



34 Italy's manufacturing is good, but China cheaper

MASSIMO SIRAGUSA—CONTRASTO FOR TIME

TIME

December 5, 2005
Vol. 166, No. 23

LETTERS 3
NOTEBOOK 7
MILESTONES 12

ASIA

CHINA: A massive chemical spill in the northeast threatens water supplies along a major river—and an initial cover-up shows that authorities still distrust openness 14
VIEWPOINT: Polluted water has become China's biggest environmental threat 17

WORLD

IRAQ: With casualties mounting and growing political opposition at home, Washington ponders a tentative exit strategy 18
RAMADI: A U.S. platoon, tired and cut off from reinforcements, takes on an Iraqi city held by insurgents 20

COVER: Illustration for TIME by Robert Venables

COVER STORY

Decline and Fall The dire fate of a venerable chairmaking region shows how Italy needs to revive itself to face the threat from China 34

CHINA: Anji county is positioning itself as a world leader in furniture manufacturing—but there are challenges on the horizon... 40

UNITED STATES

POLITICS: A spreading bribery scandal could change the way Congress does business 24

BUSINESS

AUTOMOBILES: Floundering American giant General Motors sheds 30,000 jobs, but analysts say it will need to do more to save itself 28

ARTS

ADAPTATION: The eternal question pondered: what's better, the book or the film? 44

BOOKS: From Spanish cuisine to family-friendly meals, six cookbooks that might just transform your mealtimes 48



GENERAL MOTORS

CHIEN-MIN CHUNG—GETTY IMAGES FOR TIME

PHIL BRAY—DISNEY



44▲ Books like *The Lion*, *the Witch and the Wardrobe* come to the silver screen

TIME Asia publishes four double issues a year. Each counts as two of 54 issues in an annual subscription. TIME Asia may also publish occasional extra issues. Principal office: Time & Life Building, Rockefeller Center, New York, N.Y. 10020-1393, U.S. TIME Asia principal editorial and business office: Oxford House 30th floor, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong. © 2005 Time Inc. All rights reserved. Reproduction in whole or in part without written permission is prohibited. TIME and the Red Border Design are protected through trademark registration in the U.S. and in the countries where TIME magazine circulates. Subscribers: if the postal services alert us that your magazine is undeliverable, we have no further obligation unless we receive a corrected address within two years. Customer service and subscriptions: for 24-7 service, please use our website timeasia.com/customer_service. You may also contact our Customer Services Center at (852) 3128-5688 or e-mail enquiries@timeinc.com or write Oxford House 30th floor, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong. (In Japan enquiries can be made to 0120-666-236 or custservjapan@timeinc.com or Roppongi Hills P.O. Box 58, Minato-ku Tokyo 106-6134.) Mailing list: we make a portion of our mailing list available to reputable firms. If you would prefer that we not include your name, please contact our Customer Services Center. TIME Asia is edited in Hong Kong and printed in Singapore. Singapore MCA (P) No. 119/10/2005. Malaysia KDN permit PP(s) 676/1/2005. Worldwide publisher: Ed McCarrick.