

# INTERNATIONAL Herald Tribune

THE WORLD'S DAILY NEWSPAPER PUBLISHED BY THE NEW YORK TIMES EDITED AND PRINTED IN PARIS  
SATURDAY-SUNDAY, DECEMBER 18-19, 2004



By ROGER COHEN  
Two notions of change

PAGE TWO



Souren Melikian:  
New era, new race for riches

ART | 9



Carmen's 'heirs' may suffer  
as Europe stubs out tobacco

WEEKEND BUSINESS | 11



Lynsey Addario for The New York Times

A United Nations post overlooking the northern part of Cyprus, the divided island that Turkey agreed to give tacit recognition to, clearing the way for its EU accession talks.

## A 'historic event' for EU and Turkey

### Membership talks get the green light after deal on tacit recognition of Cyprus

By Graham Bowley

**BRUSSELS:** Turkey and the European Union overcame a last-minute standoff on Friday to reach a historic agreement to open membership talks next October after Turkey agreed to tacitly — but not formally — recognize Cyprus.

Tony Blair, the British prime minister, hailed the accord as a "historic event," adding, "It shows that those who believe there is some fundamental clash in civilizations between Christian and Muslim are actually wrong, that we can work together and we can cooperate together."

Recep Tayyip Erdogan, the Turkish prime minister, said: "We did not obtain all that we wanted, 100 percent, but we can say that it was a success. We have reached a point where Turkey is rewarded for 41 years of efforts."

Erdogan said the "reconciliation of civilizations between Christianity and Islam" now rested on a "concrete base."

José Manuel Barroso, the president of the European Commission, said, "This is a day on which the people of Turkey should rejoice in their new European future."

The agreement, which was reached at the end of a two-day summit meeting of European leaders here, could see Turkey join the EU in 10 to 15 years.

In a final compromise, Turkey agreed to issue a tacit recognition of Cyprus before negotiations begin on Oct. 3, 2005. Ankara agreed to sign a protocol extending its customs union with the EU to the 10 countries that joined the union in May, including Cyprus.

But Erdogan insisted that this was in no way a formal recognition of Cyprus. This "is absolutely not a recognition," he said.

Jan Peter Balkenende, the Dutch prime minister and president of the European Council, also said, "It is not a formal recognition but it is a step that can lead to progress in this field." Balkenende's support of the view that the signing would not be a recognition of Cyprus under international law was seen as crucial to getting Erdogan's agreement.

At the summit meeting, the EU also agreed to open accession negotiations with Croatia in April 2005 if it cooperates on efforts to investigate war crimes from the Yugoslav wars of the 1990s.

European leaders also agreed to sign accession treaties with Romania and Bulgaria, which would see these two countries joining the EU around 2007.

The talks with Turkey faced breakdown after some EU countries insisted that Turkey on Friday "initial" a declaration that it would sign the protocol. But heated negotiations, orchestrated by Gerhard Schröder, the German chancellor, and Blair, brought Erdogan back to the table, and led to the final agreement, diplomats said.

EU countries said the goal of negotiations was Turkish membership but offered no guarantees that the talks would necessarily end in EU membership for Turkey.

They also stipulated that Turkey could be subject to strict long-term restrictions on the migration of Turks into Western Europe.

The safeguards would be the toughest yet faced by a nation aspiring to join the EU.

The EU also said it would break off talks if Ankara broke promises on human rights and democratic reforms. The Union said Turkey would not be able to join before 2014, when the EU agrees to a new budget because of the likely heavy financial burden of Turkey's entry. No deadline was set for the end of talks.

Balkenende, the Dutch prime minister, said the agreement included "guarantees for democracy, rule of law and respect for human rights."

"Accession is an objective, but it can't be guaranteed," he added. "We have been writing history today."

TURKEY, Continued on Page 4

Turks welcome the EU decision, with reservations. Page 3

## At EADS, Paris-Berlin rivalry seen

By Mark Landler

**FRANKFURT:** Europe has stolen a march on the United States in the global aerospace race, winning a flurry of contracts for Airbus planes and developing a new midsize jet to compete with Boeing.

But back home, the parent of Airbus, European Aeronautic Defense & Space, is scrambling to quash an internal squabble over its leadership that could deepen tensions between the French and German shareholders who control this hydra-headed entity.

The maneuvering at EADS is only the latest power struggle between France and Germany since the French government adopted a more aggressive industrial policy under Nicolas Sarkozy, the hard-charging former finance minister and possible successor to President Jacques Chirac.

On Friday, the French shareholders of EADS confirmed that they would name the chief executive of Airbus, Noël Forgeard, to become the co-chief executive of the parent company next summer.

The Germans put forward Thomas Enders, the head of EADS's defense unit, as his counterpart.

On paper, this will preserve the balance of power at EADS, a conglomerate that was cobbled together five years ago from the aerospace and defense assets of France, Germany, and Spain. But in reality, people inside and outside EADS say, it could actually aggravate long-time strains over who should call the shots.

Forgeard favors scrapping EADS's dual management structure, saying it is inefficient. He has left little doubt he views himself as the right man to be the sole boss.

"I have a background in aerospace and defense," he remarked to reporters last month in Toulouse, where Airbus is based.

AIRBUS, Continued on Page 4

**In this issue** No. 37,878  
Books 10  
Crossword 10  
Opinion 6-7  
People 10

**Newsstand prices**  
France € 2.00

Algeria.....Din 70 Ivory Coast... CFA 1.620  
Andorra.....€ 2.00 Reunion/Antilles... € 2.30  
Cameron.... CFA 1.620 Senegal..... CFA 1.620  
Gabon..... CFA 1.620 Tunisia.....Din 2.700

For information on delivery, or to subscribe in France, call toll-free: 00 800 44 48 78 27 or email us at subs@iht.com



## UPDATE Sharon strikes deal with Labor Party

Prime Minister Ariel Sharon of Israel struck a deal Friday night with the opposition Labor Party to join his Likud government, which is likely to ensure that Sharon can carry out his plan to dismantle all Israeli settlements in Gaza and four in the West Bank. But the deal must first be approved by Labor's central committee. Page 5

CURRENCIES   New York		
	Friday 4 P.M.	Previous
€1 =	\$1.3289	\$1.3247
£1 =	\$1.9408	\$1.9308
¥1 =	¥104.25	¥104.76
₹1 =	₹1.158	₹1.158

Full currency rates | Page 13

OIL   New York	
	Friday 4 P.M.
Light sweet crude	\$46.28 ↑ \$2.10

### STOCK INDEXES

Friday

The Dow 4 P.M. 10,649.92 ↓ 0.52%

FTSE 100 close 4,696.80 ↓ 0.81%

Nikkei 225 close 11,078.32 ↑ 1.41%

On the Web: www.iht.com

## Curtain is coming down on Yukos

By Erin E. Arvedlund and Simon Romero

**MOSCOW:** Disregarding a U.S. court ruling, Russia on Sunday plans to auction the jewel of what used to be its most profitable, high-profile and well-run private company, the oil giant Yukos. And if the auction takes place, the winner most likely will be the government-run natural gas behemoth Gazprom.

Practically overnight, Russia and its president, Vladimir Putin, would create an energy company that not only

controls about 20 percent of the nation's oil exports but also has some of the world's largest energy reserves.

A Kremlin campaign that unfolded over the past year will have succeeded in dismantling the country's foremost private oil company, and it will send a signal to Russia's business elite that the state is back in business, literally.

Yukos was created under questionable circumstances from the remains of state oil assets in the early and mid-1990s. On its face, the Russian government is trying to sell Yukos's largest production unit, Yuganskneftegaz, to pay back a tax

claim of more than \$27 billion. But the startlingly low opening bid of \$8.65 billion, which the government set, is expected to tip the scales toward a state-friendly bidder like Gazprom.

A U.S. Bankruptcy Court judge in Houston on Thursday ordered a 10-day delay in the sale, but officials in Moscow organizing the sale rejected the ruling.

YUKOS, Continued on Page 4

Anti-terrorism bill with broad reach advances in Russia. Page 3

## Crossing the ocean for bargains

By Thomas Crampton

**NEW YORK:** For his first trip to New York, Michael Upton, 42, an electrician's assistant from Birmingham, England, wanted to make the most of his four-day pre-Christmas visit.

Like others on his flight, Upton and his girlfriend scheduled time for an activity that is proving increasingly popular this season among Europeans: crossing the Atlantic to shop in America for European luxury goods.

"I can't say we would buy these things back home too often," Upton said, appearing mildly uncomfortable as he looked around the Lacoste boutique on Fifth Avenue. "But with these prices it

### Europeans find U.S. a shopping mecca

would seem mad not to look."

His girlfriend paid \$179 for a zippered cardigan — by comparison, a similar Lacoste cardigan in London retails for £130, or about \$250.

The fall of the dollar against euro — more than 50 percent since February 2002 — has turned the United States into a euro-shopper's paradise. As of September, inbound tourism from Western Europe was outpacing the previous year by more than 15 percent, with 6.9 million visitors, according to

the U.S. Department of Commerce.

With the approach of the holiday season, European visitors have been drawn to America by the prospect of buying homegrown items far more cheaply than they could at home.

"In London, I'd never buy British luxury goods," said Claerwin James, 34, a painter visiting for a few days. "But this morning when I saw that Paul Smith handbag I've been eyeing for the last nine months, I really felt tempted."

A London resident flying to New York will pay \$1,395 for a lined Burberry trench coat, compared with a London price of £855, or \$1,650.

SHOPPING, Continued on Page 4

## Oy! This rabbi cuts a swath in Russia

By Erin E. Arvedlund

**MOSCOW:** Before the rabbi reached the remote village in Belarus, the local Jewish council members were at odds over the merits of their soon-to-arrive guest. One council member, an older gentleman, finally sighed and said, "Well, a woman is better than nothing."

Nelly Schulman, the only Russian-born female rabbi serving in the former Soviet Union, shakes her blond hair and laughs as she recalls the day she showed up in the village. Other than that incident, she says, the welcome from Jews returning to their faith here has been nothing but warm.

Schulman, 31, has a doubly difficult task in the former Soviet Union, where for decades religion was banned.

She is educating Jews about Judaism first, and then must explain the Reform movement, a branch of the religion that believes in the autonomy of the individual and tries to adapt all the historical forms of Judaism to the modern world.

Meanwhile, she has overcome the gender bias in some measure, simply by sticking it out for five years as a rabbi in Belarus and now in Moscow, where she also heads a Reform rabbinical training program. To an extent that surprises even her, she is a trailblazer.

"My replacement rabbi for Belarus went back to one of the kindergartens



Suzanne Keating for The New York Times

Nelly Schulman has overcome a gender bias while working in Russia as a rabbi.

where I worked and introduced himself as the new rabbi," she recalled. "The children who'd grown up with me replied, 'But you can't be. All rabbis are women!'"

Schulman and other Jewish leaders here are tending to a growing flock. Jews here are embracing religion, especially after the Russian president,

Vladimir Putin, publicly endorsed a chief rabbi in Russia and appointed a prime minister, Mikhail Fradkov, whose father is Jewish.

Jews who left in Soviet times have in recent years begun trickling back, motivated by a booming, oil-driven economy and a demand for educated labor, as well as the violence of recent years in Israel.

Jews also have stopped leaving in large numbers. From a high point of 189,000 in 1990, the number of Jews leaving for Israel has dropped to about 10,000 a year, according to Avraham Berkowitz, an American-born rabbi here and executive director of the Federation of Jewish Communities in Russia and the former Soviet republics.

Over the past two years, he said, more than 60,000 have returned to Russia. Estimates vary, but Russia's Jewish population now numbers at somewhere between one and two million, with most living in Moscow, according to studies such as one by the Federation of Jewish Communities.

Those returning form a sort of "reapora," with some citing feelings of being more at home culturally, worries about terrorism, or simply the chance for a better job.

Young people are the most receptive to Schulman's message, which is far less hierarchical than many expect to hear.

RABBI, Continued on Page 4

ADVERTISEMENT

To retrieve your voicemail wherever you travel, you could dial numbers at random.

Or you could choose the FreeMove alliance.

Discover mobility without complexity at [www.freemovealliance.com](http://www.freemovealliance.com)

orange Telefonica Movistar TIM F-Mobile freemove