

# The New York Times

Late Edition

Today, cool breezes, mostly sunny, high 67. Tonight, mainly clear, light winds, patchy fog, low 53. Tomorrow, partly sunny, pleasant, high 71. Weather map appears on Page B8.

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NEW YORK, FRIDAY, SEPTEMBER 19, 2008

\$1.50

## Drug Label, Maimed Patient And Crucial Test for Justices

By ADAM LIPTAK

MARSHFIELD, Vt. — When Diana Levine starts talking about her rock 'n' roll days, she plays a little air guitar, mimicking the way she used to handle her electric bass in bands like the Re-Bops and Duke and the Detours. But Ms. Levine is missing much of her right arm, which was amputated below the elbow after a medical disaster.



Diana Levine

She sits at her kitchen table, strumming an imaginary guitar with a phantom hand. In November, the Supreme Court will hear arguments about whether Ms. Levine may keep more than \$6 million that a Vermont jury ordered Wyeth, a pharmaceutical company, to pay her for failing to warn her adequately about the risks of one of its drugs. The case, the latest in a brisk parade of similar ones, will help define the contours of a signature project of the Roberts court.

In legal jargon, the cases concern "pre-emption," a doctrine that can bar injured consumers like Ms. Levine from suing in state court when the products

that hurt them had met federal standards. The issue is less boring and more consequential than it sounds, and Ms. Levine's case is shaping up to be the most important business case of the term.

"Federal pre-emption is the fiercest battle in products liability law today," said Catherine M. Sharkey, a law professor at New York University. "The court clearly recognizes this, as it has agreed to hear so many cases and seems eager to give clarity to what has been, to date, an undisputably muddled area of law."

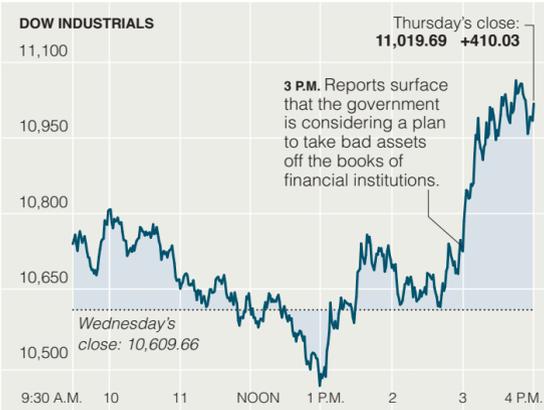
A second pre-emption case, this one concerning cigarette labels, is scheduled for the first argument of the new term, on Oct. 6.

Business groups, often supported by the Bush administration, have vigorously pursued pre-emption arguments, hoping to build a barrier against many kinds of injury suits. Plaintiffs' lawyers oppose broad pre-emption doctrines, saying they short-circuit valid claims arising from terrible injuries.

Ms. Levine is a trim, elegant 62-year-old who now favors three-quarter length sleeves, just long enough to cover what re-

Continued on Page A12

## VAST BAILOUT BY U.S. PROPOSED IN BID TO STEM ECONOMIC CRISIS



Sources: Associated Press; Bloomberg

**A MONEY MARKET UNSETTLED** For the second time in a week, a multibillion-dollar money market fund has been forced to take extraordinary steps to deal with sudden cash withdrawals by institutional investors. **PAGE C1**

**A TEST FOR THE CANDIDATES** The financial crisis has turned the race between Senators John McCain and Barack Obama into an audition for who could best handle a national economic emergency. **PAGE A15**

**A RALLY IN BANKING STOCKS** Investors raced back into beaten-down banking shares, heartened by reports that the federal government is taking steps to tamp down problems in the financial markets. **PAGE C1**

**QUESTIONS AND ANSWERS** In a video feature, the personal finance columnist Ron Lieber answers questions from people on the street.

nytimes.com/business

## Hundreds of Billions in Distressed Mortgages Could Be Purchased

By EDMUND L. ANDREWS

WASHINGTON — The head of the Treasury and the Federal Reserve began discussions on Thursday with Congressional leaders on what could become the biggest bailout in United States history.

While details remain to be worked out, the plan is likely to authorize the government to buy distressed mortgages at deep discounts from banks and other institutions. The proposal could result in the most direct commitment of taxpayer funds so far in the financial crisis that Fed and Treasury officials say is the worst they have ever seen.

Senior aides and lawmakers said the goal was to complete the legislation by the end of next week, when Congress is scheduled to adjourn. The legislation would grant new authority to the administration and require what several officials said would be a substantial appropriation of federal dollars, though no figures were disclosed in the meeting.

Democrats, having their own desire for a second round of economic aid for struggling Americans, see the administration's request as a way to win White House approval of new spending to help stimulate the economy in exchange for support for the Treasury request. Democrats also say they will push for relief for homeowners faced with foreclosure in return for supporting

any broad bailout of struggling financial institutions.

"What we are working on now is an approach to deal with systemic risks and stresses in our capital markets," said Henry M. Paulson Jr., the Treasury secretary. "And we talked about a comprehensive approach that would require legislation to deal with the illiquid assets on financial institutions' balance sheets," he added.

One model for the proposal could be the Resolution Trust Corporation, which bought up and eventually sold hundreds of billions of dollars' worth of real estate in the 1990s from failed savings-and-loan companies. In this case, however, the government is expected to take over only distressed assets, not entire institutions. And it is not clear that a new agency would be created to manage and dispose of the assets, or whether the Federal Reserve or Treasury Department would do so.

The bailout discussions came on a day when the Federal Reserve poured almost \$300 billion into global credit markets and barely put a dent in the level of alarm.

Hoping to shore up confidence with a show of financial shock and awe, the Federal Reserve stunned investors before dawn on Thursday by announcing a

Continued on Page A17



MOISES SAMAN FOR THE NEW YORK TIMES

Bamian Province, in central Afghanistan, is short on food for the winter and has been neglected by aid agencies, its governor says.

## Cornered by War and Drought, Afghans Fear Hungry Winter

By CARLOTTA GALL

YAKOWLANG, Afghanistan — A pitiable harvest this year has left small farmers all over central and northern Afghanistan facing hunger, and aid officials are warning of an acute food shortage this winter for nine million Afghans, more than a quarter of the population.

The crisis has been generated by the harshest winter in memory, followed by a drought across much of the country, which come on top of the broader problems of deteriorating security, the accumulated pressure of returning refugees and the effects of rising world food prices.

The failure of the Afghan government and foreign donors to develop the country's main economic sector, agriculture, has compounded the problems, the

officials say. They warn that the food crisis could make an already bad security situation worse.

The British charity Oxfam, which conducted a provisional assessment of conditions in the province of Daykondi, one of the most remote areas of central Afghanistan, has appealed for international assistance before winter sets in. "Time is running out to avert a humanitarian crisis," it said.

That assessment is echoed by villagers across the broader region, including in Bamian Province. "In all these 30 years of war, we have not had it as bad as this," said Said Muhammad, a 60-year-old farmer who lives in Yakowlang, in Bamian. "We don't have

Continued on Page A8

### DAMMAM JOURNAL

## Veiled Saudi Women Find Unlikely Role Model: Oprah

By KATHERINE ZOEPPF

DAMMAM, Saudi Arabia — Once a month, Nayla says, she writes a letter to Oprah Winfrey.

A young Saudi homemaker who covers her face in public might not seem to have much in common with an American talk show host whose image is known to millions. Like many women in this conservative desert kingdom, Nayla does not usually socialize with people outside her extended family, and she never leaves her house unless chaperoned by her husband.

Ms. Winfrey has not answered the letters. But Nayla says she is still hoping.

"I feel that Oprah truly understands me," said Nayla, who, like many of the women interviewed, would not let her full name be used. "She gives me energy and hope for my life. Sometimes I think that she is the only person in the world who knows how I feel."

Nayla is not the only Saudi woman to feel a special connection to the American media mogul. When "The Oprah Winfrey Show" was first broadcast in Saudi Arabia in November 2004 on a Dubai-based satellite channel, it became an immediate sensation among young Saudi women.

Continued on Page A9

## Pain Spreads As Credit Vise Grows Tighter

By LOUIS UCHITELLE

The latest outgrowth of the housing crisis, the breakdown on Wall Street, threatens to gradually corrode economic activity on Main Street, mainly by disabling the credit on which so many everyday transactions depend — but also by frightening people.

Lenders of all types had already been raising the bar for borrowers, turning away all but the best customers. This week, they became even less willing to part with their money, further crimping budgets and family spending.

An economy propelled by easy credit for more than a decade is fraying as credit disappears. American Express, to take one striking example, is reducing the maximum credit limit for half of its tens of millions of cardholders.

The credit shock is in some ways reminiscent of the 1973 oil embargo, which "came into people's lives right away," said Andrew Kohut, director of the Pew Research Center, the public opinion pollster. Then, Americans were forced to line up for gasoline and turn down their thermostats in winter. Though less visible, the credit squeeze, if it persists, will force businesses and consumers to cut spending more than they already have.

"We have moved into a decline in consumer spending, which normally happens only in a major recession," said Ethan Harris, chief domestic economist at Lehman Brothers. He calls the experience "a slow-motion recession in which economic growth will be near zero for an extended period of time."

Consumer spending accounts **Continued on Page A16**

## A Bid to Curb Profit Gambit As Banks Fall

By VIKAS BAJAJ and JONATHAN D. GLAJER

Traders who have sought to profit from the financial crisis by betting against bank stocks were attacked on two continents on Thursday.

The Securities and Exchange Commission is considering a temporary ban on short sales of some or all shares and an announcement could be made as early as Friday morning. Earlier Thursday, the S.E.C. scrambled to put together an emergency rule to force major investors to disclose their short sales daily.

In Britain, regulators announced new rules to bar short selling.

Short selling — a bet that a stock price will decline — is the practice of selling stock without owning it, hoping to buy it later at a lower price, and thus make a profit. It has often been blamed for forcing prices down in times of market stress, but the level of anger has intensified as the American government has been forced to bail out major financial institutions and the leaders of some investment banks have asked for action to protect their shares.

Both the S.E.C. and the New York State attorney general promised to intensify investigations into short selling abuses. "They are like looters after a hurricane," said Andrew M. Cuomo, **Continued on Page A16**



Christopher Cox of S.E.C.

### INTERNATIONAL A6-10

#### Iraq Security Deal at Risk

An agreement to extend the American military mandate in Iraq could be in danger, Iraqi and Bush administration officials say. **PAGE A6**

#### Iran's Leader and Israelis

President Mahmoud Ahmadinejad of Iran said he opposed the state of Israel, but not the Israeli people. **PAGE A8**

### NATIONAL A11-17

#### In California, a Budget Deal

California legislative leaders and the governor have come to an agreement on the state budget, which is now roughly three months late. **PAGE A17**

### METRO B1-5

#### New York's Jobless Rate Jumps

The August unemployment rate in New York City showed the largest monthly increase in more than 30 years. **PAGE B1**

### SPORTSFRIDAY D1-

#### America the Underdog

With strong Ryder Cup veterans like Sergio Garcia, left, the European team is considered a strong favorite over the United States squad this weekend in Louisville, Ky. **PAGE D1**



### ESCAPES F1-8

#### Natural Wonders

A trip through Northern California and Oregon to see the centuries-old towering redwoods can also take in beaches, mountains and outpost-like towns. **PAGE F1**



### BUSINESS DAY C1-13

#### Interior Department Scrutiny

The interior secretary told a House committee that he might fire employees involved in ethics abuses at an agency that collects oil royalties. **PAGE C8**

### ONLINE

#### A Museum in Brooklyn

A video preview of the renovated Brooklyn Children's Museum, featuring scenes of children giving the new exhibits a test run before the official opening. **nytimes.com/design**

EDITORIAL, OP-ED 18-19

Paul Krugman **PAGE A19**

### WEEKEND E1-35

#### The Poetry in a Stillness

A retrospective at the Metropolitan Museum of Art examines the still lives of Giorgio Morandi, self-portrait at right. A review by Holland Cotter. **PAGE E27**



More Inside The Times. **PAGES A2-3**

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## TODAY

>48Hours



## Fall Fest on the Fox

The eighth-annual Fall Fest on the Fox kicks off downtown today, with food and entertainment connecting the University of Wisconsin-Oshkosh campus with the Oshkosh community. >>PAGE A8

## >Pet of the Week



## Cherry looking for a family

Cherry's an intelligent dog looking for a loving home and plenty of attention. Find out more about her in a video on our Web site. >>WWW.THE NORTHWESTERN.COM.

## >Nation



## Tent cities pop up across U.S.

With the faltering economy causing an increase in homelessness, the number of homeless encampments has risen dramatically. >>PAGE A4

## >Local

## Live today

The Northwestern will offer a live Webcast of tonight's football face-off between Oshkosh North and Oshkosh West high schools. Replays of the game will also be available on our Web site. >>WWW.THENORTHWESTERN.COM

## >Weather

**High 78**  
**Low 55**  
►Five-day forecast/A2  
Mostly sunny

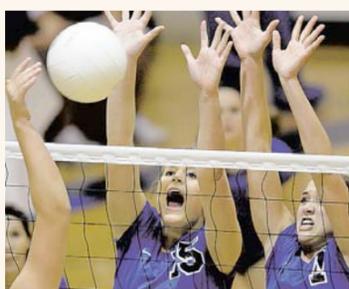
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>A GANNETT NEWSPAPER



## WILDCATS DECK CARDS

The Oshkosh West volleyball team sweeps Fond du Lac to remain undefeated. >>B1

## RIVALRY WEEK

Two big rivalry games highlight the week in prep football. >>B2



REPUBLICAN PRESIDENTIAL CANDIDATE Sen. John McCain, R-Ariz., and running mate Alaska Gov. Sarah Palin are all smiles during their rally inside the Resch Center in Ashwaubenon on Thursday.

# On the offensive

### Republicans take strong stance at rally

Associated Press

GREEN BAY — John McCain went after Democratic vice presidential candidate Joe Biden on Thursday for saying that paying more in taxes is the patriotic thing to do for wealthier Americans.

"Raising taxes in a tough economy isn't patriotic. It isn't a badge of honor," McCain said at a Republican rally in Green Bay. "It's just plain dumb."

The line elicited the loudest applause of the night for the McCain, who spoke to a crowd that nearly filled the 11,000-seat Resch Center.

Alaska Gov. Sarah Palin, who spoke before McCain, took on Barack Obama, accusing him of perpetuating "the worst of politics."

Palin pointed to comments Obama's been making this week on the campaign trail, urging his supporters to argue with those who disagree and "get in their face."

**"She's what this country needs. She's a person you could have a pizza and a beer with."**

Carl Handschke, Appleton resident

"That doesn't sound like the politics of hope or the politics of change to me," Palin said, referring to Obama's campaign themes. "What that sounds like is the worst of politics."

McCain backer Carl Handschke, 64, of Appleton attended Thursday's rally and said he likes McCain because he's pro-military, anti-abortion and will cut taxes.

He and others also heaped praise on Palin, the Alaska governor tabbed by McCain as his running mate.

"She's what this country needs," Handschke said. "She's a person you could have a pizza and a beer with."

Palin catered to the locals,

## FOR MORE

►For more election news and discussions, as well as video from the rally Thursday night, head to our Web site. >>WWW.THENORTHWESTERN.COM.

saying it was nice to be in a state where people appreciate good hockey, hunting, fishing and "great football."

"Here in Wisconsin I know I'm not alone," she said. "I know I'm not the only hockey mom for McCain."

Palin was introduced by Debra Bartoshevich, a former backer of Sen. Hillary Rodham Clinton. Bartoshevich said she thought Clinton would be the first woman in the White House, but now she thinks it will be Palin.

Bartoshevich was dumped as a delegate to the Democratic National Convention after she switched allegiances to McCain rather than support Obama as the Democrats' presidential nominee.

McCain, a 26-year veteran of Congress, hit on his campaign themes of being a maverick who can bring change to Washington by taking on his own party and the Bush administration when necessary. He said Obama's idea of reform was to do what his party leaders tell him to.

"That's the kind of me-first, country-second politics that's broken in Washington, D.C.," McCain said. "Sen. Obama isn't change. He's part of the problem with Washington."

McCain ended his speech by describing how he was given an envelope at the airport in Green Bay by Cheryl Lee Patrick of Ladysmith. Her son Army Staff Sgt. Patrick Lee Lybert was killed in 2006 in Afghanistan. McCain held up Lybert's dog tags, which he said were inside the envelope.

"I know that I can make sure that his sacrifice was not in

Rally, Page A10

### Lourdes band students play for crowds at the Green Bay rally

BY AMANDA M. WIMMER  
of The Northwestern

Even though most of them aren't old enough to vote, band students from Oshkosh's Lourdes High School were thrilled about being asked to play at the Thursday rally for the Republican presidential ticket in Green Bay.

About 50 students got to play at the John McCain and Sarah Palin rally after another high school backed out, said Lourdes band director Michelle Sorenson.

"I got a call from the Republican Party at 5:40 (p.m.) on (Wednesday) night and they asked us to come," she said.

Andy Becker, a junior at Lourdes who plays the trombone, rearranged his schedule to attend the event.

"I'm definitely excited," he said before he headed to Green Bay. "It seems like a great experience. How many times do you get to see a presidential candidate?"

Becker, unlike many of his classmates, did go to a rally during the last election, he said. He said he pays a little attention to politics and is interested in watching the debates.

Kendall Van Sistine, a ninth-grade student who plays the flute, said she's was ecstatic about a presidential candidate for the first time.

"I'm a little nervous," she said. The students from Lourdes said they were told before the rally that they would be dressed in their full band uniforms and would sit directly behind the podium.

Sorenson said the band had chosen to play traditional pep songs to get the crowd excited, as they were instructed to do. The students also had chosen to play some patriotic songs, she added.

Amanda M. Wimmer: (920) 426-6632 or awimmer@thenorthwestern.com.

## Police look at baby's injuries

### Child taken to hospital for treatment

BY DOUG ZELLMER  
of The Northwestern

Oshkosh police are investigating the cause of "suspicious head injuries" to a 3-month-old baby boy.

Police officials said officers were called about 9:45 p.m. Wednesday to the Christine Ann Center on Algoma Boulevard where the injuries to the child were reported.

The baby, who was staying at the shelter with his mother, was taken to an area hospital for treatment of his injuries. Authorities are not saying to which hospital the boy was transported.

"The injuries to the baby were serious enough to warrant treatment at the hospital," Police Capt. Kelly Kent said.

He said a detective from the police department was called in Wednesday night to assist a patrol officer with the investigation.

Kent said no one is in custody concerning the baby's injuries and that he was unable to comment further because the incident remains under investigation.

"We always hate to see these kinds of cases," Kent said.

Doug Zellmer: (920) 426-6667 or dzellmer@thenorthwestern.com.

## Grant to fund Tasers

### All trained officers will be equipped

BY JENNIFER K. WOLDT  
of The Northwestern

The Oshkosh Police Department will almost double the number of officers carrying Tasers thanks to a federal grant.

The department received a \$10,000 grant from the U.S. Department of Justice that will allow the department to buy between 10 and 12 more Tasers for officers, Chief Scott Greuel said.

The department currently has 16 Tasers. As a result of the additional Tasers, every officer on a shift who is trained to use

Tasers, Page A10

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'To injure no man,  
but to bless all mankind'

BOSTON · FRIDAY  
SEPTEMBER 19, 2008

# THE CHRISTIAN SCIENCE MONITOR

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**in arts** Art co-opts consumer culture  
Scotland's rising songstress  
Film review: 'The Duchess'

LATEST NEWS & EXTENDED COVERAGE: [csmonitor.com](http://csmonitor.com) ONE DOLLAR

## RIGHT-WING SAGE?

### Kremlin moves track a script by bearded prophet

By FRED WEIR  
CORRESPONDENT

**MOSCOW** - In the 1990s, few listened to Alexander Dugin.

But this shaggy-bearded ultranationalist has come a long way from those days as a lonely pamphleteer. Then, amid the ruins of the Soviet Union, he forecast that Russia's inevitable return to great power status would be via Georgia.

Once derided by Russia's pro-Western elites, Mr. Dugin now looks like a geopolitical prophet. And he apparently has the Kremlin's ear.

His books championed the view that Russia's efforts to integrate with the global community were doomed to be swept away by fresh waves of conflict between Moscow and Washington over control of Georgia, Ukraine, and the ex-Soviet states of Central Asia.

This summer's lightning war with Georgia and the emerging political crisis in next door Ukraine are happening right on Dugin's schedule. President  
*See DUGIN page 12*



FRED WEIR

**GOING HIS WAY:** Russian ultranationalist Alexander Dugin is now winning converts.

## Next step: A giant resale agency?

### ON WALL STREET, A SINKING FEELING



RICHARD DREW/AP

On the New York Stock Exchange, traders saw the market fall further into bear territory this week - with major stock indexes dipping well below 20 percent from their highs last fall. But some successful portfolio managers say investors should move to bonds and a careful selection of stocks. **See story, Page 10.**

**THE CREDIT CRISIS** brings calls for the US to absorb damaged assets of firms.

By PETER GRIER and GAIL RUSSELL CHADDOCK  
STAFF WRITERS

**WASHINGTON** - Washington's response to the credit crisis so far has seemed to rely on daily improvisation. Perhaps it now needs something more organized: a new US government resale agency that would absorb and then dispose of the assets of damaged firms.

That is the opinion of key lawmakers and some private economists as a week of unprecedented US intervention in the marketplace draws to a close.

For regulators, establishment of such a temporary entity might be a trip back to the future. In the 1980s the largely taxpayer-financed Resolution Trust Company (RTC) seized and liquidated savings and loans.

But the S&L crisis was a brush fire compared with today's financial four-alarm. An RTC redux would have to deal with many tough political and policy issues, and could represent yet more government intrusion  
*See CREDIT page 11*

## U.S. AIRSTRIKES TEST ALLIANCE WITH PAKISTAN

By MARK SAPPENFIELD  
STAFF WRITER

**NEW DELHI** - More than at any time since Pakistan pledged its support to the war on terror in 2001, America's alliance with the country that is home to Al Qaeda and Taliban leadership is showing signs of significant strain.

America's top military officer, Adm. Mike Mullen, flew to Islamabad to meet with the Pakistani prime minister and Army chief Wednesday. He sought to quell mounting anger about recent US attacks against militants in Pakistan - eight missile strikes and

a first-ever ground assault since Aug. 13.

A day earlier, a Pakistani Army spokesman had said soldiers would fire on US troops if they came into Pakistan again.

The relationship is increasingly marked by frustration and a lack of trust, and Admiral Mullen's need to rush to Pakistan - his fifth visit in the past year - points to a new and testing phase for the US-Pakistani alliance.

"This is the toughest period" of the seven-year alliance, says Moeed Yusuf, an analyst at Boston University. "Each side is testing  
*See PAKISTAN page 12*

**MILITANTS ARE TARGETED** by drones to keep them from entering Afghanistan.

## THE PALIN EFFECT

### Churchgoing Catholics returning to GOP fold

By BEN ARNOLDY  
STAFF WRITER

**CARSON CITY, NEV.** - Observant Catholics are returning to the Republican fold now that Alaska Gov. Sarah Palin has joined the GOP ticket - a shift that looks to be more enduring than a post-convention bounce. If the trend sticks, it will mark a partial setback for Democrats and the Obama campaign, who have

vied vigorously for the pivotal votes of Roman Catholics.

Before the national political conventions, presidential contenders Barack Obama and John McCain were about splitting the votes of white Catholics who attend church weekly. That was a weak showing for the GOP's Senator McCain; in 2004, President Bush carried this group 3 to 2.



McCain, however, has now opened a 16 percentage point lead among these Catholics, according to a poll released Thursday by the Pew Research Center.

Still, there is good news for Senator Obama among Catholic voters: He continues to gain among Hispanics, two-thirds of whom are Catholic, and he is even with McCain in support among Catholics who attend mass occasionally or never.

*See CATHOLICS page 10*

**Media fact-checkers try to set candidates' records straight. Will voters notice? Page 3.**

TODAY

**Storm riders** Those who stayed behind when hurricane Ike bore down are an independent lot. **4**

**Tzipi Livni** She'll lead Israel's ruling party and could become its second female premier. **6**



**Coach juggles tennis and field hockey, all while eight months pregnant**



**A 20-YEAR 'TIME WARP' AT CEDAR LEE**

# THE PLAIN DEALER

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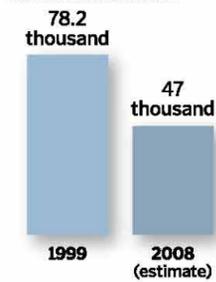
## NEWS MINUTE

### METRO

#### Cleveland still losing students

As families continue to abandon the Cleveland public schools, the number of students is dropping below 50,000, a level not seen since the late 19th century. Details, B1

#### School enrollment



SOURCE: Ohio Department of Education

### WORLD

#### U.S. soldier held in deaths of others

The U.S. military says an American soldier is being held in the shooting deaths of two fellow Americans at their patrol base south of Baghdad on Sunday. The military also says a mechanical problem, not enemy fire, is responsible for the crash of a helicopter that killed seven soldiers in southern Iraq. Details, A7

### BUSINESS

#### Jones Day lawsuit targets Web site

The Jones Day law firm is suing an Internet site for mentioning the firm without permission — a case that rankles First Amendment experts and challenges an underpinning of the World Wide Web. Details, C1



**BREAKING NEWS ALL DAY**

### SPORTS

**Watch video previews of the Browns-Ravens game with Tony Grossi and Mary Kay Cabot.**

cleveland.com/browns

### FORECAST, B6:

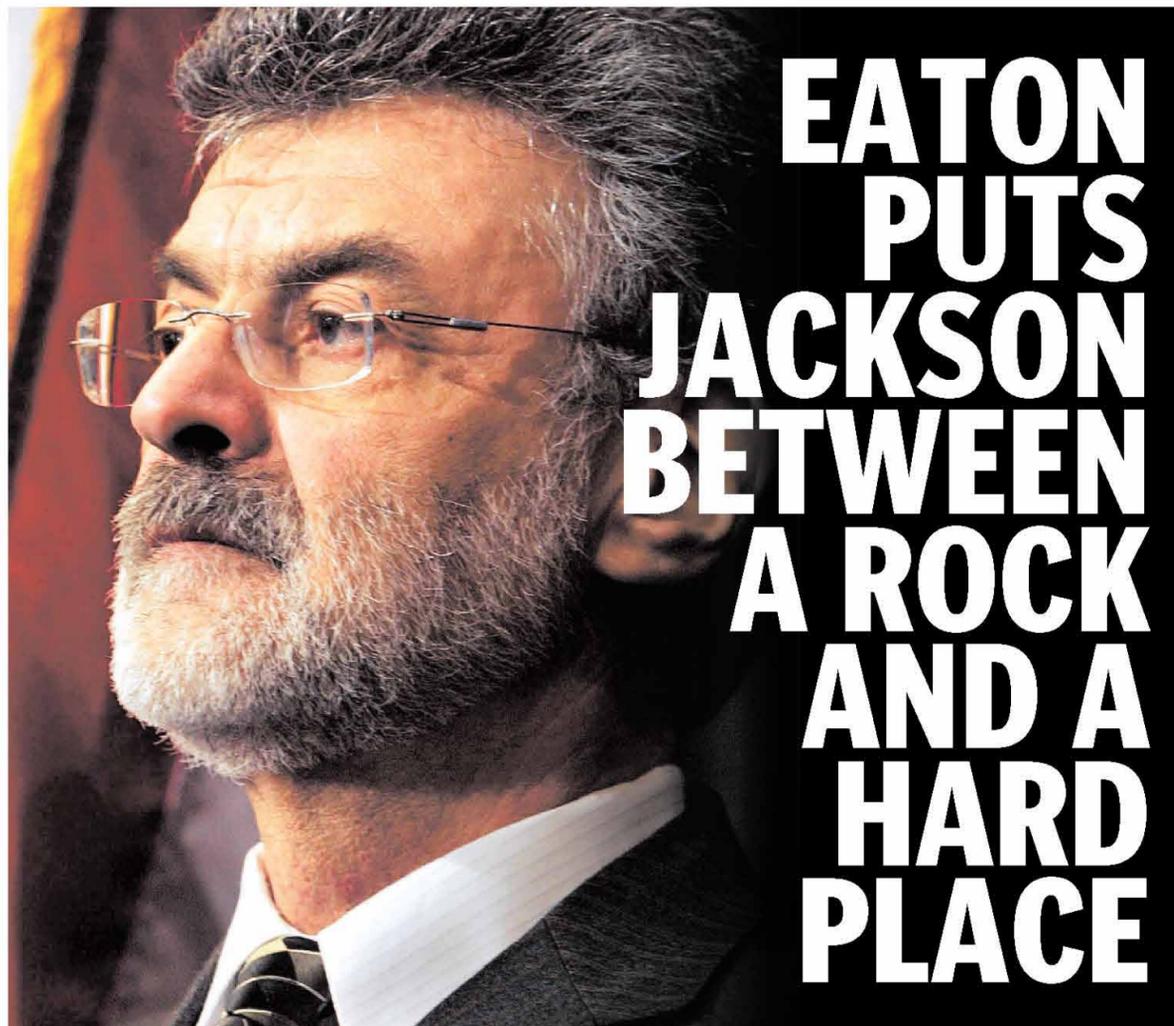
Mostly sunny and pleasant. High 72, low 53.

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## EATON PUTS JACKSON BETWEEN A ROCK AND A HARD PLACE

**Regionalism or downtown development? Mayor wants both, but when the choice goes against Cleveland, it has to hurt**

### As Flats deal deflated, Fisher pumped it up

TOM BRECKENRIDGE AND MICHELLE JARBOE  
*Plain Dealer Reporters*

For Lt. Gov. Lee Fisher, a Cleveland fan and fan of the core city's charms, the call from Sandy Cutler was a stomach churner.

After months of planning, the chief executive officer of Cleveland's Fortune 500 landmark was saying a downtown move to the Flats probably wouldn't work. Chagrin Highlands in Beachwood was looking bigger and better for Eaton Corp.

Fisher's first response? Sweeten the pot.

Fisher doubles as the state's development chief.

He told Cutler that Ohio could offer an even bigger tax-break deal.

SEE EATON | A8

HENRY J. GOMEZ | PLAIN DEALER REPORTER

No mayor likes the sting of losing his city's largest Fortune 500 company. But when manufacturing giant Eaton Corp. this week signaled a preference to leave Cleveland for Beachwood, there was little for Frank Jackson to protest.

Chagrin Highlands, the mixed-use suburban development that Eaton executives are eyeing, was hatched by Cleveland city officials two decades ago to attract large corporations from across the globe. The project never brought the riches its planners predicted.

The irony that Eaton, a deep-rooted Cleveland company, could be that first major office tenant at Chagrin Highlands is especially cruel for Jackson. The first-term mayor has staked his administration on the virtues of regionalism, stressing that local mayors accomplish little by fighting over businesses that move from one Northeast Ohio address to another.

That's why Jackson can't join the downtown leaders who decry the move of Eaton's 460 employees as a loss of gigantic proportions. As much as he may want Eaton to stay, he can only fight so hard before he'll be viewed as having betrayed his regional promises.

Jackson is the mayor who struck a deal to share income taxes with Independence in 2006 when the Cavaliers decided to build a basketball practice facility there.

He is the mayor who negotiated a ground-

### ANALYSIS

breaking pact in which Cleveland's suburbs agreed not to poach employers in exchange for the city maintaining suburban water lines.

He is the mayor who helped broker a tax-sharing agreement with Avon as part of a new Interstate 90 interchange that could siphon business from Cleveland and its West Shore suburbs.

So on Thursday, during an interview at his City Hall office, Jackson stuck to the middle ground, wishing Eaton "success and prosperity" with its move.

"Cleveland will survive," he added. "As you know, our city depends on the success of this region."

And success at Chagrin Highlands does benefit the city.

SEE JACKSON | A8

## No easy outs in this backyard outing

MICHAEL SCOTT  
*Plain Dealer Reporter*

BAY VILLAGE — Cliff Lee got roughed up Thursday afternoon by a gang of pretty tough neighborhood kids.

And the Indians' ace loved every minute of it. Lee — the likely American League Cy Young Award winner — joined the Fortunato family and nearly 100 neighbors and relatives for a sun-splashed two-inning Wiffle Ball game at Huntington Reservation. The family won the online "Backyard Challenge," sponsored by natural gas supplier Direct Energy.

But Lee was out of gas from the get-go. The lefty, who has sparked all season long in an otherwise disappointing Indians summer, got man-handled by the kids.

"Yeah, maybe, but this is what it's all about — playing baseball outside on a beautiful afternoon," Lee said. "I just wish I had known these kids were going to hit the ball hard."

Hit the ball hard? They nearly killed him.

SEE WIFFLE | A6



THOMAS ONDREY | THE PLAIN DEALER

Indians pitcher Cliff Lee can only watch as a child smacks his Wiffle Ball pitch for a home run Thursday in a backyard Wiffle Ball game in Bay Village.

## Congress promises action on crisis

Regulation could be most crucial since '30s

KEVIN G. HALL  
*McClatchy Newspapers*

WASHINGTON — Leaders of both parties of Congress agreed Thursday night to work with the Bush administration on an expedited plan to help end the crisis on Wall Street and get bad assets off the balance sheets of the nation's troubled financial institutions.

Coming on the heels of the unprecedented government rescue of giant insurer American International Group and the seizure of mortgage-finance giants Fannie Mae and Freddie Mac, the planned bipartisan legislation could produce the most significant changes in financial regulation since the Great Depression.

The plan to wipe out banks' bad loans also could be the equivalent of winning the lottery for several Ohio banks.

As word of a government plan began to reach Wall Street earlier in the day, the Dow Jones industrial average jumped 410 points.

SEE FINANCE | A6

### IN BUSINESS

The financial universe has endured a colossal upheaval this week. So what is the health status of Ohio institutions? Some statistics offer a snapshot of the strength of Ohio's largest publicly traded banks.



## Cities can't ban guns from parks, court rules

REGINALD FIELDS  
*Plain Dealer Bureau*

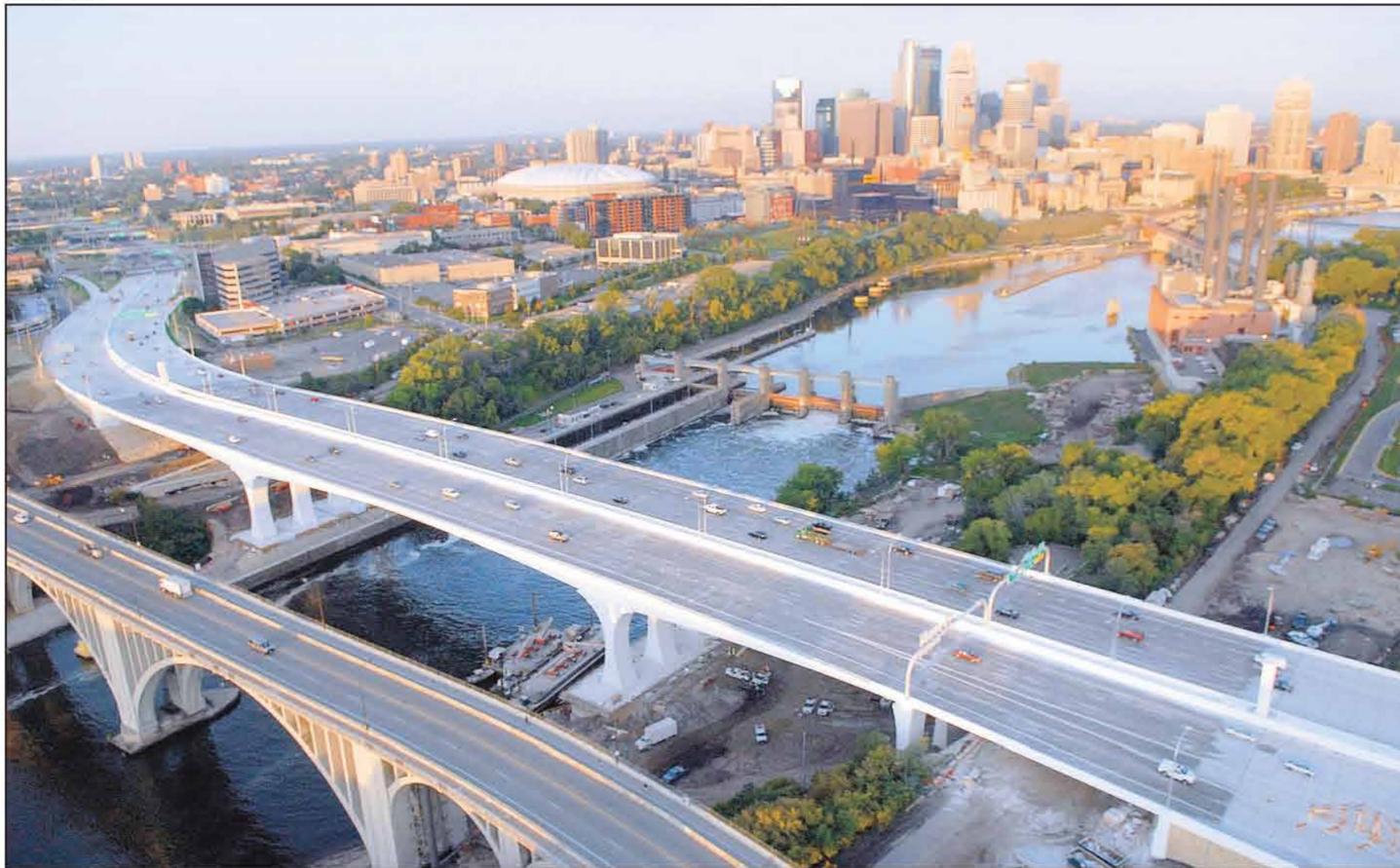
COLUMBUS — Cities cannot ban firearms from their public parks, a deeply divided Ohio Supreme Court said in a ruling Thursday that could blow away gun ordinances around the state.

In a 4-3 decision, the court upheld an appeals court ruling that had struck down the city of Clyde's 2004 ban on guns in its parks because it conflicts with the state's multifaceted concealed-carry law. Clyde is southwest of Sandusky.

The ruling not only eliminates gun bans in Independence and Cleveland Heights parks but also threatens several Cleveland gun restrictions and all but kills further efforts by cities to trump or challenge the 4-year-old state law.

"The main impact is that it is going to restrict municipalities, city councils and so forth from restricting the rights of Ohio citizens who carry concealed weapons in public areas," said Patrick Lewis, a Cleveland attorney and member of the conservative Federalist Society, who was not involved in the case.

SEE COURT | A4



RICHARD SENNOTT • rsennott@startribune.com

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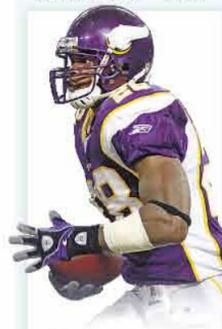
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How serious is Adrian's injury?

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Vikings TV blackout Sunday?

Find the latest at [startribune.com/accessvikings](http://startribune.com/accessvikings)

Campaign truth squad is back

Does U.S. Senate candidate Al Franken's 30-second ad fairly characterize Sen. Norm Coleman's position on Social Security? IS THAT A FACT? ON B4

McCain, Palin visit Blaine today A7

Minnesota Zephyr dinner train reaches end of line B1

Twins reveal ticket prices at new stadium C5

Twins win, Sox lose; Twins 1.5 games out C1

HAVE YOU HEARD?

1 Whitney MacMillan and Cargill MacMillan Jr. are the richest Minnesotans, according to Forbes Magazine, with about \$7 billion each. The Cargill heirs have doubled their wealth from a year ago. D2

2 Ten percent of college admissions officers say they look at applicants' Facebook or MySpace pages, and 38 percent say what they saw "negatively affected" their perception.

3 MN150: Minnesota's other pro football team, the Duluth Eskimos, immortalized in the 2008 George Clooney film "Leatherheads," beat the Kansas City Cowboys 7-0 on Sept. 19, 1926, in their only home game of the season.



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## Ban to steer ATVs clear of deer hunters

• The DNR is clamping down on recreational off-road riding during the firearm season to reduce conflicts.

By DAVID SHAFFER • dshaffer@startribune.com

For the first time, riding all-terrain vehicles for fun on state forest trails will be banned during the firearm deer season this November, the state Department of Natural Resources said Thursday.

DNR officials said the ban, which also applies to dirt bikes and off-road trucks, will keep riders safe and reduce noise and conflicts that disturb deer and hunters.

The ban only applies to non-hunters who are out for a ride. Those caught violating the ban face a warning or ticket, though no specific fine was set.

"We are trying to reduce potential conflicts," said Forrest Boe, the DNR's Trails and Waterways director.

Hunters, who have pushed for the ban since 2006, still may use vehicles to reach deer stands and retrieve game during certain hours.

The new limits on recreational riding apply to mapped trails and unmarked two-tracks, but not to forest roads. It also doesn't affect riding on county or private lands.

ATVs continues: Hunters sought ban. A13 ▶

## Cell phone class at senior center? Texting included

• AT&T workers help the willing figure out their newfangled phones.

By JENNA ROSS • jross@startribune.com

Together they had mastered the "missed call" and conquered the "add new contact" challenge.

So Mike Wold looked up at 76-year-old Darlene O'Donnell and suggested the next step:

"Voice mail."  
"Oh, no!" she said. "I don't even want to get into that!"

But soon she was convinced and listening to the message Wold had just left her. "It's you!" she gasped, Nokia phone to her ear, eyes on him.

"That's me," Wold said, laughing.  
On Thursday, dozens of gray-haired folks like O'Donnell peppered fresh-faced AT&T employees like Wold with questions they had jotted down on napkins, grocery lists and worn cell phone manuals they had brought along.

The queries ranged from the simple ("Does this thing turn off?") to the advanced ("When I'm texting, I'd like to use a different word-complete mechanism.").

Tech continues: One-on-one sessions. A13 ▶

## RESCUERS MOVE IN; MARKETS REBOUND



RICHARD DREW • Associated Press

Stocks rebounded Thursday from the previous session's massive rout, but safe assets such as gold and Treasury bills still saw heavy demand as investors braced for more instability in the financial system. Traders were glued to the board all day.

### TREASURY, FED TAKE ACTION

An infusion of almost \$300 billion in global markets and a potential big bailout helped Wall Street rebound.

By EDMUND L. ANDREWS • New York Times

WASHINGTON - In another breathtaking display of government intervention, top officials at the Treasury Department and Federal Reserve began discussing with congressional leaders a plan to buy up vast numbers of distressed mortgages held by ailing financial institutions. The news finally gave Wall Street a reason to rally Thursday.

The Dow Jones Industrial Average shot up 617 points from its low point in mid-afternoon, its biggest surge in six years, and ended the day with a gain of 410 points, or 3.9 percent. It added to a week of extraordinary volatility in the U.S. financial system and markets.

"The markets voted, and they liked the proposal," said Laurence Meyer, vice chairman of Macroeconomic Advisers.

Therebound, which extended to early trading in Asia, also came after the Federal Reserve poured almost \$300 billion into global credit markets and barely dented the panic.

While the details of the rescue plan remain to be hammered out, the discussions could result in the biggest bailout in U.S. history, and the most direct commitment of taxpayer funds so far in the worst financial crisis that Fed and Treasury officials say they have ever seen.

Stocks continues: Legislation for the plan could begin as early as Wednesday. A8 ▶

**+410 points**

The Dow makes a stunning turnaround. D1

**-3,100 jobs**

August unemployment in Minnesota shot up to 6.2 percent. D1

**+\$60 million**

Northwest Airlines expects at least a \$60 million quarterly profit. D1

**\$97 a barrel**

Oil prices rose, but closed well off session highs. D3

**15 years**

This year's holiday retail season could be the worst since the early '90s. D1

**FALLOUT** Companies face higher borrowing costs and might cut back on hiring, and individual investors are looking for a safe haven.

By DAVID PHELPS • dphelps@startribune.com

The panic on Wall Street is rippling from the boardroom to the living room.

Corporations large and small have seen their borrowing costs spike, which could force them to cut back on investment and hiring — the last thing Minnesota's economy, which is already losing jobs, needs.

Investors, meanwhile, are pondering whether to pull money out of mutual funds despite all advice that counsels just the opposite.

But logic sometimes crumbles in the wake of headlines about bankruptcies, massive bailouts and shotgun unions of some of the most storied names in high finance.

TrimTabs Financial Research, which tracks U.S. and global equity funds, said investors are pulling their money out of stocks and putting them into money market funds and cash.

On Wednesday, the migration from equity funds was \$10.8 billion, up from \$10.7 billion and \$10.5 billion Tuesday and Monday, respectively.

Those withdrawals represent only a small fraction of total assets invested, said TrimTabs equities analyst Vincent Delaud, but September looks to be the month with the largest withdrawal of funds this year.

Squeeze continues: Expert advice is simple — stick to your plan, and turn off TV. A8 ▶

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## Wahlkampf Wirtschaft dominiert im Endspurt

Die US-Finanzkrise schwappt auf den Wahlkampf über. In der schwarz-grünen Konfrontation gestern Abend blieben Molterer und Van der Bellen allerdings ausreichende Antworten auf das bewegende Thema schuldig, meint Kommunikationsexperte Gottschlich.  
**SEITE 2**

## Börse feiert US-Krisenplan

Der Plan der US-Regierung, den Banken alle faulen Kredite abzunehmen und in einen Fonds einzubringen, sorgte für ein Kursfeuerwerk an der Wall Street.  
**SEITE 21**

## Härtetest für die Sauberfrau

Israels „Sauberfrau“, Außenministerin Livni, wurde zur Chefin der Kadima-Partei gewählt. Jetzt muss sie die Koalitionspartner an Bord halten, um auch Premier zu werden.  
**SEITE 6**

## Gegen Abend Regen

Vorerst noch sonnig, im Laufe des Nachmittags dann regnerisch. **SEITE 17**

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# Wie sicher ist Ihre Privatpension?

Der finanzielle Fallschirm fürs Alter und die Finanzkrise: Wie verlässlich die Modelle zur Altersvorsorge sind.  
**SEITE 19**

**Verheddert** im Dickicht internationaler Beteiligungen: Die Sicherheit, die die Anbieter von Vorsorgemodellen versprechen, ist garantiert, weil Österreichs Banken gut dastehen

## Zähneknirschend

Der Privatsender *Puls4* hat bewiesen, dass man eine Diskussion der Spitzenkandidaten für die Wahl nicht nur mausgrau moderieren muss. Und dass Politiker nicht nur unsympathische Streithanseln sind. Bei der Aufgabe, über die jeweils anderen Diskutanten auch etwas Gutes zu sagen, gab es die hübschesten Verlegenheiten und aussagekräftigsten Antworten (Heide Schmidt über Jörg Haider: „Dass er gut angezogen ist“). Über den eigenen Schatten zu springen, wenn er in der Eigenwahrnehmung lang ist, fällt ja niemandem leicht. Dem Nebenbuhler attestiert man ungern, dass er aussieht wie George Clooney, und Hans Krankl würde zu einem anderen Fußballer auch nur einfallen, dass er zwei Beine hat. Schlüssel über Cap, Lugner über Schiller, Dichand über Fellner, der *ORF* über *Puls4* – heiße, gäb's da Zähneknirschendes „Lob“ zu verteilen. Werner Faymann übrigens hätte wohl besonders gerne gehört, was die anderen an ihm gut finden, aber der war bei der TV-Diskussion (siehe Seite 35) nicht da. Was die anderen sichtlich gut an ihm fanden. - A. S.  
andreas.schwarz@kurier.at

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