

THE MARKETS

STOCKS, MUTUAL FUNDS, 4-7C

DOW 30	10,419.59	-2.46	▼
S&P 500	1,215.29	+0.67	▲
NASDAQ	2,116.84	+6.06	▲
10-YR NOTE	4.25	+0.08	▲
CRUDE OIL	64.19	-2.31	▼

Stocks gain on Rita hopes

Wall Street rallied to finish mostly higher Friday, capping off the week with two days of gains as Hurricane Rita lost steam and raised hopes that its impact on key Gulf Coast refineries wouldn't be as bad as initially feared.

With Rita headed for the Texas coastline — the heart of U.S. oil production — investors had braced for a repeat of the devastation caused by Hurricane Katrina. By Friday, however, Rita weakened to a Category 3, sending oil prices down more than \$2 and easing the mood on Wall Street.

BUSINESS BRIEFS

• CURRENCIES

Dollar gains against euro

The U.S. dollar gained against the euro in European trading Friday after upbeat economic reports and as Hurricane Rita showed signs of weakening.

The euro ended afternoon trading in Europe at \$1.2078, down from \$1.2153 late Thursday. The British pound was also weaker, trading at \$1.7790 compared to \$1.7911, though the dollar edged down to 112.12 Japanese yen from 111.71 yen.

The U.S. currency has been under pressure over concern that Rita will add significantly to the damage to the U.S. economy already inflicted by Hurricane Katrina.

• TIRES

Goodyear plans revamping

Goodyear Tire & Rubber Co. (GT) said Friday it will close an undisclosed number of plants as part of a sweeping restructuring aimed at improving its North American tire business and saving up to \$1 billion over the next three years.

The Akron, Ohio-based company, the world's largest tire maker, did not say how many jobs would be affected, how many plants would be closed or their locations. But it did say it would focus the cuts on high-cost plants and increase sourcing from Asia as it seeks other ways to boost productivity while introducing new products.

The company said it would record restructuring charges of between \$150 million and \$250 million over the next three years.

• RETAIL

Retirees will pay more

Thousands of retired Sears Holding Corp. (SHLD) workers under the age of 65 will soon have to cover the full costs of their medical insurance as the company bids to reduce costs after being acquired by Kmart.

Pending on health coverage for workers and retirees last year accounted for about half of Sears' operating income.

Sears would not disclose changes made to programs for current workers, but said new benefits would include a credit for nonsmokers and discounts for workers who get prescriptions at company pharmacies.

• PHONES

Palm, Microsoft team up

Palm is teaming up with Microsoft Corp. (MSFT) to launch a Windows-based version of the Treo smart phone, marking the first time the handheld computer pioneer will sell a device based on its former rival's software.

The new Treo 700 will be offered through Verizon Wireless, according to analysts and other industry sources. The new device will run on Windows Mobile 5.0.

• EDITOR'S NOTE

International page debuts

Our new International page begins today. Turn the page and read the timeliest, most interesting global news of the week: stories like today's piece about Brazil's growing industry of armoring everyday vehicles for security and another about working conditions at Hong Kong Disneyland.

We will continue to bring you business news from Latin America, the Caribbean and Canada Monday through Friday on our Americas page. Also, you will still find the best articles from The Financial Times throughout the week in our section.

— LISA GIBBS
executive business editor
lgibbs@herald.com

PALM BEACH

Scripps center breaks ground

■ **Scripps' groundbreaking ceremony was marked by generous gifts, VIPs, and adamant opposition groups armed with lawsuits.**

BY JENNIFER SORENTREUE AND STACEY SINGER
Palm Beach Post

The long-awaited Scripps Florida broke ground on Friday in Palm Beach County as the research institute announced the largest gift since its founding two years ago.

Merchant banker Lawrence De George and wife Florence De George, an interior designer, of Jupiter said they would contribute \$5 million to The Scripps Research Institute's Florida expansion.

The gift has strings attached: Scripps Florida must be built on the Mecca Farms site on the schedule agreed to by lawmakers — a timetable already threatened by lawsuits trying to block construction.

Also, 15 percent of the money

would go to the state's fund to support research at other Florida institutes.

The small group of VIPs arriving at Mecca Farms, including Gov. Jeb Bush, was greeted by 20 or so protesters.

"Scripps Supporting Capitalist Rampage in Palm Beach and Promoting Sprawl," read one banner at the entrance to the construction site. "Say Goodbye to the Everglades," declared another.

Protesters included members of

the Audubon Society and Sierra Club as well as residents of neighboring rural communities. Environmentalists and neighbors oppose development of the 1,920-acre Mecca Farms, fearing it will trigger a building boom.

Inside Mecca Farms, a beaming Bush called it a "big day" as he greeted four county commissioners and assorted Scripps' top brass, all of them arriving in a white bus.

•TURN TO SCRIPPS, 3C

TOURISM



CHARLES TRAINOR/HERALD STAFF

LAW AND ORDER: Jeff Hanina of Signal Vehicle Products shines a Hummer H1 for this year's biggest convention for the International Association of Chiefs of Police.

the main EVENT

WHICH IS BETTER FOR TOURISM: CIRQUE DU SOLEIL OR A BANQUET HALL FOR CONVENTIONS?

BY DOUGLAS HANKS III
dhanks@herald.com

Contortionists or conventioners?

That's one of the questions facing Miami Beach officials as they consider Cirque du Soleil's proposal for a \$150 million theater next to the Miami Beach Convention Center. The Montreal-based entertainment company requested \$55 million in public dollars, money tourism advocates want spent on a new banquet hall for conventions.

The competing projects have sparked a showdown over the best way to fill hotels

on Miami Beach. One side argues the famous, fleshy human circus would give South Beach a much-needed entertainment option. The other protests diverting money away from expanding the convention center, a significant tourist lure.

"If you don't have conventions, you might as well close down the city," said Stuart Blumberg, president of the Greater Miami and The Beaches Hotel Association. "Does Las Vegas think it can make it year-round with gaming? No. Orlando, can they survive year-round with

•TURN TO MIAMI BEACH, 3C

VENEZUELA

Government targets private industries

■ **Supporters of President Chávez have taken over several working factories, raising questions about the stability of the business environment in Venezuela.**

BY STEVEN DUDLEY
sdudley@herald.com

CARACAS — On the surface, Empresas Polar, Venezuela's largest food and beer company, seems to have done everything it could to keep itself outside the political squabble that is threatening to

swallow private industry in this country.

The employer of 19,000 people has set up special programs for small- and medium-sized farmers and strictly follows regulations concerning price controls on certain products; it supports popular sports like soccer and basketball; and it keeps a low political profile.

Still, none of this was enough to thwart supporters of President Hugo Chávez from overrunning one of its factories in late August under the pretense that the com-

pany was underutilizing its land and capital.

"For us, it was a complete surprise," Polar's chief legal counsel, Guillermo Bolinaga, told the Herald. "We've had a good relationship with the government of cooperation and fulfillment of our duties."

It was also a worrying sign of things to come for property rights under Chávez, a self-proclaimed socialist. In the weeks that fol-

•TURN TO PROPERTY, 2C

INTERNATIONAL, 2C

BRAZIL'S MOVING TARGETS

Crime and the war in Iraq fuels a thriving armored-vehicle industry in Brazil.

COMING SUNDAY

ROCK OF AGES

Industry analysts worry about the concert trade as many bands retire.

COMING MONDAY

CHINA'S NEW WORLD TRADE

China pursues stronger economic ties with Latin America and the Caribbean.

PORTS

Cruise lines oppose security charges

■ **Cruise lines oppose efforts by South Florida ports to pass increased mandated security costs onto them.**

BY AMY MARTINEZ
aemartinez@herald.com

Should Carnival Corp., Royal Caribbean and other major cruise companies shoulder the burden of rising security costs at South Florida's ports?

It's a question Miami-Dade County commissioners are in no hurry to answer — and one Broward County commissioners will take up next week.

The Port of Miami wants to charge cruise companies \$1.50 for every passenger who boards a ship in Miami to help pay for federal regulations intended to prevent terrorism after the Sept. 11, 2001, terror attacks.

But the cruise companies say the federal government should pay instead. Miami-Dade commissioners recently postponed a decision until a special task force has a chance to review the issue over the next 30 to 60 days.

"The ports really shouldn't be looking to us all the time for more fees," said Adam Goldstein, president of Miami-based Royal Caribbean International. "There needs to be a reconsideration by the federal government."

Security costs at the Port of Miami have risen 285 percent since Sept. 11, leaving it with a shortfall of \$5 million. The port also seeks to charge cargo operators 29 cents a

•TURN TO CRUISE, 3C



WHAT'S NEXT

• **The Port of Miami** will appoint a task force to study the need for a proposed fee to pay for increased security costs and make a recommendation to Miami-Dade commissioners within 30 to 60 days. The task force will include representatives of the cruise lines, U.S. Coast Guard and Miami-Dade Police.

• **Port Everglades** will ask Broward County commissioners Tuesday to approve a new fee for security costs. The fee would go into effect Oct. 1 if approved.

INTERNATIONAL

BRIEFS

● FRANCE
FARM SUBSIDY TALKS
REMAIN DEADLOCKED

PARIS — The United States is under growing pressure to make difficult concessions on farm subsidies after a Friday meeting with three other trade powers failed to break a deadlock that threatens global trade talks.

Washington so far has resisted demands that it come up with an offer to cut market-distorting farm aid, saying it first wants to see moves by trade partners to reduce agricultural import tariffs.

The European Union took a step in that direction Friday, presenting a detailed but tentative tariff-cutting offer at talks with U.S. Trade Representative Rob Portman and ministers from India and Brazil.

● GERMANY
VW CUTTING LOOSE
CAR RENTAL UNIT

BERLIN — Volkswagen said Friday it is considering selling or spinning off its Europcar car rental unit as well as a consulting division.

The supervisory board ordered managers to "review all options, ranging from strategic expansion to an initial public offering or sale" of the two units, the German automaker said.

It didn't say how much it could raise from a sale of Paris-based Europcar or for auto industry consulting firm Gedas, which is based in Berlin.

Europcar has 220,000 rental vehicles in 118 countries. VW said the decision would have no impact on its earnings outlook for 2005. VW forecasts an increase in both operating profit excluding one-time items and profit before tax.

● VENEZUELA
GOVERNMENT TO BUY
ARGENTINE BONDS

CARACAS — Venezuela is ready to buy \$150 million in Argentine bonds, building upon past purchases as the government aims to put more funds into Argentine debt, Nelson Merentes, Venezuela's finance minister said Friday.

The Venezuelan government has already bought \$500 million in Argentine bonds, and the \$150 million purchase is an initial step in a plan to reach a total of \$1 billion in Argentine debt this year.

● CANADA
ONTARIO VINTNERS
GET BREAK ON GRAPES

Ontario vintners such as Vincor International won permission to use fewer locally grown grapes in blended wines this year to avert a grape shortage after a winter cold snap cut crop production in half.

Ontario's provincial government will let wine-makers produce blended wines this year using 1 percent of grapes grown in the province, compared with 30 percent before, Government Services Minister Gerry Phillips said Friday.

Vintners may produce 68 million bottles this year by boosting Ontario's grape supply with imported grapes primarily from Chile and California, Wine Council of Ontario spokeswoman Sherri Haigh said.

● BRAZIL
ALCOA INVESTING
IN MINE, PLANTS

Alcoa, the world's biggest aluminum maker, said it will spend \$1.6 billion in Brazil to increase production and reduce costs at two plants and start a mine in the state of Para to meet increasing global demand.

About \$1 billion will be invested in the mine. The remaining \$600 million is to be used to install anti-pollution equipment and lower costs at the company's aluminum plant in Poços de Caldas in Minas Gerais.

BRAZIL



VICTOR R. CAIVANO/AP

PROTECTION GUARANTEED: Mauricio Junot, CEO of High Protection Company, stands in front of an armored SUV at his factory outside Sao Paulo. Violent crime has turned Brazil's armoring industry into the world's biggest.

MOVING TARGETS

BRAZIL'S ARMORING INDUSTRY IS THE WORLD'S BIGGEST. A JACKSONVILLE FIRM USES A FACTORY THERE TO CHURN OUT ARMORED TRUCKS TO THE MIDDLE EAST.

BY ALAN CLENDENNING
Associated Press

ITAQUAQUECETUBA — In this grimy industrial suburb outside Sao Paulo, highly trained mechanics gently disassemble gleaming new cars and SUVs before refitting them with bulletproof windows and steel plating to foil armed robbers.

Every week, a few clients who shelled out about \$22,000 for the protection show up again to drop off cars pocked with a bullet hole or two — so they can be re-armored at the High Protection Co. plant.

"Look at this," said Chief Executive Mauricio Junot de Maria, pointing to the inch-wide indentation left by a .38-caliber slug fired into the front passenger window of a Toyota Rav 4 a few days earlier. "My window saved the life of a 19-year-old woman, the daughter of a bank executive."

ESCALATING CRIME

With business boosted over the last decade by escalating violent crime and kidnappings targeting Brazil's rich and famous, de Maria's company and others have helped turn the nation's vehicle armoring industry into the world's biggest, ahead of Mexico and Colombia.



ALEXANDRE MENEGHINI/AP

CAR SAFETY: Ricardo Furlan, an engineer, shoots with a .38 caliber gun at a bulletproof car window.

Though a declining domestic economy cut into sales over the past few years, de Maria and a handful of others used the lull to enter a lucrative new market: Iraq.

De Maria set up a factory in nearby Jordan and now sends his Brazilian workers there to remake big SUVs into virtual tanks outfitted with special windows 2.4 inches thick, strong enough to withstand armor-piercing bullets.

Clients ranging from security firms to multinational

workers have plenty of experience working with a wide variety of vehicles, and the best Brazilian armoring companies have earned a reputation for solid products, said Jaime Ferreira, the Centigon vice president who heads Latin American operations.

RISKS IN LATIN AMERICA

But security experts say the industry's long-term prospects are strongest in Latin America, where the deep divide between rich and poor forces many people into crime and prompts the formation of sophisticated gangs.

Luiz Carlos Pantere, a Brazilian engineer, had his first bulletproofing job done eight years ago after armed thieves robbed and carjacked him and his mother in Sao Paulo.

He has never been assaulted since then, but vows to never motor around the city without protection again. Now Pantere is about to take delivery of his second armored SUV, a 2005 Nissan Xterra that cost \$47,800. He's paying nearly 50 percent more to armor the vehicle. "As long as the country stays the same way it is, always having to guard yourself against crime, I'm going to have a bulletproof car," Pantere said.

companies to foreign governments can even order special options for the vehicles that shoot tear gas into unruly crowds or lay down oil slicks to thwart pursuers in high-speed chases.

Centigon, the mobile security division of Jacksonville, Fla.-based Armor Holdings, is using its factory in Brazil to churn out 26 heavily armored trucks for police in a Middle Eastern country the company declined to name.

Brazilian executives and

VENEZUELA

Threat hangs on private property

●PROPERTY, FROM IC

lowed the Polar takeover, pro-Chávez farmers also overran a U.S.-owned Heinz tomato processing plant. Army troops remain at Heinz while the company tries to negotiate a settlement with the local governor who led the takeover.

FEDERATION COMPLAINS

"The abuses and discretionary way with which government officials are executing these incursions . . . shows the objective is to debilitate and undermine private Venezuelan companies," the Venezuelan business federation, Fedecamaras, said in a recent statement.

Venezuela's constitution says "Property rights are guaranteed." But it also declares, "Property will be subject to contributions, restrictions and obligations that the law establishes with regard to public utility and general interest."

Chávez and his supporters are unapologetic about the property seizures, despite the billions of dollars of foreign investment at stake.

"The abuse is committed by the one who abandons his

company, closes it down, takes his money with him, [and] often doesn't pay his workers or pay his debt, leaving the country in the lurch," Chávez said this week referring to supposed delinquent property owners. On Friday, he threatened to use military force against land owners who resist his revolutionary land reform.

Since his election in 1998, Chávez has been pushing his "peaceful revolution" on behalf of the poor by pouring billions of dollars — mostly from rising oil revenue — into literacy, health, and education programs. His opponents say the staunch critic of the Bush administration has also slowly seized control of almost every key institution in the country — and is now targeting private property.

Government officials claim they are simply reviewing hundreds of land titles and at least 700 companies to determine whether they are "idle." Such lands could be turned over to landless peasants, and "idle" factories could be forced to accept a new government program for co-management by owners, workers and government representatives.

But there is little consensus on what "idle" means. And Chávez allies — which include governors, cabinet ministers, unions, and community groups — seem to be taking their own initiatives, then waiting for Chávez to give his nod of approval.

The Heinz company, linked to the family of Teresa Heinz Kerry, the wife of 2004 Democratic presidential candidate John Kerry, issued a statement complaining that "the actions of the authorities violate our property rights and free trade, guaranteed by the constitution, as well as due process."

Other business interests, however, have been less vocal. Business leaders rejected Herald requests for public comment for fear of putting themselves at risk. The Venezuelan American Chamber of Commerce, which represents some 1,100 companies here, has chosen to remain silent on the matter.

TROUBLING CASE

The case of Polar is particularly troubling for private industry watchers because the firm has sought to maintain good relations with the government. Its owners, from

the powerful Mendoza family, have stayed out of the political limelight.

Yet, in June of this year Minister of Agriculture and Land Antonio Albarrán made a surprise visit to a Polar plant in the western province of Barinas for an inspection.

"We were shocked," said Polar's Bolinaga. "In 64 years of doing business, a minister had never visited any of the company's plants."

Polar sent Albarrán a letter, but the minister did not respond. Then, on Aug. 28, about two dozen Chávez supporters, some of them former workers at two now-closed food processing factories on the property, blocked Polar trucks carrying corn flour from entering the plant.

Polar has since met with Albarrán and, with the help of the small- and medium-size corn producers, worked out an agreement. Polar's Bolinaga insists that the Barinas situation was "an isolated case." But the threat hangs in the air.

"The companies either accept this new model, or they'll have to leave," said Efrén Andrade, a Chávez supporter and former agriculture and land minister.

CHINA

Currency trading rates widened

SHANGHAI — (AP) — China's central bank took a step toward further flexibility in its foreign exchange system Friday, announcing it was widening the daily range for trading between the yuan and three other currencies — but not the U.S. dollar.

The yuan's exchange rate against the euro, yen and Hong Kong dollar will be allowed to fluctuate up to 3 percent above or below their opening levels, up from the previous band of 1.5 percent in either direction, according to a statement posted on the central bank's website.

But the central bank held firm its grip on the yuan's exchange rate to the U.S. dollar, keeping the daily trading band steady at 0.3 percent in either direction, as determined when authorities revalued the yuan on July 21.

At that time, the central bank scraped the yuan's decade-long peg to the U.S. dollar and instead allowing it to trade against a basket of currencies.

So far, trading in the currency pairs affected by Friday's change has not been volatile, analysts said. They viewed the change as a sign of more reforms are planned.

"It's a signal to the international and domestic markets that more forex reform will come, and a signal to local companies that they need to be better prepared to hedge their forex risk," said Arthur Li, head of Treasury & Forex for Mizuho Corporate Bank's Shanghai branch.

HONG KONG

Disney workers may form union

By MIN LEE
Associated Press

HONG KONG — The newly opened Hong Kong Disneyland said Friday it prefers that its 5,000 workers not unionize as activists described tough work conditions at the park including long hours, harsh turnarounds and a lack of breaks.

Disneyland, which opened two weeks ago, said in a statement it respects the right of workers to seek union representation, but that it thinks it's more effective for labor and management to "work and communicate directly with each other."

The statement came as activists detailed strenuous work conditions at the park and an organizer said it's exploring the option of setting up a union with park workers.

Hong Kong Confederation of Trade Unions Organizing Secretary Elaine Hui said the park was unresponsive to workers and that they need the leverage of a union to protect themselves.

However, Hui said a stumbling block to unionizing is the concern that the park may retaliate against workers who join the union.

As the union dilemma is debated, activists said Disneyland workers are complaining that they work up to 13 hours a day and must make quick turnarounds, with some leaving work late in the evening, only to have to come back to the park early in the morning the next day.