



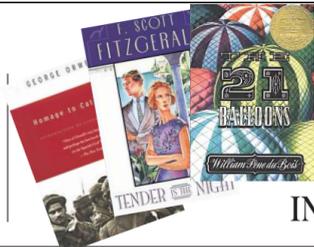
By ELISABETH BUMILLER
Mary Cheney in limelight

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Scandal hurts China in its high-tech push

Fall from grace for top chip researcher

By David Barboza

SHANGHAI: Fame came easily to Chen Jin. In 2003, just three years after he returned here from the United States with a Ph.D. in computer engineering, the then 35-year-old professor made a scientific breakthrough: A team he was supervising created one of China's first homegrown digital signal computer chips.

The achievement was hailed as a milestone for China's rising technology industry. Chen was named one of the country's brightest young scientists. He received a huge research grant from Beijing, headed his own research institute and was named a dean at one of China's most prestigious universities. Prime Minister Wen Jiabao even visited his research lab.

But on Friday, the Chinese government and Jiaotong University accused Chen of faking his research and stealing the design for China's first major digital signal chip from a foreign company. He was fired from Jiaotong and stripped of his state honors and privileges. University officials called his actions "despicable" and Beijing said he would never again be allowed to do government research.

The scandal comes in the wake of a fraud involving stem cell research by a South Korean scientist, Hwang Woo Suk. On Friday, Hwang was indicted on fraud and embezzlement charges. Hwang's now-discredited claim had raised hopes that doctors one day would grow genetically matching tissues from embryonic stem cells to repair damaged organs or treat diseases like Alzheimer's.

The disclosure has turned into a huge embarrassment for China, which has been trying to lure talented scientists back from overseas in the hopes of creating its own prestigious research and technology centers.

No longer content with being the world's low-cost factory floor, China desperately wants to move up the economic ladder and to show it can compete as a scientific and technological power.

The country sent its first men into space three years ago; it is building its own high-tech parks and 3G mobile technology. Internet companies are taking off here.

In addition, Shanghai has been moving aggressively to develop into a major center for microelectronic chips.

Few people symbolized the rise of China's scientific elite like Chen, a charismatic young scientist who worked for a multinational corporation and then returned home.

When he announced the results of his research at a series of press conferences here in 2003 and 2004, he smiled for the cameras and held up a glass-like plate bearing a new family of Chinese born computer chips, dubbed "the Hanxin," or China chip. Newspapers here called it a

'Professor Chen is really unlucky. He lied and was caught.'

"breakthrough" that could help end foreign dominance of the chip industry. Then, last December, a former colleague — and, by some accounts, a group of lab assistants — sent a letter or a series of letters to the government. They said Chen's chips were fake. One of the so-called whistleblowers even posted the allegations on the Internet. A few weeks later, the government and Jiaotong University announced the start of an investigation, which ended with his dismissal Friday.

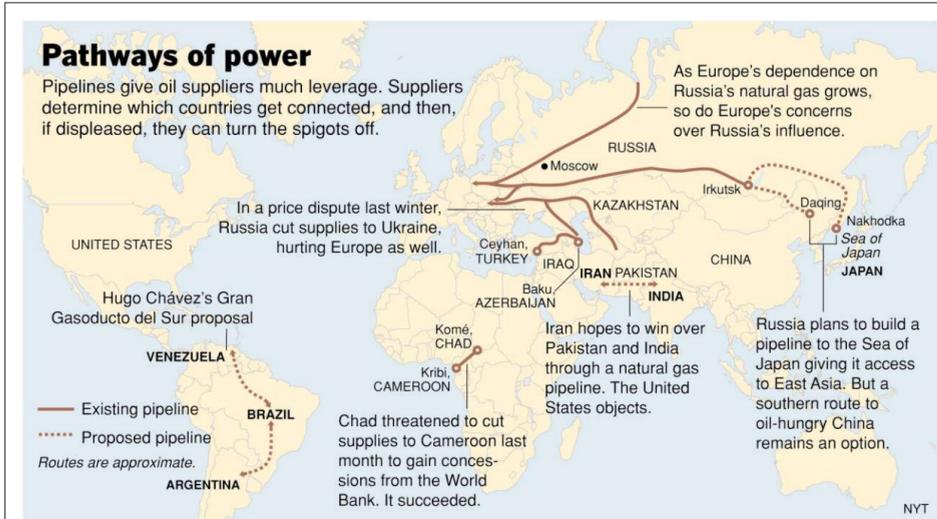
If Chen's team did indeed create a fake chip, how they tricked a nation — and a large group of scientific experts from the government and industry — is still unknown. Whether Chen or members of his research team face criminal charges is also unclear.

Reached Sunday by telephone, Chen declined to comment. He simply said: "This is not the right moment to talk." People who know Chen, however, are perplexed.

"He was really brilliant," says Yang Yunxia, a Microsoft employee here. "None of us can understand this."

According to former colleagues, press accounts and his own writings, Chen was born in coastal Fujian

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President Hugo Chávez of Venezuela's planned pipeline with Brazil and Argentina aims for "South America's integration," not economic sense.



Accusing Moscow of using energy as a tool of "intimidation and blackmail," Vice President Dick Cheney said Central Asian pipelines should bypass Russia.



President Vladimir Putin of Russia made energy security a priority but cut off natural gas supplies in midwinter over a price dispute with Ukraine.

Emerging clout of pipeline politics

By Jad Mouawad

As energy-rich countries feel empowered by high oil prices, they are increasingly using a blunt instrument to make their influence felt. Call it the power of the pipeline.

New, superlong pipelines are planned for South America, the Middle East, Russia and Africa, and oil-producing countries are using them to forge political alliances, punish foes and extract concessions from customers.

"Pipelines mean political leverage," said Frank Verrastro, the director of the energy program at the Center for Strategic and International Studies in Washington.

On a recent visit to Lithuania, Vice President Dick Cheney lambasted Russia for using oil and natural gas as "tools of intimidation and blackmail." Later, on a stopover in Kazakhstan, he urged energy-rich Central Asian countries to bypass Russia altogether when considering pipeline routes to the West.

President Vladimir Putin himself made energy security a theme this

Oil used as reward — and punishment

year in talks with other industrialized countries. But on the day it took over the presidency of the Group of 8, Russia cut off natural gas supplies to Ukraine over a price dispute, freezing out both its independent-minded neighbor as well as the European Union in the dead of winter.

In the end, a compromise was reached and Ukraine agreed to pay more for its gas, until then subsidized by Russia. But Russia's neighbors also learned a shocking new reality: Whoever controls the taps also holds the upper hand.

Transnational pipelines have been around for more than a century, but with low prices and supplies aplenty, they had lost much of their strategic significance over time. Supertankers, first built in the early 1950s, allowed producers to ship anywhere around the world, and freed consumers from the whims of a single seller. About two-thirds of the oil trade is now car-

ried by tankers.

But matters have changed in recent years: Higher demand has put pressure on energy networks, supplies have had trouble catching up with consumption, and tensions have risen. Today, every drop counts.

"Pipelines play a critical role in an age of increased tightness in energy markets, terrorist threats to energy infrastructure, and political use of energy resources," said Anne Korin, the co-director of the Institute for the Analysis of Global Security, a research center based in Washington.

Consider the case of Iran, which wants to build a natural-gas pipeline to India and is even considering extending the route to China. The project, spanning about 2,500 kilometers, or 1,600 miles, at a cost of \$7 billion, would provide Iran with a large market for its substantial gas reserves while helping India meet its growing energy needs. The pipeline would also add to Iran's political clout.

There are drawbacks. The pipeline must cross Pakistan's Baluchistan re-

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In Business

U.S. deal sets up Hanoi WTO entry

Vietnam has reached agreement on a trade deal with the United States, paving the way for Hanoi to join the World Trade Organization this year, officials said Sunday.

The agreement cuts tariffs on U.S. industrial and farm goods and removes nontariff barriers that block U.S. service providers from setting up in Vietnam. Page 12

- Literary adaptations are helping the big studios to find happy endings. Page 10
- In the Emerging Media Lab, advertisers observe "engagement" — how involved consumers are in a particular activity. Page 10
- Italy is struggling in its battle against the tide of global competition. Page 12
- Hobbies and family of the chief of a U.S. information management firm draw scrutiny. Gretchen Morgenson, Page 13

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Incentives for Iran

EU foreign ministers meet Monday to consider expanding incentives for Iran to accept international oversight of its nuclear activities. Iran will be encouraged to import fuel for its civil nuclear power stations, rather than producing its own. Page 3

Phone data defended

President George W. Bush's national security adviser, Stephen Hadley, insisted on Sunday that the government effort to compile data on billions of phone calls in search of terrorist-linked patterns was legal and did not involve listening to individual calls. Page 5

German leftist leader

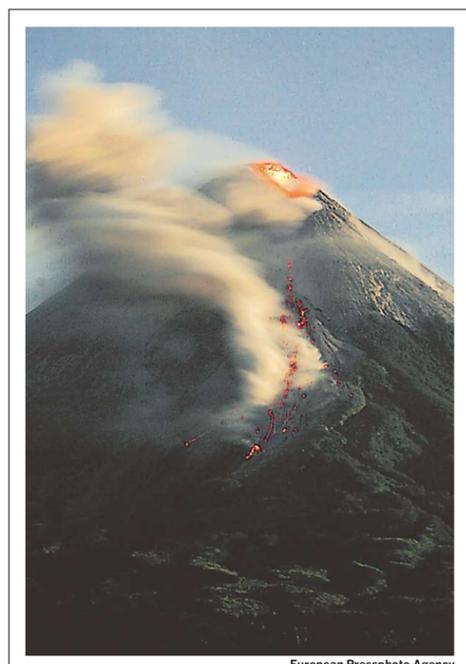
Making a big pitch to challenge Chancellor Angela Merkel and sharpen its public profile, Germany's Social Democratic Party elected Kurt Beck as its leader Sunday. Beck said his party would push for its traditional principles of justice and fairness. Page 3

Elite schools and scandal

Intimate ties among graduates of France's elite schools have frequently been linked to insider machinations. In the scandal engulfing President Jacques Chirac and the French government, such "old boy" connections appear to have played a crucial role. Page 2

Soccer turmoil widens

Juventus retained its title as Italy's Serie A soccer champion Sunday, but the celebrations were subdued amid a growing scandal involving alleged "referee fixing." The Juventus board has resigned, and an investigation into the matter is widening. Page 19



High alert in Indonesia
The Mount Merapi volcano in Central Java spewed molten lava and sulfurous smoke on Sunday, threatening villages. Local officials persuaded thousands of people to flee their homes, but others stayed. Page 4

Blasts kill 14 on road to Baghdad airport

Pressure to form a cabinet rises

By Sabrina Tavernise

BAGHDAD: Two suicide car bombs tore into the central checkpoint for the Baghdad airport on Sunday, killing at least 14 people and wounding 16 outside one of the capital's main gateways. In all, 32 people — including two U.S. and two British soldiers — were killed in Iraq's bloodiest day in weeks.

Attacks over the weekend, including several against Shiite shrines, put further pressure on Iraq's rival leaders to agree on the formation of a unity government, but on Sunday Prime Minister-designate Nuri Kamal al-Maliki again failed to present a cabinet list to Parliament, according to The Associated Press.

In the first deadly incident Sunday, in the early hours of the morning, two British soldiers were killed and one soldier was wounded when a roadside bomb exploded near their armored Land Rover near Basra, where they were conducting routine patrols, the British Defense Ministry reported.

At the checkpoint on the main road to the airport, the first suicide bomber struck at 10:50 a.m. in a dirt parking lot roughly the size of a football field where throngs of Iraqis and foreigners were waiting for rides to the airport and to the largest American military camp in the capital, Camp Victory. Shortly afterward, the second bomber detonated his device near another cluster of vehicles, scattering human remains into the dust. One airport taxi driver said he had found the head of a colleague in the wreckage.

The bombings were a brazen strike at the heart of the cap-

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U.K. weighs changes to its human rights laws

Release of prisoners spurs Blair to vow to put victims first

By Alan Cowell

LONDON: Prime Minister Tony Blair says he is contemplating changes in Britain's human rights laws, limiting the power of courts to challenge the government, after a paroled rapist killed a woman, and a judge refused to send several hijackers back to their country.

The government depicts the debate as one weighing individual human rights against potential threats to public safety — a familiar discussion in the United States in its campaign against terrorism.

The changes, first proposed on Saturday by Charles Falconer, who as lord chancellor is Britain's highest-ranking judicial official, and confirmed on Sunday in a letter from the prime minister to the new home secretary, John Reid, reflect a consistent complaint by Blair that Britain's vaunted human rights practices are sometimes skewed to the detriment of victims.

Human rights activists expressed outrage at Blair's plans, arguing, in the words of a lawyer, Louise Christian, that "the government is deliberately trying to distract attention from its own incompetence."

In a radio interview on Saturday, Falconer, one of Blair's close political allies, referred to several cases in which dangerous prisoners had committed crimes, including murder, after being released early from prison.

His remarks followed a bruising controversy over the discovery that more than 1,000 foreign prisoners — including 150 convicted of crimes like murder and rape — had been freed after serving their prison terms without being considered for deportation. Those disclosures cost the previous home secretary, Charles Clarke, his job in a recent cabinet reshuffle by Blair.

In the past week, the debate resurfaced in different forms.

In one case, a convicted rapist, Anthony Rice, murdered a 40-year-old woman after being freed on parole. Andrew Bridges, the chief inspector of prisons, said that too much attention had been paid to the man's human rights.

In an unrelated episode, a High Court judge castigated the government for failing to grant permanent residency status to nine Afghans who hijacked a plane to Britain in 2000 saying they were fleeing the Taliban.

After their conviction in the hijacking was overturned, an immigration court ruled that they should be given refugee status because they would be in danger if they were deported back to

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