarely, if ever, see their parents trying to balance their checkbooks.

As money becomes an ever more abstract concept, psychologists say, the pursuit of what it can buy becomes an end in itself, rather than the means to the end of leading a happy life.

Materialism, of course, dates back as far as the Pyramids, and probably was as fundamental to man's survival as the invention of tools. But although there is evidence that materialism is basic to human nature, there is also a growing body of psychological research that correlates emphasis on materialism causes mentional and behavioral problems, or whether emotional and behavioral problems, or whether emotional and behavioral problems, cause materialism, "Eirini Flouri, a lecturer in psychology and human development at the CHILDREN, Continued on Page 15

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RTS Index 1862.40 - 2.06

PX Index 1569.80 - 15.50 474.0 469.5 471.1 - 2.50 968.0 931.01 945.8 - 15.3 312.0 3080.0 3085.0 - 20.0 10850 10560 10766 - 127.0 229.4 226.0 226.8 - 2.00 1227.1 1217.0 1219.0 - 3.00 www.pse.cz

World Stock Markets | Friday, Dec. 22

