

BUSINESS

	4.50	GOLD	\$920.60		.034	SILVER	\$16.711
DOLLAR EXCHANGE RATES							
JAPANESE YEN	106.95	BRITISH POUND	\$1.9942	CANADIAN DOLLAR	0.9886		
EURO	\$1.4898	SWISS FRANC	1.0857	MEXICAN PESO	10.816		

Fed cuts interest rates half-point to boost ailing economy

BY JEANNINE AVERSA
 THE ASSOCIATED PRESS

WASHINGTON — The Federal Reserve delivered powerful new relief to people and businesses squeezed by the ailing economy Wednesday, cutting interest rates ever deeper in an effort to avert or at least soften the blow of a recession.

The bold, half-point reduction approved by Fed Chairman Ben Bernanke and all but one of his colleagues came as

President Bush and Congress raced to enact a separate rescue package — including tax rebates for individuals and tax breaks for companies — to help energize an economy in danger of stalling.

Heartened by the Fed's newfound aggressiveness, Wall Street rallied but then pulled back, still wary. The Dow Jones industrials jumped more than 200 points after the announcement but ended up down 37.47.

Commercial banks followed the Fed action by lowering their prime lending rate by the same half percentage point — to 6 percent, the lowest in nearly three years. That prime rate applies to certain credit cards, home equity lines of credit and other loans.

Hours before the Fed's action, the government reported that the nation's economic growth had stumbled to a virtual halt. The economy grew at just a 0.6 percent pace from

October through December, and for all of 2007 it logged its weakest performance in five years.

The collapse of the housing market, sour mortgage investments and much harder-to-get credit are weighing on people and businesses alike. Foreclosures have hit record highs, and banks have racked up multibillion-dollar losses. The fallout has shaken Wall Street, catapulted the economy to Topic A among worried

families and galvanized political figures, including those vying to be the next president.

“The economy is hanging by a thread,” said Stuart Hoffman, chief economist at PNC Financial Services Group.

While Wednesday's interest rate cut was welcome, the Fed's blunt new assessment of the economy was sobering for everyone from business owners to people worried about debts to anyone without a job — or fearful of losing one.

“Credit has tightened further for some businesses and households,” the Fed said. “Moreover, recent information indicates a deepening of the housing contraction as well as some softening in labor markets.”

In its 9-1 decision, the Federal Reserve dropped its key rate to 3 percent at the end of a two-day meeting. Richard Fisher, president of the Federal Reserve Bank of Dallas was the sole dissenter.

Green steel

Bamboo emerging as eco-friendly building material

BY JOSHUA GOODMAN
 THE ASSOCIATED PRESS

GIRARDOT, Colombia — Forget steel and concrete. The building material of choice for the 21st century might just be bamboo.

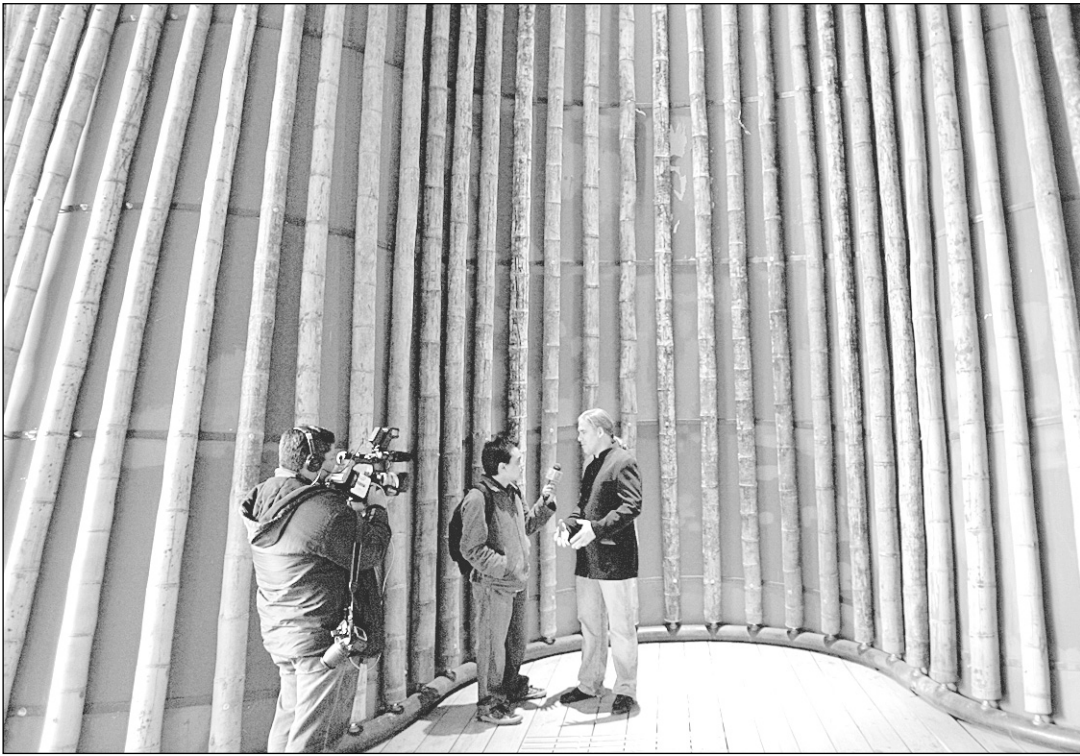
This hollow-stemmed grass isn't just for flimsy tropical huts any — it's getting outsized attention in the world of serious architecture. From Hawaii to Vietnam, it's used to build everything from luxury homes and holiday resorts to churches and bridges.

Boosters call it “vegetal steel,” with clear environmental appeal. Lighter than steel but five times stronger than concrete, bamboo is native to every continent except Europe and Antarctica.

And unlike slow-to-harvest timber, bamboo's woody stalks can shoot up several feet a day, absorbing four times as much world-warming carbon dioxide.

“The relationship to weight and resistance is the best in the world. Anything built with steel, I can do in bamboo faster and just as cheaply,” said Colombian architect Simon Velez, who almost single-handedly thrust to the vanguard of design a material previously associated with woven mats and Andean pan pipes.

Velez created the largest bamboo structure ever built: the 55,200-square-foot Nomadic Museum, a temporary building that recently debuted in Mexico City and takes up half of the Zocalo, Latin America's largest plaza.



The Associated Press

Bamboo lines the walls inside the Nomadic Museum as Canadian artist Gregory Colbert, right, is interviewed by a television reporter in Mexico City, Jan. 18. The museum, designed by Colombian architect Simon Velez, features Colbert's exhibition “Ashes and Snow.”

The museum, open until May, is the brainchild of Canadian artist Gregory Colbert, who wanted a monumental structure built entirely of renewable resources to house his tapestry-sized photos of humans interacting in dreamlike sequence with animals.

He turned to Velez, who two decades ago made a simple discovery.

By using small amounts of bolted mortar at the joints — instead of traditional lashing methods with vines or rope — he was able for the first time to fully leverage the natural strength and flexibility of guadua, a thick Colombian

bamboo, to build cathedral-like vaults and 28-foot cantilever roofs capable of supporting 11 tons.

Curing the stalks with a borax-based solution deterred termites.

He perfected his technique on hundreds of projects, mostly in Colombia but also in Brazil, India and Germany with structures as graceful as they are muscular.

In steamy Girardot, a two-hour drive from his bamboo home in Bogota, the 58-year-old Velez has just completed a prototype of an energy-saving store for French retail giant Carrefour.

The 21,500-square-foot structure has a domed roof made of guadua — instead of sun-absorbing metal — that will cut down on air conditioning costs.

In Bali, German Joerg Stamm applied the same technique — learned as an apprentice to Velez — in constructing a 160-foot bridge strong enough to hold a truck.

But Velez, the son and grandson of architects who grew up in a Bauhaus-inspired glass house in western Colombia, has little patience for environmentalists now drawn to his work for its planet-saving possibilities.



The Associated Press

Hewlett-Packard Co. Chief Executive Officer Mark Hurd earned \$1.4 million in salary as well as \$12 million in incentives.

HP CEO Hurd gets \$26M in 2007

BY JORDAN ROBERTSON
 THE ASSOCIATED PRESS

SAN JOSE — Hewlett-Packard Co. CEO Mark Hurd received compensation the company valued at \$26 million for the 2007 fiscal year, reflecting the board's satisfaction with HP's aggressive sales growth and cost-cutting moves.

Hurd, 51, took home \$1.4 million in base salary, another \$1.4 million in bonus money and nearly \$12 million in cash incentive payouts. The figures were revealed in the Palo Alto-based company's proxy filing Tuesday with the Securities and Exchange Commission.

Hurd also received shares of restricted stock valued at \$6.8 million and stock options worth nearly \$4 million during fiscal 2007, which encompasses the 12-month period that ended Oct. 31.

Also included in Hurd's pay package was \$515,000 in additional compensation, including more than \$138,000 in restricted stock dividends, nearly \$126,000 in expenses for home security services and a mortgage subsidy of about \$111,000, according to the document.

In addition, Hurd made \$4.8 million on stock options he exercised, and he had \$7.4 million worth of HP stock vested during the latest period. The document noted that the pay for Hurd and other executives was increased be-

cause the company beat its financial targets in all business segments in 2007, despite aggressive goals set by the board after an especially prosperous period the year before.

In nearly three years at the helm, Hurd has guided HP to a number of significant milestones, including recapturing the title of world's biggest PC seller from rival Dell Inc. and cracking \$100 billion in annual sales for the first time.

Profits have more than tripled under Hurd's leadership, rising to \$7.26 billion in fiscal 2007.

The company has cut costs by consolidating data centers and corporate offices and aggressively slashing its headcount, including the elimination of nearly 15,000 jobs in a massive restructuring launched shortly after Hurd's arrival as CEO and completed in October.

Some 3,000 workers also left the company as part of an early retirement program that HP initiated last year.

Since Hurd took the reins of HP in April 2005, the company's stock price has more than doubled, from around \$20 to more than \$40 today, a rise that has created more than \$50 billion in additional shareholder wealth.

HP calculated that Hurd's pay package was worth \$25.3 million.

BUSINESS NEWS

IN BRIEF

Local company wins national design awards

FAIRFIELD — Garson Design Services recently won five American Graphic Design Awards from the national publication Graphic Design USA, according to a press release by company owner Steve Garson.

The company was honored for its work on projects for the Gaw Van Male law firm; Quail Creek, an assisted living facility at Paradise Valley Estates; Renovo Communities, a land development company; and TLW Public Relations.

“I think Steve's work is the best in the region. It's always exceptional,” TLW Public Re-

lations owner Deloris Roach stated in the press release.

To view the award-winning projects, go to <http://www.awards.garsondesign.com> or contact Garson at 428-1743 or mail@garsondesign.com.

Experts predict gas spike for the summer

NEW YORK — Experts are predicting gas pump prices, which jumped by almost a dollar a gallon in each of the last two springs in many parts of the United States, will spike again this year as refiners and gas stations switch from winter- to summer-blended fuels.

The increases, starting as early as February in southern California, could push the average national price to a record \$3.50 a gallon or more by June.

Amazon.com reports huge 4Q profits

SEATTLE — Amazon.com Inc. said Wednesday its fourth-quarter profit more

than doubled, helped by fast-growing international sales.

The Web retailer also issued better-than-expected guidance and appeared unconcerned about a possible recession.

Amazon's earnings in the crucial holiday quarter climbed to \$207 million, or 48 cents per share, from \$98 million, or 23 cents per share, in the same period last year.

— Staff, wire reports

Market watch

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January 30, 2008		
Dow Jones Industrials	-37.47	12,442.83
Nasdaq composite	-9.06	2,349.00
Standard & Poor's 500	-6.49	1,355.81
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