

TERRORISTS DESTROY WORLD TRADE CENTER, HIT PENTAGON IN RAID WITH HIJACKED JETS

Nation Stands In Disbelief And Horror

Streets of Manhattan Resemble War Zone Amid Clouds of Ash

A WALL STREET JOURNAL NEWS ROUNDUP
They were like scenes from a catastrophe movie. Or a Tom Clancy novel. Or a CNN broadcast from a distant foreign nation.

But they were real yesterday. And they were very much in the U.S.

James Cutler, a 31-year-old insurance broker, was in the Akbar restaurant on the ground floor of the World Trade Center when he heard "boom, boom, boom," he recalls. In seconds, the kitchen doors blew open, smoke and ash poured into the restaurant and the ceiling collapsed. Mr. Cutler didn't know what had happened yet, but he found himself standing among bodies strewn across the floor. "It was mayhem," he says.

Around the same time, Nestor Zwyhun, the 38-year-old chief technology officer of Tradecard, an international trading firm, had just stepped off the New Jersey commuter ferry and was walking toward the World Trade Center when he heard a sound "like a jet engine at full throttle," he says, then a huge explosion. Smoke billowed in the sky and sheets of glass were falling everywhere. "I stood there for two seconds, then ran," Mr. Zwyhun said.

More than 100 floors above him at the Trade Center offices of Cantor Fitzgerald, someone put a call from the company's Los Angeles office on the speaker phone. What was happening there? The Los Angeles people heard someone say, "I think a plane just hit us." For more than five minutes, the Los Angeles people listened in horror as the sounds of chaos came through the speaker phone, people screaming, "Somebody's got to help us. ... We can't get out. ... The plane is filling with smoke." Then the phone went dead.

Three hundred miles to the south, in Washington, D.C., a jet swooped in from the west and burrowed into the side of the Pentagon building, exploding in a tower of flame and smoke. Mark Thaggard, an office manager in the building, was there when the plane hit. People started running this way and that, trying to get out. "It was chaotic," Mr. Thaggard says. "It was unbelievable. We could not believe this was happening."

The nation stood in shock and horror yesterday after three apparently hijacked jetliners, in less than an hour's time, made kamikaze-like crashes into both towers of the World Trade Center and the Pentagon, killing hundreds, maybe thousands.

The Eye of the Storm: One Journey Through Desperation and Chaos

A Nightmare of Falling Bodies, Acrid Smoke and Heroism; It's Coming Down! Run!

By JOHN BUSSEY
Staff Reporter of THE WALL STREET JOURNAL
NEW YORK—If there's only one sight I'll remember from the destruction of the World Trade Center, it is the flight of desperation—a headlong leap from the top-most floors by those who chose a different death than the choking smoke and flame. Some fell swinging their arms and legs, looking down as the street came up at them. Others fell on their backs, peering upward toward the flames and sky. They dropped like deadweight, several seconds, hopeless and unhelpful.

And always the same end. Some crashed into the plastic awning over the entrance to the North Tower. Others hit a retaining wall. Still others landed on lamp-posts and shrubbery. After the 80-floor drop, the impact left small puffs of pink and red vapor drifting at ground level. Firefighters arriving on the scene ran for cover.

In the movie "Armageddon," the asteroids pierced New York buildings sending shrapnel out the other side. That, remarkably, is exactly what it looked like from the street, when the first plane hit the north tower of the World Trade Center.

The first warning was the sound of jet engines, flying low over the island of Manhattan. A second or two later, what seemed like a sonic boom.

From the sidewalk, behind the building that houses The Wall Street Journal's offices just across the street from the World Trade towers, I didn't see the first plane dive into its target. But I saw the result: an arc of debris, aflame against the blue sky.

What's News

Business and Finance

ALL MAJOR U.S. FINANCIAL markets closed yesterday and remain closed today in the wake of the terrorist attack on the World Trade Center. The near-panic reaction in the global markets that remained open suggested that substantial damage was done to the psyche of a world financial system already on edge from prospects of an international recession. In Tokyo, the Nikkei stock index fell below 10,000 early Wednesday for the first time since 1984.

(Article on Page B1)

The World Trade Center housed many Wall Street and banking firms, law offices, technology companies, trading firms and other businesses. Many escaped before the destruction of the buildings yesterday, but the toll of dead and injured is unclear.

(Article on Page B1)

The attacks threaten to push a fragile global economy into widespread recession, smashing consumer confidence and disrupting basic commercial functions such as air travel.

(Article on Page A1)

The dollar tumbled in global markets following the attacks. In late London trading, the euro stood at 91.44 U.S. cents, up from 89.95 cents late Monday in New York. The dollar tumbled to 119.16 yen from 120.93 yen and the British pound rose to \$1.4751 from \$1.4579.

(Article on Page B3)

Energy prices soared on fears the attacks might have originated in the Middle East and any retaliatory action could disrupt supplies. U.S. companies went on heightened alert to safeguard the nation's energy supplies.

(Articles on Page A2)

Telecom systems were strained as the terrorist attacks on New York and Washington knocked out telephone and wireless service across the Northeast.

(Article on Page A3)

The Internet proved the most reliable way to communicate following the attacks, as the phone system sagged from severed lines and an extraordinary volume of calls. Corporate executives used e-mail to find employees across town or across the country.

(Article on Page A3)

Insurers are facing what is certainly the largest man-made and possibly the largest-ever disaster they have dealt with in yesterday's destruction, with the price tag estimated at over \$10 billion.

(Article on Page B1)

Xerox reached an equipment-financing agreement with GE Capital that will let Xerox erase about \$5 billion of debt.

(Article on Page A16)

Treasury Secretary Paul O'Neill left China yesterday persuaded that authorities in Beijing already are planning to adopt a significantly more flexible currency system—at their own pace.

(Article on Page A16)

After months of reviewing the Clinton-era money-laundering crackdown, President Bush's Treasury Department has completed a set of revisions that would slightly ease rules in one area and tighten them in another.

(Article on Page A16)

Markets—
Stocks: Market closed.
Bonds: Market closed.
Commodities: Dow Jones-AIG futures index 101,329, up 0.168.
Dollar: 119.16 yen, off 1.77; 1.0936 euros, off 0.0181; 2.1389 marks, off 0.0355.

World-Wide

BUSH PROMISED action against terrorist attacks in the Eastern U.S.

The death toll from the hijacked-jet attacks that destroyed the World Trade Center's towers in New York and damaged the Pentagon outside Washington was impossible to gauge immediately. But the president said "thousands of lives were suddenly ended." A fourth hijacked plane crashed near Pittsburgh. Another commercial jet went down in western Pennsylvania. It wasn't immediately clear who was responsible for the attacks, but the president told the nation the U.S. "would make no distinction" between terrorists and "those who harbored them." He virtually promised armed response earlier yesterday. "Make no mistake: The United States will hunt down and punish those responsible for these cowardly acts," he said. (Articles on pages A1 and A15)

Sen. McCain, a Vietnam War veteran, expressed the incidents' gravity: "These were not just crimes against the United States, they are acts of war."

HEALTH TEAMS launched efforts to treat thousands of injured victims.

Health workers mobilized a nationwide effort to treat the thousands of injured taken to hospitals, identify the dead and supply tens of thousands of units of blood in the wake of the terrorist attacks. More than 2,000 people were reported injured in New York City, and hospitals expected to see more. Blood-center officials said immediate needs would be met by available supplies, but they worried that they would run short in coming days as they face the need to replenish supplies. (Article on Page A6)

The Health and Human Services chief activated all of the nation's 80 special disaster teams. It was the first general mobilization of the teams.

The FAA shut the national air-traffic system, leaving air travelers stranded, following the crashes of the four hijacked commercial jets in New York, Washington and Pennsylvania. While the FAA said it might lift its ban on flying as early as noon today, the impact of the suspected hijackers appears permanent. (Article on Page A3)

World leaders reacted with revulsion to the attacks in the U.S. and demanded war on international terrorism, but in the Middle East some people supported the actions. The U.N.'s Annan said the "deliberate acts of terrorism" traumatized the world, but he called for reasoned judgment.

New York called off its primary election after the attack on the World Trade Center. Mayor Giuliani said he called off the election after consulting with the governor of New York, and they will decide later when it will be rescheduled. The mayor said all available police and fire personnel had been deployed to Lower Manhattan to aid in rescue operations.

Congressional Republicans are crafting standby spending cuts meant to show-case support for Social Security while they push for new tax cuts to spur the economy. The GOP lawmakers appear unwilling to wait for clear guidance from Bush.

Afghanistan's ruling Taliban launched a fresh offensive as the chief of the rival forces against it said their military chief Masood had been seriously wounded in an assassination attempt. Amid rumors Masood had been killed in Sunday's attack, officials said doctors were recommending Masood be taken to Europe for treatment.

Israeli tanks encircled the Palestinian-ruled city of Jenin in a West Bank operation that Israel's army said was intended to prevent suicide bombers from reaching Israel. That prompted fighting in which two Palestinians died. Truce talks fell through amid arguments over a venue and Palestinian condemnation of the tank operation.

Powell arrived back in Washington from Peru after cutting short a South American trip because of the attacks in New York and Washington. The secretary of state had attended a meeting of the Organization of American States. Foreign ministers began the meeting with a moment of silence for the American victims.

A Day of Terror

The World has become a different place in the wake of yesterday's terrorist attacks as a new kind of war has been declared on the world's democracies. Review & Outlook on page A18.

Elsewhere:

- Just as Japan on Dec. 7, 1941, destroyed America's historic belief in its ocean-guarded invulnerability, now Sept. 11, 2001, joins that date to live in infamy—for obliterating Americans' sense that terrorism was something that happened somewhere else, A20.
- Although the perpetrators of the terrorist attacks have yet to be identified, Islamic-Americans in many U.S. cities have already begun grappling with an angry backlash. Islamic groups in this country condemned the attacks, A15.
- Health workers mobilized an unprece-

Death Toll, Source of Devastating Attacks Remain Unclear; U.S. Vows Retaliation as Attention Focuses on bin Laden

By DAVID S. CLOUD
And NEIL KING
Staff Reporters of THE WALL STREET JOURNAL
By successfully attacking the most prominent symbols of American power—Wall Street and the Pentagon—terrorists have wiped out any remaining illusions that America is safe from mass organized violence.

That realization alone will alter the way the U.S. approaches its role in the world, as well as the way Americans travel and do business at home and abroad.

The death toll from the hijacked jets' attacks that destroyed the World Trade Center in lower Manhattan, and damaged the Pentagon, was impossible to gauge immediately. But it could eclipse the loss of life the country suffered in the Japanese attack on Pearl Harbor, when more than 2,300 perished.

It wasn't immediately clear who was responsible for the attack, though official attention focused on Middle East terrorist Osama bin Laden and his organization. One U.S. official said intelligence agencies already had gathered "strong information" linking Mr. bin Laden to the attacks. If the bin Laden organization isn't directly responsible, U.S. officials suspect, it could have sprung from a network of Islamic terror groups he supports and finances.

The gravity of the challenge to the country was summarized by Sen. John McCain, a Vietnam War veteran, who said: "These were not just crimes against the United States, they are acts of war."

Yet a war against terrorism is unlike a conventional war, and in some ways is far scarier. As a traumatized nation saw in gruesome detail on its television sets, terrorists attack civilians, not soldiers. And while the wars of the past century involved nation-states that could ultimately be defeated, a war against terrorism involves a less distinct enemy, whose defeat will be hard to ensure.

U.S. Airport Security Screening Long Seen as Dangerously Lax

New Measures Are Likely To Add Inconvenience And Costs for Passengers

Government agencies have long warned about lax U.S. airport security screening, something that frequent fliers see on a regular basis. Yesterday, that crucial system failed in the most tragic and spectacular way.

Commandeering four airplanes yesterday and using them as giant jet fuel bombs, suicidal hijackers apparently made it through airport security screening in Boston, Newark, N.J., and Washington, armed but not detected. Investigators will

By Wall Street Journal staff reporters Scott McCartney in Seattle, J. Lynn Lunsford in Los Angeles and David Armstrong in Boston.

undoubtedly look at whether the attackers might have had fellow terrorists working at particular metal detectors and X-ray machines, or planted weapons aboard the planes through catering or other service trucks, but authorities have long raised alarms about security, with little action taken to tighten airport procedures.

Just last year, in an almost prophetic warning, the General Accounting Office said airport security hadn't improved, and in many cases had worsened. Even though airport security screening stops an average 2,000 weapons a year, "the security of the air transport system remains at risk," the GAO said.

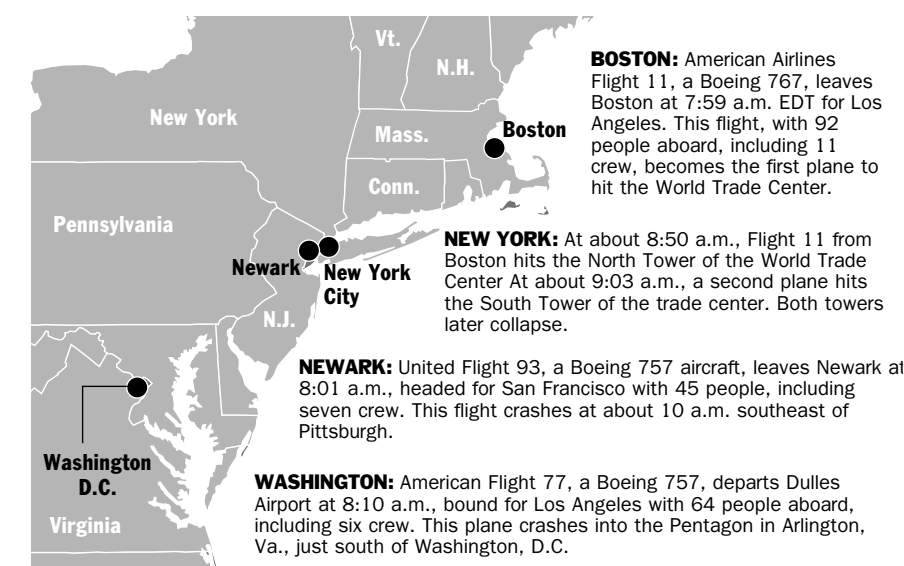
"People are very creative," says Viola Hackett, a security guard at Houston's George Bush Intercontinental Airport, who said she wasn't surprised that the attackers could bypass airport security. "There are all sorts of things they're trying to hide."

One passenger aboard a doomed jet called her husband from the air, federal officials said, and said two hijackers were armed with box-cutting knives, which often have retractable blades.

The Federal Aviation Administration was already moving to tighten screening standards; in fact, new rules were supposed to be issued next week.

The metal detectors and X-ray ma-

NOTICE TO READERS
Because delivery of The Wall Street Journal may be delayed for many readers due to repercussions from yesterday's terrorism attacks, the entire on-line edition of the Journal can be accessed free of charge, at WSJ.com. U.S. financial markets were closed on Tuesday and there are no U.S. stock listings in the paper today. Abbreviated statistical coverage begins on page B3.



President Bush nearly promised armed response in his response to the tragedy. "America has stood down enemies before, and we will do so this time," he said in nationally televised address from the Oval Office. In a pointed warning to terrorists as well as to nations such as Afghanistan, which hosts Mr. bin Laden, the president declared: "We will make no distinction between the terrorists who committed these acts and those who harbored them."

Leaders of the House of Representatives and the Senate—shattered yesterday amid the threat—plan to reconvene today in a special session to consider a bipartisan resolution condemning the terrorist attacks.

The sheer sophistication of the terrorists was remarkable. The FBI is operating on the assumption that there were multiple hijackers on each of the flights that struck New York.

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Hour of Horror Forever Alters American Lives

Attacks Will Force People To Make Adjustments In Ways Large and Small

An hour of terror changed everything.

Far from the World Trade Center or the Pentagon, Florida shut down its state universities yesterday. San Francisco closed its schools, as well as the TransAmerica building and pedestrian access to the Golden Gate Bridge. Major league baseball games were canceled.

The popular, needlelike Stratosphere

By Wall Street Journal staff reporters Jane Kronholz in Washington, Christina Binkley in Los Angeles and Clare Ansberry in Pittsburgh.

tower on the north end of the Las Vegas strip was closed; so was the Paris casino's mock Eiffel Tower. University of Virginia psychologist Dewey Cornell canceled his lecture on student threats and violence inside the schools—so his audience of principals could go back to their schools to deal with the violence outside.

"You just thought America was the safest country," said Jesse Strauss, a 13-year-old eighth-grader at Pelham Middle School, a Manhattan suburb. His mother added, "Our world as we know it isn't going to return to normal for a long time."

Yesterday's terrorism darkened, marked and forever altered the way Americans live their lives.

"We are going to have to learn what a Please Turn to Page A6, Column 4

Attacks Raise Fears of a Recession

By GREG IP AND JOHN D. MCKINNON
Staff Reporters of THE WALL STREET JOURNAL
WASHINGTON—Yesterday's terrorist bombings threaten to push an already fragile global economy into widespread recession, smashing consumer confidence and disrupting basic commercial functions such as air travel and financial markets.

"A full-blown global recession is highly likely," Sung Won Sohn, chief economist at Wells Fargo & Co., predicted in a report yesterday afternoon.

Economic policy makers did their best to ensure calm. Shortly after noon, the Federal Reserve issued an emergency statement stating that the central bank's system was "open and operating" and that officials were "to meet liquidity needs" of the global financial system, echoing a similar declaration issued during the 1987 stock-market crash.

Treasury Secretary Paul O'Neill issued a statement from Tokyo, saying: "In the face of today's tragedy, the financial system functioned extraordinarily well, and I have every confidence that it will continue to do so in the days ahead." No major problems were reported in the banking system, though branches did close in New York. The stock, bond, and commodity markets all closed and will remain closed today.

'Everything Possible'

"I'm sure that central bankers everywhere will do everything possible to maintain calm and seek to ensure the world economy functions smoothly in the face of this horrendous deed," Federal Reserve Bank of New York President William McDonough told Dow Jones Newswires by telephone from Basel, Switzerland, where he was attending meetings at the Bank of International Settlements. Fed Chairman Alan Greenspan was on his way back to the U.S. from those meetings, but his airplane returned to Switzerland after the attacks.

Economists groped in vain for historical precedents to help evaluate the potential impact of such a shocking, tragic

event on the economy. "I don't know where to look for analogies," said Alan Blinder, economics professor at Princeton University. "Confidence-shaking events usually have transitory negative effects on consumer spending. But we've never seen anything like this that I can think of."

The most recent comparable event was the 1990 Gulf War, involving a spike in oil prices and dispatch of U.S. troops to the Middle East, which depressed confidence and played a decisive role in bringing about the 1990-91 recession.

But many economists said this event is likely to be more severe because of the much greater loss of life on U.S. soil. In 1990, travel was depressed by fears of a terrorist attack. This time, the entire air-travel system has been shut down by actual attacks. "One might expect [confidence] ... will plunge much like they did when the Gulf crisis began in August of 1990. The weakness might be more severe because this impacts Americans more directly, it's on our soil," said Ray Stone, economist at Stone & McCarthy Research Associates.

In addition, he said, "the economy looks more fragile going into this episode than it did back in 1990." Business investment and exports are falling, unemployment has risen sharply and stock prices are sinking. The impact of the tragedy on confidence could severely undermine consumer spending, which had been the economy's remaining bulwark.

Consumers, Mr. Stone added, will likely "spend less on big-ticket items such as autos, as well as things directly affected. Air traffic likely will be lower, people less willing to visit Washington or New York City or other large cities, less likely to visit sporting events where they're worried about a terrorist attack."

But others played down any long-term consequences. "There's always speculation that these disasters have extreme economic consequences, but they rarely do," Please Turn to Page A6, Column 1

A DAY OF TERROR

Attacks in U.S. Spur Rise in Energy Prices

Some Suspect the Terrorism Has Origins in Mideast, Fear Supply Disruption

By ALEXEI BARRIONUEVO
Staff Reporter of THE WALL STREET JOURNAL

Energy prices soared on fears the terrorist attacks might have originated in the Middle East and that potential U.S. retaliatory action could disrupt oil supplies.

The price of the U.S. benchmark West Texas Intermediate yesterday rose to as high as \$31 a barrel for both October and November delivery following the attacks, up from \$27.63 for the October price Monday. The attacks shattered commodity trading at least through today at the New York Mercantile Exchange, which operates in a World Financial Center building next door to the World Trade Center.

Gasoline pump prices also began shooting up in locations nationwide in the wake of the attacks. By lunchtime, workers reported seeing stations posting prices of \$2.09 a gallon in Lansing, Mich. Consumers in Tulsa, Okla., also reported prices that had spiked by more than 20 cents a gallon at several stations.

Across the country, people lined up at gasoline stations to top off their tanks, apparently concerned about gasoline sup-

plies. Exxon Mobil Corp., one of the country's largest gasoline retailers, advised against it. The company said it had "ample supplies" of gasoline and urged consumers to "maintain normal buying habits to avoid artificial run-outs." In a statement, BP PLC said "for today, we are holding the line on prices."

Trucks lined up several deep at Valero Energy Corp.'s Benicia, Calif., gasoline pick-up terminal. Valero was the only refining company in the San Francisco Bay Area that kept open its terminal, said Greg Kaneb, a Valero vice president. Other companies apparently closed theirs for security reasons, later reopening them after lunch. As a result, wholesale prices for several refiners shot up as much as 20 cents a gallon, Mr. Kaneb said.

"There's going to be a public reaction that's going to create some uncertainty," said Jeff Pillon, energy analyst at the Michigan Public Service Commission. "We've seen a lot of volatility. For things to jump around would not be surprising."

Should oil prices continue to climb, members of the Organization of Petroleum Exporting Countries appeared ready to step in and boost production. Ali Rodriguez, OPEC's secretary general, said the organization is prepared to take whatever measures are necessary to stop prices from spiking. Speaking by radio in Caracas, Venezuela, Mr. Rodriguez said stability in oil markets is the group's top priority, and that he fully expects prices to level off.

Several key OPEC producers, including Saudi Arabia, Iran and Kuwait, could turn up the taps. The organization has cut 3.5 million barrels a day from their production this year and has some excess supply. "OPEC is in a great position," said Adam E. Sieminski, global energy strategist at Deutsche Banc Alex. Brown.

Meanwhile, a surge in panic buying the next few days could send prices to \$35 a barrel, said Michael C. Lynch, chief energy economist for DRI-WEFA Inc. "The industry is going to expect some kind of retaliation" from the U.S., Mr. Lynch said.

After the 1993 bombing of the World Trade Center, which led to the close of the NYMEX for less than a day, oil prices rose to a then-four-month high of \$21 a barrel.

A greater concern is a repeat of the panic buying that followed the 1979 Iranian revolution. Fears the revolution would spread to other Middle East nations led the oil industry to stockpile greater-than-normal inventories for nearly a year and a half. Prices didn't drop until industry storage tanks were full, Mr. Lynch said.

The closing of the NYMEX presents more immediate problems for the crude-oil and natural-gas markets. Analysts expect markets in London, Singapore and

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Energy Firms Act to Protect Their Systems

Energy companies that control the nation's electricity and natural-gas supplies as well as big oil companies went on heightened alert to safeguard the system from possible attack.

Across the country, utility emergency control centers came to life and extra security patrols were initiated. But with thousands of miles of pipelines and transmis-

sion lines, it was largely a symbolic effort. With energy markets suspended and trading floors closed in New York and Houston, the biggest impact was financial.

In California, grid officials were preparing to order plants to operate today according to work schedules submitted for yesterday's market day.

Enron Corp., Dynegy Inc. and Reliant Energy Inc. largely shut down their headquarters offices in Houston, except for essential personnel. However, they said they were maintaining normal deliveries of electricity and gas to customers. "We have a skeleton crew on the trading floor but I don't think anyone is focused on trading today," a Reliant spokesman said.

Nuclear Reactors

The Nuclear Regulatory Commission ordered the nation's 104 nuclear reactors to implement heightened security plans although many utilities that own generating plants already had done so. Exelon Corp. put its 17 reactors at 10 plant sites on alert voluntarily—and largely vacated its 60-plus story headquarters office tower in downtown Chicago. "We sent everybody home we could," said Don Kirchoffner, head of communications for the firm that owns the old Commonwealth Edison and Philadelphia Electric utilities. "At our plants, we've doubled the security."

Nuclear power plant containment buildings, where radioreactive materials are housed, are "hardened" against war-time or terrorist attack. They are designed to withstand accidental air crashes and hurricanes, as well, and have concrete walls up to four feet thick that lie outside heavy steel liners, often an inch thick.

Nevertheless, critics always have feared that terrorists might be able to get inside the plants and cause mayhem. Edison International said it has asked the California Highway Patrol to monitor traffic along Interstate 5, which lies a short distance from its San Onofre nuclear plant south of Los Angeles that's operated by its Southern California Edison unit.

Levels of Management

Like companies everywhere, Tulsa-based Williams Cos. started the day by locating its top three levels of management. Then the energy company traced employee travel to determine whether any employees might have been in lower Manhattan or at the Pentagon at the time of the terrorist attacks. "We still don't know for sure," Williams spokesman Jim Gipson said.

In the wake of the attacks, oil companies said they heightened security measures at refineries but no company reported a curtailment in the production of gasoline or other refined products.

BP PLC, Shell Oil Co., Chevron Corp., Valero Energy Corp. and Phillips Petroleum Co. all said that their facilities were operating normally.

A spokesman for Valero, San Antonio, said the company instructed refinery managers in a morning conference call to restrict the flow of "outsiders" into its plants.

Phillips Petroleum, Bartlesville, Okla., instituted a travel ban for overseas U.S. workers. "We have just said, 'stay where you are for now,'" a Phillips spokeswoman said.

Kinder Morgan Inc., Houston, shut down a petroleum-products storage facility in New York Harbor that feeds Northeast refineries and gas stations. The 6.6 million-barrel facility stores and transfers gasoline, jet fuel and diesel.

Grammy Ceremony Is Canceled After Attack

LOS ANGELES—The National Academy of Recording Arts and Sciences said that the second annual Latin Grammy Awards, scheduled to be held today in Los Angeles, have been "postponed until further notice" due to the catastrophic events in New York, Washington, D.C. and outside Pittsburgh.

The academy said it will hold a news conference later today. Musical luminaries such as Ricky Martin and Carlos Santana were scheduled to perform at the ceremonies, which were to be telecast on CBS television from the Forum auditorium. The awards were recently relocated to Los Angeles from Miami because organizers feared disruptions by anti-Castro protesters.

Child-Care Centers Were Evacuated Quickly and Safely

By SUE SHELLENBARGER
Staff Reporter of THE WALL STREET JOURNAL

Child-care centers at both the World Trade Center and the Pentagon were evacuated after the terrorist attacks, without any reports of children being injured, according to the companies that operate the centers.

But the tragedy dealt a serious blow to work-site child care, raising anew questions about whether society is safe enough to situate groups of children in visible, high-traffic locations—exactly the kind of places working parents have sought, not only for convenience, but, ironically, for safety's sake as well.

A spokeswoman for Knowledge Learning, San Rafael, Calif., operator of a child-care facility on a lower floor of the World Trade Center, said the center was evacuated immediately after the plane crashed and about 90 minutes before the towers collapsed, the spokeswoman said. The company had no reports of any injuries.

A 167-child center at the Pentagon was safely evacuated, said a spokeswoman for Aramark, the Golden, Colo., operator of the center. The center, a one-story Children's World Learning Center facility located across a parking lot a short distance from the Pentagon, was evacuated as soon as warning sirens sounded, the spokeswoman said. Children were taken immediately to an undisclosed "backup location" designated for such emergencies. Enrollees are the children of Pentagon employees.

Aramark also closed a dozen other centers on government property and suggested parents pick up children early at other centers considered potentially vulnerable.

Several child-care companies said they closed child-care centers yesterday near potential terrorist targets, regardless of whether the building or employer shut down.

More than a dozen children were killed in the 1995 bombing of the Oklahoma City federal building, which also contained a child-care center. While the customary near-ground location of child-care facilities made children leading victims in the 1995 truck bombing, it saved them in yesterday's air attack.

However, the scope of yesterday's attack sparked a more profound sense of helplessness among parents. "I would think twice" before leaving a child in a government or other prominent public building, says Diana Chrissis, an Arlington Heights, Ill., software executive and mother of two, echoing other parents.

Many child-care centers made big investments in improved security since the Oklahoma City bombing, adding bullet-proof glass, reinforced concrete and "lock-down walls" that prevent shattered glass from flying. They have also improved entryway security, added in-classroom video cameras, and stepped-up employee background checks. However, they have few defenses against terrorism.

Ironically, centers sponsored by the federal government, which operates dozens of centers nationwide with thousands of children enrolled, have generally set an industry-wide example in recent years for good quality, staffing and security—in every way except safety from terrorism.

Childhood experts noted that household or automobile accidents pose a greater risk to children. "The question this raises is, 'Are any workplaces secure?'" says Roger Brown, co-founder and CEO of Bright Horizons Family Solutions, a Watertown, Mass., operator of 366 centers. Many child-care centers became meeting places for anxious parents yesterday, he notes, providing support and a sense of community.

For many parents, however, the attacks sparked the most instinctual of fears. Pam Millar, a Severn, Md., engineer, was sitting at her desk at NASA when she heard the news. The first thought that sprang to mind was of her two-year-old daughter, who was playing at a government-sponsored child-care center nearby. "Oh, my daughter is here," she thought, and picked up the phone to dial the center, one time, two times, then a third. "What's going on? What are your policies? Can I pick her up at any time?" she asked staff members, who reassured her repeatedly that everyone was fine. She and her husband picked the child up early, after their offices closed for the day.

"I cannot wait to see her. I am thankful she is safe. But I am so sad about all the people who were killed."

Vik DeLuca, Maplewood's mayor, said that at least a few victims had been taken to area hospitals after they stumbled off of commuter trains. He feared that Maplewood and New Jersey communities would be hit hard. "There are between 2,500 and 3,000 people who go to New York every day from Maplewood, and many of them work downtown," Mr. DeLuca said. "This is going to be a very long night."

In the nearby community of Millburn, N.J., where many residents work in the financial-services industry in lower Manhattan, neighbors who on other days would casually wave to each other were milling about the streets in groups. One man, arriving home from Manhattan by midafternoon, was greeted by his wife in the driveway. The two wiped tears away as they hugged for several minutes and disappeared into their house.

Ellen Kirkwood, whose husband, Eugene, works across the street from One World Trade Center, was attending the first Parent-Teacher Organization meeting of the year at Wyoming Elementary School in Millburn yesterday morning when the principal made an announcement.

"She said there was some kind of incident in New York," said Mrs. Kirkwood, whose son was in kindergarten class. "I wasn't really paying much attention, but then she said something about the World Trade Center, and I got up and left," along with several other people. She tried to call her husband from the school and couldn't get through, so she picked up her one-year-old and three-year-old from the baby sitter and headed home.

Her husband, meanwhile, was at the trading desk at Smith Barney Asset Management on the 43rd floor of 7 World Trade Center when the first plane hit. "The building shook for a long time, and we looked out the window and saw debris falling down and fire all over the place." Mr. Kirkwood said some people in the office started crying, and then someone on the desk told everyone to get out.

Outside, Mr. Kirkwood started heading toward the ferry. "I stopped to talk to someone I recognized and looked up saw a plane bank and go right into the other tower," Mr. Kirkwood said. At that point he knew it was intentional, and said to the other person, "Let's get out of here."

On the ferry to New Jersey, Mr. Kirkwood said everyone stared back toward Manhattan "in shock." He managed to get through on his cellphone to his home and left a message that he was OK.

Back in Millburn, Mrs. Kirkwood arrived at home with her two children from the P-TO meeting and heard the message from her husband. "I was pretty together, but I was still very relieved," Mr. Kirkwood arrived home a little later, and by late afternoon news reports said that his building also had collapsed.

For many children, the news quickly turned from disbelief to anxiety over what might have happened to their parents who work in New York City. As word spread, schools called special assemblies and tried to help students contact their families by telephone and by e-mail. At Pelham Middle School in Pelham, N.Y., a small suburb just outside New York City with a heavy population of Wall Street traders, investment bankers and brokers who work in or near the World Trade Center, some children were crying after failing repeatedly to contact their parents' cell phones or offices.

One student at Pelham High School was called to the office in the early morning and went home after being told that his father, a bond trader, worked on the floor that the first plane hit. By late afternoon, there was still no word of his fate.

"At first I assumed it was an accident. Once we had heard that the Pentagon had been hit, and a second plane crashed in, everybody knew it was a terrorist attack," said Jesse Strauss, a 13-year-old eighth-grader at the school. "Throughout the day, everybody wanted to get out of school as soon as possible and get home and see if their parents were all right."

"I'm still in the shock that somebody would do something like this and that this could really happen," Jesse said. "You just

Please Turn to Page A10, Column 1

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A DAY OF TERROR**Thousands Stranded as FAA Grounds Flights****Airlines Are Diverted To Canada; Travelers Look for Rental Cars**

A WALL STREET JOURNAL NEWS ROUNDUP

The crash of two hijacked commercial jets into New York's World Trade Center prompted the Federal Aviation Administration to take the unprecedented step of shutting down the national air-traffic system, leaving tens of thousands of travelers stranded at airports across the country.

While the FAA by late afternoon said it might lift its ban on flying as early as noon EDT today, throughout the nation the realization mounted that the impact of the suspected hijackers was permanent. "This fundamentally changes air travel in this nation forever," said Jack Evans, spokesman for Alaska Airlines.

The order had the initial purpose of clearing the skies so that federal officials could determine whether hijackers—the apparent agents of the World Trade Center crashes and of a third jet that plowed into the Pentagon in Washington—had commandeered any other flights. As it turned out, a fourth commercial jet crashed in rural Pennsylvania.

By early afternoon, federal officials

identified and made contact with the 40 or so flights remaining aloft over the U.S.

Although the FAA had never before ordered all flights grounded, it said that this procedure "certainly is a scenario" in its crisis drills. As for how security would be heightened before its order was lifted, an FAA spokeswoman said, "We're working to determine security procedures that would be [put] in place before resuming flying," she said.

Transportation Secretary Norman Mineta warned air travelers to expect higher levels of surveillance at the nation's airports and train stations today, including more stringent searches and security officers. Airport curbside luggage check-in will no longer be allowed.

About 35,000 flights a day take off and land at U.S. airports, a number that includes domestic flights to and from foreign countries and private planes. It doesn't include the many general aviation flights that operate by visual flight rules. As a result of what the FAA calls the "ground stop," an estimated 8,300 U.S. jets and commuter planes are now parked at airports large and small in the U.S. and abroad.

In addition, Canada's Transport Ministry grounded all commercial air movements in that country, and many foreign carriers diverted or canceled their U.S.-bound flights. Israel closed its airspace to foreign carriers.

After the attacks, more than 120 flights within U.S. air space were diverted to air-

ports in Canada. Reports from Halifax said that hotels and motels in and around that city quickly filled to capacity, and many stranded passengers were shuttled to gymnasiums and sports complexes in the area for the night. Many other people rented vehicles and headed out of Halifax in search of accommodations.

In many U.S. cities, stranded air travelers took to the roads, securing every vehicle available at rental-car agencies. Amtrak temporarily halted its passenger rail service. Marriott said its hotels in the New York were sold out. But spokeswoman Mari Snyder said five of the properties are opening up their public rooms for overnight accommodations.

In contrast to the usual grousing and temper tantrums that accompany delayed and diverted flights, travelers displayed numbness and sorrow at the realization that their nation had undergone attack.

During the first moments of the shutdown, a tense atmosphere prevailed in the skies and traffic-control centers of the U.S. Uncertain which planes might be under the control of terrorists, military jets took to the air to try to prevent any further suicide crashes, as officials suspect the World Trade Center and Pentagon disasters to have been.

A Thai Airways International flight bound for Los Angeles but rerouted to San Francisco was escorted by U.S. military fighter jets. In the hour before that, 15 other flights from Asia, bound for Hous-

ton, Chicago and West Coast airports, were diverted to Honolulu. "We don't want aircraft flying over the U.S.," said Tryg McCoy, San Francisco airport duty manager.

The three jets that crashed into the World Trade Center and Pentagon belonged to UAL Corp.'s United Airlines and AMR Corp.'s American Airlines. The jet that crashed in Pennsylvania was a United plane. In total, just under 300 passengers and crew members are believed to have died on the four planes.

For several hours, no carrier in the country was certain that all of its planes were safe and under the control of its own pilots. As the morning progressed, airline after airline issued statements, such as a Northwest Airlines press release saying that "all domestic and international Northwest Airlines flights have been accounted for and are safe."

News of the terrorist acts stunned travelers across the nation. Nelson and Marjorie Wentworth, of Kennebunk, Maine, had just landed in Detroit on their way with a tour group to Asia when the pilot made an announcement over the loudspeaker: "This is a bad day for America," they recalled him saying. "The United States is under terrorist attack."

Atlanta's Hartsfield International Airport, one of the busiest in the world, was ringed by police vehicles. Thousands of stranded passengers thronged the concourses. Service to the airport by the metro Atlanta rail and bus system was shut down as a precaution.

Virtually every car had been rented by midday. Employees at Hertz, the only agency that still had some autos available, yelled out names of people with reservations in the hopes they could give the cars to the dozens of people standing by. Robert J. Lanier, an executive from Fort Lauderdale, Fla., offered rides to south Florida in his rented minivan. "I've got room for eight," he said. Elizabeth Wojtusiak was considering piling in with Mr. Lanier. "It's a little unnerving to fly," she said. "I'd rather drive."

The scene was much the same at other airports. At Detroit's Metro Airport, police canine units were sweeping the terminals. Trash cans were being picked up and put on trucks as a security measure. Hundreds of people were standing around a Northwest baggage claim area, passengers on flights that had been diverted to Detroit and flights that never left the ground. When the flights arrived, luggage was pulled off and piled on the tarmac. Airline workers with megaphones shouted the names of people to come and claim their luggage.

At Dallas/Fort Worth airport, home base for American Airlines, officials worked quickly to ground planes and crank up security measures after the crash. Officials reported that the number of public-safety officers at the airport was nearly doubled from the usual 60 to 65 shortly after the crisis began, not including special security task forces called to duty, such as canine patrols.

Authorities shut down Los Angeles International Airport, evacuating all of the terminals and blocking entrance to the airport. In the morning, the main American Airlines terminal was empty and quiet, with ticket counters abandoned and monitors showing lines of canceled flights. The airlines were directing relatives of possible victims on the Los Angeles-bound flights to toll-free phone numbers that told them where to gather. The few family members who appeared at the airport were ushered into a private area by police.

Officials at San Francisco International Airport were still trying to evacuate airport terminals at noon PDT. In the international terminal, a young French couple in their 20s was trying to return to Paris, haggling with Air France agent Oliver Bauer, who explained in French: "No flight arrives or departs until the U.S. government decides." He handed them a sheet of local hotels with phone numbers.

In the domestic terminal, United Airlines personnel set up a holding room in a red-carpet lounge for friends and relatives of Flight 93—the flight bound for San Francisco that crashed near Pittsburgh. A man waited for them there with a black jacket emblazoned ATF chaplain in yellow letters.

calls were blocked on its network within an hour after the initial explosion, while Verizon said equipment serving about 40,000 lines was destroyed when the second building collapsed. The attacks also destroyed several large cellular-phone towers on the roofs of the buildings, knocking out mobile-phone access throughout the city for much of the day.

It is unclear how soon full service will be restored, though all three companies said they were routing calls through other cities and locations. The companies also said they hoped to replace the equipment as soon as possible. AT&T, for instance, said that a fleet of specially equipped 18-wheel trucks that it typically sends to the sites of natural disasters was en route to New York yesterday. The trucks can temporarily replace nearly any piece of telecommunications equipment and handle both voice and data traffic.

Dale Hatfield, former chief engineer for the Federal Communications Commission, said the difficulties callers across the country encountered was the inevitable result of a sudden spike in usage.

"It's statistically impossible to provide enough lines to connect everyone, so the networks are built around the fact that the whole country doesn't simultaneously call Washington or New York," he said.

Mr. Hatfield said advanced routing and switching equipment had prevented a much greater telecommunications breakdown. The equipment allowed phone companies to preserve capacity for emergency communication by blocking inbound calls to New York and Washington and giving priority to outbound calls by medical, governmental and security personnel in the two cities. He said the equipment also allowed the companies to route traffic through intact networks and equipment in other areas.

Telecommunications difficulties also spread overseas. Callers throughout Europe reported difficulty reaching numbers in the U.S. following the incidents, as European domestic networks and possibly also trans-Atlantic lines buckled under the strain. A spokesman for British Telecommunications PLC said its customers were attempting to make 10 times as many calls as usual, or about 250,000 every 15 minutes. A France Telecom spokesman, meanwhile, said French customers had attempted to place 500,000 calls to the U.S. in a single hour yesterday, compared with 20,000 on an average Tuesday. "You multiply that number by the number of countries in Europe and you see what happens," he said.

—Elliot Spagat, Kevin Delaney, Ann Davis and Rebecca Blumenstein contributed to this article.

U.S. Newspapers Resort to Special Editions As Traffic Overwhelms Their Web Sites

By JONATHAN EIG

Staff Reporter of THE WALL STREET JOURNAL

Their Internet sites swamped by traffic, many American newspapers turned to an old-fashioned device—the special edition—to disseminate news quickly on the terrorist attacks.

The New York Post was one of the first major newspapers to hit the streets yesterday afternoon, printing 75,000 copies and selling them throughout the five boroughs of New York. The paper carried a large photo of the second plane striking the World Trade Center and a single-word headline: "Ter-ror."

"This is a terrible, terrible day," said Ken Chandler, the Post's publisher. But, he added, "People are going to be hungry for information." He estimated that the Post, which has a daily circulation of 500,000, might sell twice that number of papers today.

The New York Daily News, meanwhile, was unable to circulate its regular afternoon edition, known as the Express. With all roads in and out of Manhattan closed yesterday, the newspaper had no way to deliver its product from its printing presses in New Jersey.

The Washington Post printed a special edition yesterday afternoon, but the New York Times and USA Today did not.

The Chicago Tribune actually printed two special editions, one early in the afternoon and another in the evening. The newspaper printed about

Panicked Phone Traffic Jams Lines in Northeast

By YOCHI J. DREAZEN

Staff Reporter of THE WALL STREET JOURNAL

The terrorist attacks on New York and Washington strained the nation's telecommunications systems, knocking out telephone and wireless service across the Northeast for hours and making it almost impossible for millions of Americans to check in with loved ones in the two cities.

As news stations went live with images of the catastrophic attacks, traffic on the nation's telephone and wireless networks skyrocketed as anxious Americans began placing calls to friends and family members in New York and Washington. None of the networks broke under the strain, but the resulting congestion made it nearly impossible for many calls to go through. "There isn't really a lot we can do," said Verizon Communications Inc. spokesman Eric Rabe. "We have just incredible volumes of traffic."

AT&T Corp., for example, said its long-distance network carried an average of four million calls every five minutes after the attacks, double the normal call volume, with traffic heaviest in New York and Washington, according to company spokesman Dave Johnson. "The system is just overloaded," he said.

The nation's cellular networks were the hardest hit, with wireless users in cities

throughout the country reporting an inability to make or receive calls. In New York, survivors of the attack stood in long lines near banks of pay phones across the city as they tried to relay that they were safe. Jared Forman, a 26-year-old paralegal who was standing in a line in Brooklyn, said he tried to call his mother from his cellphone at least a dozen times, but gave up after hearing only busy signals.

Because of widespread cellphone problems and heavy volume, Verizon, New York, said it was making calls from its 4,000 Manhattan payphones free for the duration of the emergency. The company said the payphones would be able to receive incoming calls indefinitely. Normally, Verizon payphones, like those of other major carriers, don't accept such calls.

Aside from the unprecedented levels of congestion, the nation's telecommunications infrastructure was also battered by the destruction of large amounts of telephone and wireless network equipment. In New York, tens of thousands of business customers of Verizon; Sprint Corp., Kansas City, Mo.; and AT&T, New York, lost local phone service because the attacks destroyed network switching equipment the companies maintained in the World Trade Center.

Sprint, for example, said about 75,000

ees via the Internet. Within 90 minutes, she had found all but two employees through e-mail or instant-messaging programs. With her cellphone useless and her ordinary phone operating intermittently, Ms. Peluso also found employees traveling in Louisiana and Kentucky via the Web.

Internet operators said they saw a surge in traffic as computer users flocked to news sites for updates and turned to e-mail and instant-messaging services to replace telephones. An AT&T Corp. spokeswoman said traffic on its Internet backbone doubled. A Yahoo Inc. spokeswoman also said use of its instant-messaging service surged.

Some news Web sites were almost impossible to reach for several hours because of heavy traffic, according to Keynote Systems, which monitors Web performance. Search engine Google at one point directed news seekers to get off the computer and turn on radio or television. Computer users who wanted to donate blood found the Red Cross site difficult to reach. But a Keynote spokeswoman said the company didn't see "any significant problems" on the Internet backbone.

For just getting in touch, however, nothing could match the Internet for much of the day. Allan Hickok, an analyst with U.S. Bancorp Piper Jaffray in Minneapolis, spent much of the morning sending two-word e-mails to friends and colleagues in New York via his pager: "You ok?" Compared to the constant busy signals he heard on the phone, Mr. Hickok said e-mail was effective and his pager "phenomenally effective."

Rusty Rueff, an executive at Electronic Arts Inc., Redwood City, Calif., was stuck in a United Airlines plane on the tarmac of the Indianapolis airport after his 8 a.m. flight bound for San Francisco from New York was diverted there. Cellphone service was spotty, but Mr. Rueff used his BlackBerry to get in touch with his wife and colleagues.

David Smith, chief executive of Mediasmith Inc., a San Francisco online advertising agency, used instant messaging to find the five employees of Mediasmith's midtown New York office before they were evacuated. "I feel better knowing what their situation is," he said.

Michael Demetriou, a 26-year-old Chicagoan who recently relocated from Manhattan, found 25 friends in New York via e-mail and instant messaging. At one point, he had 14 simultaneous instant-messaging screens on his computer.

Mr. Demetriou was especially concerned about a friend who works across from the World Trade Center. Sending that friend an instant message, he was relieved to receive a message in return that read, "I'm alive and OK."

—Mylene Mangalindan, Dennis Berman, Shirley Leung, Deborah Solomon and Khanh Tran contributed to this article.

Air-Cargo Systems Face Logjam Following Halt of Airline Traffic

By RICK BROOKS

Staff Reporter of THE WALL STREET JOURNAL

The shutdown of the U.S. air-traffic system paralyzed millions of packages, high-priority mail and other cargo moving through U.S. skies. Even if the shutdown ends quickly, it could take days to clear the logjam in the nation's high-speed freight network.

FedEx Corp., United Parcel Service Inc. and other air-freight carriers were forced to idle planes after the attacks occurred, stranding enormous loads of cargo. FedEx, Memphis, Tenn., transports about 3.2 million units of its daily volume of 4.7 million packages by air. It also transports roughly three million pieces of Priority Mail and Express Mail a day for the U.S. Postal Service. Atlanta-based UPS flies about two million of its average daily load of 13.2 million parcels.

Yesterday's attacks threw deliveries across the country into disarray, with FedEx, UPS and Airborne Inc., Seattle, suspending their time-specific guarantees on shipments.

"We're going to do our best," a FedEx spokesman said, adding that delivery of most air shipments will be delayed by 24 to 48 hours. UPS, which stopped making deliveries in New York City and parts of Washington, D.C., shortly after the attacks, said it "cannot assure scheduled delivery times ... until further notice."

The shutdown could wrench the supply chains of many U.S. companies. Parcel carriers carry about 10% of the nation's economic output at any given time, and companies rely heavily on them, particu-


larly for the most advanced just-in-time manufacturing systems. "The effect could ripple for weeks," said Edward Moriok, a transportation and systems-engineering professor at the University of Pennsylvania in Philadelphia.

The grounding of all air traffic sent the air-cargo companies, which fly most goods in the middle of the night, scrambling to shift shipments onto slower-moving trucks before nightfall.

Trucking company M.S. Carriers Inc. said it agreed to haul some shipments for air-freight companies. Mike Starnes, chief executive of M.S. Carriers, a subsidiary of Swift Transportation Co., Phoenix, said the company is maintaining normal operations in most of the country but that any shipments in the New York area are being held in various locations away from the city. Some of the company's drivers were temporarily stranded in the New York area, but none were in Manhattan at the time of the blasts, he said.

FedEx planes flying yesterday morning were carrying overnight and second-day freight, a spokesman said, and many returned to the company's primary hub in Memphis. The two dozen UPS planes in the air when the attacks occurred landed "at the nearest airport," a company spokesman said.

It could be a struggle to return package-delivery operations to normal even if the shutdown ends quickly. UPS suffered for months following a 15-day nationwide Teamsters strike in 1997, and the widespread closings of businesses across the country could result in a flood of shipments as those companies return to work.



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A DAY OF TERROR

The Eye of the Storm: an Account of Utter Destruction

Continued From Page A1

sky, coughed from the building southward, landing blocks away.

By the time I'd gotten to the ninth floor of the Journal's building and taken a position at a window in the northeast corner, diagonally across an intersection from the World Trade Center, the conflagration was well underway. Great clouds of smoke pushed skyward. Intense flames were consuming higher floors above the crash site. Debris was falling onto the streets—huge chunks of metal clanged as they hit the earth. Office papers littered the ground. Cars in a nearby parking lot—a full two city blocks from the explosion—were aflame.

I called our partner, CNBC, the business news television service, and began reporting the scene from inside our offices, beneath the burning structure. Then suddenly—as suddenly as the first explosion—I saw the second tower erupt in flame, sending more debris crashing southward. This time, the television cameras, located in midtown Manhattan and pointed south, caught the image of a commercial jet veering into the second tower.

Evacuations were emptying buildings on both sides of the street, and fire trucks,

Emergency Medical Services vehicles and police cars were crowding the area in front of the World Trade Center. Traffic was halted many blocks north and south.

Then, as the fires worsened, and the smoke got blacker and thicker, the first of the office workers began to jump. One at a time, a few seconds apart.

Unknown to the dozens of firefighters on the street, and those of us still in offices in the neighborhood, the South Tower was weakening structurally. Off the phone, and collecting my thoughts for the next report, I heard metallic crashes and looked up out of the office window to see what seemed like perfectly synchronized explosions coming from each floor, spewing glass and metal outward. One after the other, from top to bottom, with a fraction of a second between, the floors blew to pieces. It was the building apparently collapsing in on itself, pancaking to the earth.

This was too close. Uncertain whether the building would now fall on ours, I dove under a desk. The windows were pelted by debris, apparently breaking—I'd never know for sure. The room filled with ash, concrete dust, smoke, the detritus of South Tower. It was choking, and as more debris rained down onto and into the building, the light of the day disappeared. I crawled on the floor and braced myself under a desk deeper in the office. But the air was as bad.

With my shirt now over my mouth in the blackout of the smoke, unable to do more than squint because of the stinging ash, and thinking that this is what it must

On the sidewalk, inches of ash layered on the ground. Smoke and dust clouded the air. My throat stung as I worked my way past ambulances and EMS workers who had been caught outside when the tower collapsed. Emergency workers tried to find colleagues. In the silence, as the ash fell like snow, radios crackled: "Steve, Steve, where are you?"

be like on the upper floors of the Towers, I realized I had to move. I stood up from under the desk and began feeling the wall and desks, trying to orient myself in the now pitch-black cubicle world of our modern office. Disoriented, I twice passed by the entryway to this particular corner of the ninth floor. And then I was through, by accident, into a larger space with more air.

The smoke had spread over the entire floor, which had been evacuated minutes before. In the emergency stairwell, still thinking that it was a matter of time before our building was crushed, I breathed in my first clear air. At ground level, though, it was a different story.

Outside on the sidewalk, the scene looked like Pompeii after the eruption of Mount Vesuvius. Inches of ash on the ground. Smoke and dust clouding the air. My throat stung as I worked my way past ambulances and EMS workers who had been outside when the tower collapsed.

The emergency workers were trying to find colleagues. In the silence, as the ash fell like snow, radios crackled: "Steve, Steve, where are you?"

One fireman bashed through a door of a nearby diner, and a handful of us took refuge from the outside air. We opened the restaurant's cooler, distributed water bottles, and took some outside to give to the ambulances. I asked what had happened to the people evacuated from the Journal's building, my colleagues. Did they get away? No one knew.

I stepped into one ambulance with water and asked for a surgical face mask. I was handed several, and later passed

of concrete and metal fell from the sky behind us and roared up the street and into the building's courtyard all around us. Debris fell against the shirt on my left shoulder—I couldn't push it any harder against the building.

After two minutes, we all went down, in a collective crouch, and tried to breathe. The building had stopped falling. The roar had subsided. But the smoke and ash seemed as dense as tar, far worse than in the building when the first tower fell. We all were wearing the tight-fitting surgical masks which, with shirts pulled up over our faces, made the difference.

Hyperventilating from the sprint and the fear, the group concentrated on not panicking. Our leader, the fireman who warned of the glass, yelled out in the dark: "Is anybody hurt? Try to breathe through your nose!"

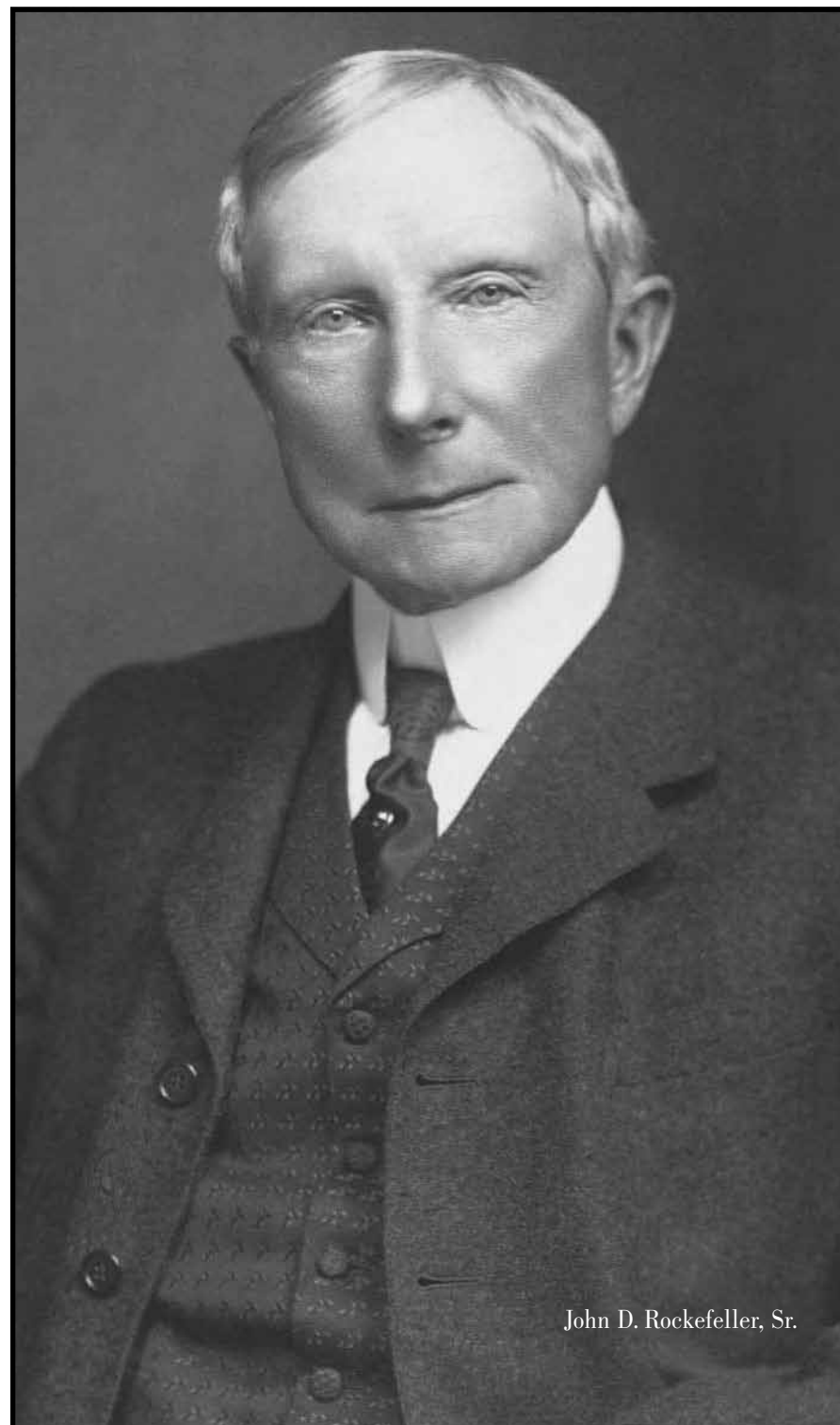
In the blackness, he tried his radio: "Mike! Mike! Where are you?" No answer. Again, and no answer. My hand was on his trembling back, the better to brace myself, and I thought about asking him how long these blackouts and ash clouds could last. Then I realized the full ridiculousness of the question. How would he know? How often does a 110-story building collapse to the ground. I honestly wondered whether I'd survive long enough for the air to clear.

Mike finally answered the radio and was wearing a respirator. He also had a flashlight. And so eventually he found us. Blinded by the ash in our eyes, we stood up as a line, each put a hand on the shoulder of the guy in front, and let Mike lead us out of the darkness into the lobby of a building 20 steps away.

We poured water into our eyes, and shook ash from our clothing and hair. I looked for Mike to thank him, but he had already left to help an injured EMS worker on the street.

A young man in the lobby, apparently missed in the evacuation, held his daughter, a little blond-haired girl perhaps two years old. She was crying.

An older man who had also sought shelter was raving uncontrollably nearby. We calmed the older man, and the girl stopped crying.



John D. Rockefeller, Sr.

Attack Brings Closings Across the Nation and Overseas

A WALL STREET JOURNAL NEWS ROUNDUP

U.S. reaction to the mass terrorist attacks went far beyond the target locations. Across the nation, companies shut offices, stores and factories, sent workers home and tightened security. Local officials in major cities put police on alert, as federal and state government offices closed. Schools in some cities closed, and major-league baseball canceled all games for the first time since the 1945 death of President Franklin D. Roosevelt. Walt Disney Co. closed its theme parks in Orlando, Fla., and Anaheim, Calif.

Even overseas, business in London's financial district ground to a standstill yesterday afternoon, as traders and salesmen, stymied by clogged up telephone lines, resorted to watching stunning footage on television of the terrorist attacks and the damage they wreaked. Although most European markets officially remained open, most found it difficult to do much business. Several companies shut down early, and staff at others were glued to television screens for news updates. One German fund manager shrugged off calls, saying it was "wrong to be talking about stocks when thousands of Americans are dying."

In Japan, where the economy is already stumbling, financial markets and business leaders worried about the fallout from the attacks.

In New York, companies with offices in the World Trade Center towers scrambled to account for employees amid the devastation. Because of the centrality of the city—and the now-destroyed World Trade Center itself—to the global financial industry, the attacks will have broad impact on banks, brokerage firms and other businesses around the world. Japanese banks have extended billions of dollars in loans to U.S. borrowers; U.S. inves-

O'Neill Praises Financial Systems' Resilience

Dow Jones Newswires

WASHINGTON—U.S. Treasury Secretary Paul O'Neill said U.S. financial systems reacted "extraordinarily well" after terrorists attacked the U.S.

"Our nation's financial markets are strong and resilient. In the face of today's tragedy, the financial system functioned extraordinarily well, and I have every confidence that it will continue to do so in the days ahead," Mr. O'Neill said from Japan, where he had been participating in bilateral meetings with the Japanese government. The Treasury said he will remain there until further notice. U.S. financial markets including the New York Stock Exchange shut down and will stay closed today.

U.S. financial regulators issued a rare joint statement to address the day's events, as they did during the 1987 stock-market crash and most recently when hedge fund Long-Term Capital Management precipitated a global financial crisis.

"The United States Treasury, the Federal Reserve Board, the Securities and Ex-

change Commission and the Commodity Futures Trading Commission support the decisions of the nation's futures and securities markets to remain closed [on Wednesday] in light of today's tragic and extraordinary events. We have every confidence that trading will resume as soon as it is both appropriate and practical," said the four groups, which make up the President's Working Group on Financial Markets. The New York Stock Exchange, the Nasdaq Stock Market and the American Stock Exchange all will be closed today in the wake of the disaster.

In a statement, the Fed announced: "The Federal Reserve System is open and operating. The discount window is available to meet liquidity needs." The mutual-fund industry's trade group, the Investment Company Institute, put out a statement mourning the loss of life, and added: "Mutual funds will be ready to resume business as soon as the U.S. financial markets reopen. ... Investor transactions will be handled in an orderly fashion and computed at the next available market price."

"We cannot let terrorists close down the U.S.; we cannot shut down," said Mr. Ellison, who saw the first news while he was online early this morning. He said all Oracle offices will remain open, though he has told employees they may go home if they need to. "We will do everything we can to keep going."

In the U.S., the sudden shattering of the country's usual sense of security brought much normal commerce to a halt, from coffee shops to the head offices of global titans.

"We don't fully know yet what we're dealing with. For everyone, this is a traumatic experience. This is the first time in a long time anything as devastating as this has occurred on American soil, especially aimed at civilians," said Orin Smith, chief executive officer of Starbucks Corp., Seattle. Starbucks closed all of its stores across the country early yesterday afternoon, Mr. Smith said. Earlier

in the day, the company closed its four stores near the World Trade Center following the crashes. None of its employees were hurt in the New York disaster.

Evacuations occurred all over the country, even in areas far removed from Manhattan.

Gillette Corp., citing "heightened concerns" among employees, used public-address systems to evacuate about 1,000 employees at its two main Boston offices. So many local businesses closed that the Massachusetts Turnpike, a major east-west artery, was "an absolute parking lot" by noon, Gillette spokesman Eric Kraus said.

In Detroit, Ford Motor Co. and DaimlerChrysler AG's Chrysler group shut down their head offices and canceled production yesterday afternoon at North American plants. General Motors Corp. allowed employees at its imposing downtown Detroit tower complex go home, as Detroit police stepped up security. Many senior auto-industry executives were out of the country at the time of the attacks, attending the Frankfurt Motor Show.

In Miami, government officials activated the county's emergency-operations center, and ordered most county buildings, including the main courthouse and county hall, located downtown, to be evacuated. Many other office workers down-

IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

Originating Summons)
Number 601322 of 2001)

IN THE MATTER OF SECTION 210 OF THE
COMPANIES ACT (CAP. 50) OF SINGAPORE

And

IN THE MATTER OF OMNI INDUSTRIES LIMITED
(RC NO. 199504780K)

..... Applicant

NOTICE IS HEREBY GIVEN that an application by Originating Summons has been made by the Applicant to the High Court of the Republic of Singapore on 11th September, 2001 for approval under Section 210 of the Companies Act, Chapter 50 of the Scheme of Arrangement dated 17th August, 2001 (the "Scheme") between (i) the Applicant, (ii) the holders (the "Shareholders") of its ordinary shares of S\$0.10 each and (iii) Celestica Inc.

NOTICE IS FURTHER GIVEN that the said application is directed to be heard before the High Court, located at St. Andrew's Road, Singapore 178957, on 19th September, 2001 at 10.00 a.m.

Any creditor of the Applicant or Shareholder desiring to oppose the making of an Order for the approval of the Scheme should appear at the time of the hearing in person or by counsel for that purpose and a copy of the Originating Summons and the Scheme will be furnished to any such person requiring the same by the undermentioned solicitors on payment of the regulated charge for the same.

Dated this 11th September, 2001.

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36, Robinson Road, #18-01,
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A DAY OF TERROR

Bush Says 'Our Nation Saw Evil' But Isn't Frightened Into Chaos

By JEANNE CUMMINGS AND JIM VANDEHEI
Staff Reporters of THE WALL STREET JOURNAL

WASHINGTON—President Bush expressed the nation's horror at the wave of terrorists attacks in New York and Washington, but said those who committed the attacks did not "frighten our nation into chaos and retreat."
"Today our nation saw evil. The very worst of human nature," Mr. Bush said. And, when assessing blame for the acts, "we will make no distinction between the terrorists who committed these acts and those who harbor them."
The president's comments came at the end of an exhausting and frightening day for his administration and the nation. After the wave of morning attacks, Mr. Bush activated an emergency response plan that relocated most government leaders into "secure" locations and sent the president on an unusual airplane ride across the country as he returned from a trip to Florida to promote his education program.
"Today, our fellow citizens, our way of life, our very freedom, came under attack in a series of deliberate and deadly terrorist acts," the president said in a televised address from the White House. The victims were "moms and dads, friends and neighbors, thousands of lives were suddenly ended by evil, despicable acts of terror."
The horrific attacks, he said, "can shake the foundations of our biggest build-

ings, but they cannot touch the foundation of America."

While Vice President Dick Cheney remained at the White House overseeing management of the crisis, Mr. Bush had spent much of the day on Air Force One, with an open line to Mr. Cheney and a heavy military escort on his wing. He landed twice, in Louisiana and Nebraska, at secure military bases so he could conduct private sessions with his national security team and issue a few words of reassurance to the American public.
Mr. Bush was kept outside of Washington to ensure his safety. But it was clear the image of an absent president bothered him. "He understands that at a time like this, caution must be taken," White House spokesman Ari Fleischer said.

During his final flight returning to the White House, President Bush dictated to Communications Director Karen Hughes an outline for the speech. One of his top objectives was to demonstrate that his administration isn't paralyzed by the attacks that destroyed the World Trade Center, damaged the Pentagon and crashed an airliner in western Pennsylvania. The federal government "will be open for business tomorrow," Mr. Bush said, seeking to bring some measure of reassurance to citizens whose sense of security was shattered.
"America has stood down enemies before, and we will do so this time," he said. "None of us will ever forget this day, yet we go forward to defend freedom and all that is good and just in our world."

Health Workers Launch Effort To Treat Injured

By SARAH LUECK
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—Health workers mobilized an unprecedented nationwide effort to treat the thousands of injured taken to hospitals, identify the dead and supply tens of thousands of units of blood in the wake of the terrorist attacks.

More than 2,000 people were reported injured in New York City, and hospitals expected to see more. Blood center officials said immediate needs would be met by available supplies, but they worried that they would run short in the coming days as they face the need to replenish supplies.

Health and Human Services Secretary Tommy Thompson activated all of the nation's 80 special disaster teams. It was the first-ever general mobilization of the teams, which are set up to help during natural disasters, plane crashes and bombings. The teams, made up of 7,000 private-sector medical personnel, were preparing for deployment to New York and Washington as needed. Other teams, including burn and surgery units, as well as forensic doctors and dentists charged with finding and identifying the dead, were told to be ready.

Mortuary Teams Sent

By late afternoon, 300 medical and mortuary personnel were sent to the New York and Washington areas from locations such as Atlanta, Lyons, N.J., and Worcester, Mass. Four teams of doctors and paramedics were sent to the Stewart National Guard Base in Newburgh, N.Y., and three went to the Anacostia Receiving Center in Washington. Seven mortuary teams were also sent—four to New York and three to Washington—to identify victims and prepare them for burial.
"Today's extraordinary emergencies call for extraordinary response," Mr. Thompson said.

"A single area can't handle a disaster of this magnitude—nobody can," said William Cordell, an emergency-room physician from Methodist Hospital in Indianapolis. Two doctors and four paramedics from his hospital were among those pulled off duty to go to the East Coast. "Everyone is just going into disaster mode," he said. "We've been aware of this possibility, and plans have been made."

HHS was working with hospitals in the New York and Washington areas to track their capacity and provide more beds if necessary. Veterans hospitals planned to make as much space available as they could.

Downtown New York hospitals were flooded with hundreds of people injured in the attack on the World Trade Center. "All of our hospitals are in emergency mode," but people were staying surprisingly calm, said Brian Conway, a spokesman for the Greater New York Hospital Association.

The New York University downtown hospital, less than five minutes from the blast, treated some 300 patients shortly after it occurred. Some had broken bones and lacerations; others required major surgery, said a spokeswoman. At NYU Medical Center's main campus, the emergency room had seen about 100 patients by mid-afternoon—not the massive influx staff had been expecting. "I have this horrible feeling that we don't have as many wounded. It is a little eerie," said Lynn O'Dell, a spokeswoman.

The Virginia Hospital Center in Arlington, Va., the official treatment location designated for the Pentagon casualties, reported seeing 37 injured people by last night. Eight people were in the intensive care unit and two were in surgery, a spokeswoman said. The hospital discharged 18 people and had seen no fatalities, she said.

Transportation Problems

Jerry Squires, vice president and chief scientific officer of the American Red Cross, said the group, which supplies about half of the nation's blood, had enough on hand to respond to the emergencies. But he noted that problems developed in transporting the blood through the clogged cities and closed bridges and tunnels. Blood was coming to New York and Washington from centers in places such as Boston and Charlotte, N.C. "We have blood in boxes on trucks... they are ready to get to the doorstep," he said. The Red Cross was working with the military to organize transport, he said.

Meanwhile, blood centers in Washington and New York were overwhelmed with visits and calls from people wanting to donate blood to those injured in the attacks. The American Red Cross anticipated providing 60,000 to 80,000 units of blood to New York and Washington. At the New York Blood Center, the wait to give blood yesterday afternoon was about five hours, and people with rare O-negative blood types and regular donors were moved to the front of the line.

Even during the crisis, New Yorkers' trademark pishness shined through. At New York Methodist Hospital in Brooklyn, which has been placed in "disaster mode," the entrance was crowded with potential donors. When guards asked potential donors to come back in the morning, people weren't easily turned away.

The National Institutes of Health opened its Bethesda, Md., campus to accept blood donations, but asked people to call first.

"Over the next week or two we are very desperately going to need people to donate," Dr. Squires said.

—Jill Carroll, Kelly Greene, Queena Sook Kim, Lucette Lagrado and Laura Landro contributed to this article.

Broadcast, Cable Networks Call a Truce, Agreeing to Cooperate to Get Story Out

By JOE FLINT AND SALLY BEATTY
Staff Reporters of THE WALL STREET JOURNAL

The broadcast and cable networks decided to put aside their relentless competition as they entered an unprecedented agreement to make all their footage available to one another in the wake of yesterday's terrorist attacks.

All of the major networks—Viacom Inc.'s CBS; General Electric's NBC, CNBC and MSNBC (a joint venture with Microsoft Corp.); Walt Disney Co.'s ABC; AOL Time Warner Inc.'s CNN; and News Corp.'s Fox and Fox News—went into blanket coverage mode soon after the first plane struck the World Trade Center shortly before 9 a.m. EDT and carried live the second plane crashing into the south tower. The decision to seek a treaty on competition was pitched by Don Hewitt, executive producer of CBS's "60 Minutes," to CBS News President Andrew Heyward, who then called his rivals. All agreed.

"Let's get people whatever information we can," Mr. Heyward said of the decision.

"National interest must be served in a story of this magnitude. Standard competitive issues fall by the wayside and the need to inform thoroughly takes priority," said Erik Sorenson, president of MSNBC. That goes for cost as well, as all of the networks are spending millions and millions of dollars to cover the event, as well as losing millions of dollars by dropping all commercials yesterday.

All of the networks scrambled to cover the story, while coping with extraordinary logistical challenges. In CBS's crazed control rooms, producers scrambled to get in-

terviews for anchor Dan Rather while keeping tabs on what was going on at the scene. At one point, Mr. Rather had to put Sen. John McCain (R., Ariz.) on hold to switch to a news conference being held by New York Mayor Rudolph Giuliani.

A CBS correspondent, Carol Marin, barely dodged a fireball as she tried to make her way to the World Trade Center for the network, and another, Eric Shapiro, was directing coverage of the event while waiting to hear if his daughter, who goes to school near the World Trade Center, was safe, which she was.

At MSNBC, the news channel's staffers were grabbing their own cameras at home to shoot footage. NBC has robotic stationary cameras mounted around the New York area, which also were in use. These have helped take the place of helicopters, which normally would be used in an emergency but have been grounded by the Federal Aviation Administration.

Walter Isaacson, chairman and chief executive of the CNN News Group, said the network has deployed all eight of its satellite video phones, which provide jerky images but allow camera crews to uplink images without cumbersome satellite trucks. The network also is busy collecting amateur video, including close-ups of both planes crashing into the two towers, that it planned to air on CNN last night. Mr. Isaacson said CNN began simulcasting on TBS, TNT and CNNfn at about 10 a.m., something the network has never done before.

Barbara Olson, who died on one of the hijacked planes, was a contributor to CNN, Mr. Isaacson said. Active in the Republican Party, she was the wife of U.S.

Solicitor General Theodore Olson, who argued President Bush's case before the Supreme Court during the presidential-election dispute.

Besides pre-empting all of their own programming and commercials, the networks took the unusual step of using sister entertainment cable networks to carry coverage. Music channels MTV and VH1 both dropped regular programming to carry the feed from sister network CBS. ABC used ESPN as its cable news channel, while Fox dumped programming from its FX entertainment channel to carry Fox News Channel fare.

News Corp.'s WWOR New York was knocked off the air because its antenna was on the World Trade Center and hence has no coverage.

All of the networks are sticking with around-the-clock coverage for the time being. "We're not sure yet when it will end," said Bill Wheatley, executive vice president of NBC News.

Interestingly, while the networks all rolled out their star anchors, ABC, CBS and NBC stations in New York often relied more on local coverage than their own network's national feed.

Future programming also will be affected by the attacks. This Sunday's broadcast of the prime-time Emmy awards on CBS has been delayed for at least a week, and there was talk in Hollywood of postponing the traditional start of the new TV season, which is this Monday. Major League Baseball canceled yesterday's games and the National Football League was undecided about whether it would play games this Sunday.

Some of the networks are wary about some of their new shows. Fox has a CIA drama called "24," in which an agent tries to stop the assassination of a presidential candidate and in the first episode a terrorist blows up a passenger jet. The network has pulled some of the promotions that featured the explosion, a spokesman said.

United Flight 93's Pennsylvania Crash Site Is Being Treated as Crime Scene by FBI

STONEY CREEK TOWNSHIP, Pa. — The Federal Aviation Administration wouldn't say late yesterday whether the United Airlines Boeing 757 that crashed here was part of the same suspected terrorist plot that flew two commercial jets into the World Trade Center and another into the Pentagon.

But the Federal Bureau of Investigation, with 20 agents at the site, said that it was treating the crash as a crime scene. The

By Wall Street Journal staff reporters Timothy Appell, Patricia Davis and Robert Guy Mathews.

crash killed all 45 people on board. Early reports indicate that there were no ground fatalities.

United Flight 93, scheduled to fly from Newark, N.J., to San Francisco, crashed in a remote strip-mine field about 80 miles southeast of Pittsburgh. Rep. James Moran (D., Va.) speculated that the jet was under the control of hijackers, and that an intended target could have been Camp David, the presidential retreat in the mountains of southern Maryland.

The 757 was spotted around 10 a.m. flying off course above the John Murtha Johnstown-Cambria County airport, about 20 miles south of the crash site.

"He was at 6,000 feet descending toward

our airport," said Joe McKelvey, the airport director. "We didn't hear anything at all. We just got a call from the Cleveland air-traffic control center above our air space saying it was just north of us and heading our way. We were very concerned at the time."

Mr. McKelvey said that the Cleveland air traffic control center had said that it had lost radio contact with the 757 but was still tracking the plane. As a precaution, the air traffic control tower in nearby Pittsburgh, a major hub for commercial airlines, was evacuated.

The 757 apparently didn't attempt to communicate with the Johnstown airport officials. The plane passed over the airport, continued to descend and then flipped a clump of trees, crossed a road and finally broke up on the strip-mine field, owned by PBS Coal. There was only one small shed-sized building near the crash site and that was unoccupied. Observers said that the crash sounded like dynamite exploding, and the site was then engulfed in a fireball.

Mark Stahl, a photographer for Stahl Oil Co., was one of the first to arrive on the scene and snapped pictures of the downed plane. He showed color photos of wreckage surrounded by a crater and flames. The FBI seized a 911 tape from an apparent call about the crash, said FBI agent-in-charge Well Morrison. About 100 Pennsylvania State troopers secured the crash site.

Attacks Raise Fears of a Recession

Continued From Page A1
said Edward Leamer, a professor of economics and statistics at University of California at Los Angeles and director of the UCLA Anderson Business Forecast. Disasters such as the Northridge, Calif., earthquake in 1994 "hardly show up in the economic data. I would expect this to be one of those events."

Oil Prices Could Rebound

Another negative could be a rebound in oil prices as political tensions rise again in the Mideast. Brent crude-oil futures surged \$3.60 to \$31.05 a barrel after the attacks, before closing at \$29 a barrel in Europe. But the secretary-general of the Organization of Petroleum Exporting Countries said the group is prepared to take necessary measures to stop world oil prices from spiking.

Business investment, already contracting, could get hurt further. "With these four hijackings of commercial East-to-West Coast flights, how can anyone get on a plane to conduct and close business?" said David Readerman, an analyst at investment bank Thomas Weisel Partners in San Francisco. "A lot of phone and video-conferencing with clients. Increase spending on security of all kinds: hardware, software, etc. [It's] truly stunning—we've all flown on these flights, been in the World Trade Center with clients. [It's] difficult to comprehend the scale and scope of loss of life."

The initial impact on the economy may be more akin to a hurricane or earthquake: Economic activity in affected sectors and regions will slow sharply, but there might be some offsetting increases in spending to repair the damage.

Carolyn Gorman, vice president in Washington for the Insurance Information Institute, a trade group, said the attacks amount to the most-costly man-made catastrophe ever in the U.S. The other major ones have been the Los Angeles riots, \$775 million in insured loss; the 1993 World Trade Center bombing, \$510 million; and the Oklahoma City bombing, \$125 million. The longer-term impact will depend partly on how economic policy makers respond. The blow almost certainly guarantees that the Fed—and central banks around the world—will cut interest rates even more than had been expected in order to maintain the smooth working of the world financial system.

Recession, or War

The tragedy will also lead to more fiscal-policy support for the economy, ending the bitter partisan bickering that was steering politicians toward embracing growth-dampening budget surpluses. President Bush has argued for easing tight fiscal limits in the case of recession or war. The first was already perilously close before yesterday's events. The second, in some form, is here. Defense spending in particular—which had been considered a likely victim of the obsession with fiscal austerity—will likely get broad, bipartisan support.

"This is when we need leadership," said Mr. Sohn of Wells Fargo. "How well the White House, Congress and the Federal Reserve manage this crisis will determine how short or long the damage is going to be."

—Rebecca Buckman and Sheila Muto contributed to this article.

Crude-Oil Prices Soar Amid Fear Supplies Could Be Disrupted

Continued From Page A2
Chicago to cover for the NYMEX. But most of the focus in the U.S. will shift to the physical markets, such as West Texas Intermediate, which tracks closely with NYMEX crude futures contracts. Online exchanges such as Enron Corp.'s EnronOnline and Dynegy Inc.'s Dynegydirect, where traders can trade away from the NYMEX floor, will also be tested, said an executive at a Houston energy company. Yesterday, however, Enron's service was down because the company's Houston building was evacuated.

—Bhushan Bahree in Paris and Thaddeus Herrick contributed to this article.

Hour of Horror Forever Alters American Lives

Continued From Page A1
lot of other countries have gone through: to manage fear at a cultural and national level," said Charles Figley, a professor of trauma psychology at Florida State University. "We're getting a lesson in the way fear works."

In a country long proud and even boastful of its openness—a country where an ordinary citizen can stroll through the U.S. Capitol unescorted—the terrorist attacks are likely to force Americans to watch their steps and look over their shoulders. We already do a lot of that. Metal detectors now mark the front door of many government buildings, and security guards are a fixture in the lobby of most large office buildings.

'It's a Test of Us'

But tightening still further carries its own danger of allowing terrorists to change a fundamental of American life. "It's a test of us," said Fred Dutton, a former aide to John and Robert Kennedy who now represents the government of Saudi Arabia in Washington. "Are we going to become insecure, and feel the need to have a less open, government-controlled society?"

"The worst thing we could do is say, 'This is the way things are going to be from now on,'" said Robert Butterworth, a Los Angeles psychologist who heads a disaster response network. Avoiding crowds, popular events and high profile venues like Disneyland or Sea World—which also closed yesterday—is a logical response, but we also "have to figure out constructive things to do," he insists.

Retaliation is another logical response. Indeed, President Bush promised as much. In an example of the country's mood, a scrawled sign outside a blood bank in New York ordered, "Mr. Bush, Bomb the bastards now."

But retaliation carries the risk of setting off a tightening spiral of violence and counterviolence not unlike the Middle East or Northern Ireland. Unlike countries that have had to learn to live with violence, "We are new at this," said Florida's Dr. Figley, who heads a project that has trained trauma teams in Yugoslavia. "My fear is we will overreach and make things worse rather than better by retribution, revenge, racism and marginalizing ethnic groups."

Double Security at Services

That fear is especially true for Jews and Arabs. In Brookline, Mass., Congregation Kehillat Israel, like many other Jewish congregations, plans to double the security detail at next week's services for Rosh Hashanah, the Jewish New Year, and the Yom Kippur holy day 10 days later. Police cars will be stationed outside, and uniformed and plain-clothes police inside.

'It's a test of us,' said Fred Dutton, a former aide to John and Robert Kennedy. 'Are we going to become insecure, and feel the need to have a less open, government-controlled society?'

"I think I now understand what it is like to live in Jerusalem," said the congregation's rabbi, William Hamilton.

Meanwhile, the city of Dearborn, Mich., moved to ensure there isn't a backlash against the city's large Arab-American population by setting up an emergency operations center and putting 22 extra police officers on patrol.

Fear of terrorism is likely to lead Americans to tolerate more government surveillance — such as overhead video cameras at sporting events — than they have to date. "It's very likely in the wake of today's events that we're going to see a greater acceptance on the public's part — and on the court's part — to approve certain kinds of police tactics," said William Stuntz, a Harvard Law School professor.

"Today represents a real change in the world," he added. "It's not possible ever to think of these issues the same way."

In Redding, Calif., the chief of police, Robert P. Blankenship, agreed. "We're not going to be as comfortable and as secure as we once were. Looking at the TV, it's obvious now that we're vulnerable," he said.

Tuesday, Sept. 11, 2001: a Timeline

- **7:58 a.m.** United Flight 175, a Boeing 767, leaves Boston for Los Angeles.
- **7:59 a.m.** American Flight 11, a Boeing 767, leaves Boston for Los Angeles.
- **8:01 a.m.** United Flight 93, a Boeing 757, leaves Newark for San Francisco
- **8:10 a.m.** American Flight 77, a Boeing 757, leaves Washington's Dulles for Los Angeles
- **About 8:50 a.m.** Plane hits World Trade Center, North Tower. Apparently American Airlines 11.
- **About 9:03 a.m.** Plane hits World Trade Center, South Tower. Apparently United 175. (above)



- **9:38 a.m.** American 77 crashes into the Pentagon.
- **About 9:45 a.m.** White House evacuated. FAA suspends all air flights in U.S.
- **About 9:50 a.m.** First World Trade Center collapses.
- **9:58 a.m.** Man on United 93 calls on mobile phone from bathroom: "We are being hijacked."
- **About 10 a.m.** United 93 crashes 80 miles southeast of Pittsburgh.
- **About 10:30 a.m.** Second World Trade Center collapses.

Sources: Associated Press; CNN; airline statements



● **About 9:03 a.m.** Plane hits World Trade Center, South Tower. Apparently United 175. (above)

Stepping up security isn't always possible, though. Fairfax, Va., already posts police officers in its secondary schools; unarmed security officers patrol the district; school doors are locked, teachers and staff wear identity badges. The effectiveness of metal detectors and surveillance cameras isn't proved, and anyway, they "create in kids the sense of a jail," said Daniel Domenech, the superintendent.

Violence From the Outside

Inner-city schools have spent heavily on security technology in the past decade; the Houston school district even has its own SWAT squad. School security has long looked inward for a threat—to students carrying weapons or picking fights. But rising violence from the outside—from disgruntled parents or former employees—is drawing increased attention.

Virginia's Dr. Cornell. Indeed, a New York school was evacuated shortly after the planes hit the World Trade Center tower because of a bomb threat. And in Las Vegas, 30,000 people at the International Banking Expo were turned away from the city's convention center after a bomb threat called in from a pay phone on the center's premises.

Maxine Boarts, 71, a real-estate agent from Pittsburgh on a week-long vacation in Las Vegas wasn't planning to leave until Friday, but is worried about getting a flight home—"if we're not afraid to" get on a plane then. Watching TV from a bar on Bally's casino floor, she said she and five companions considered renting a car to drive home should they need to, but couldn't find a car to rent. It would be a multiday car trip, "but we'd be alive when we get there."

Ms. Boarts wondered if the events will disrupt her grandson's wedding plans next June, but is more concerned about the effect this will have on the nation's psychology. "We'll look at people so differently now," she said. "We're an open people. We're the kind that would talk to anyone. Now, it'll take a second thought."

A few things didn't change yesterday. Gambling at nearly all Las Vegas casinos continued at near normal volumes, although many gamblers watched CNN as closely as their cards. Merrill Lynch & Co. pressed ahead with a media and entertainment conference for about 500 investors at the Ritz-Carlton Hotel in Pasadena, Calif., after heated argument in the lobby between those Merrill officials who wanted to cancel it and Jessica Reif Cohen, a Merrill first vice president, who didn't.

And Americans, as they have in past moments of shared national tragedy, rolled up their collective sleeves. So many volunteers showed up at a Rockville Centre, N.Y., blood bank that overwhelmed staffers began handing out numbers, then turning away donors with anything but O-negative blood, which is accepted by any recipient. Nonetheless, dozens of would-be donors sat in a line of folding chairs that snaked around the building, waiting their turn.

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U.S. Airport Security Fails in Tragic Way

Continued From Page A1

crash, offers little protection. And once hijacked, pilots are trained to cooperate with hijackers.

One pilot for a major airline, who declined to be identified, said that typical pilot training for hijackings focuses only on dealing with perpetrators demanding to be taken to a particular destination. "We're not trained to deal with this type of terrorist activity," the pilot said. "We're trained to deal with people who are deranged or want to go somewhere ... not suicide bombers."

Pilots can alert air-traffic controllers by radio or by secretly entering a special code in the plane's transponder, which broadcasts information from the plane. But there is little else that can be done. No system exists for intercepting a plane in the air.

"Crews would never allow aircraft to run into buildings, they would steer away and divert immediately even with a gun pointed to their head," said Capt. Denis Waldron, a Delta Air Lines pilot. Even untrained pilots could steer an airborne jetliner into a target, he added.

Investigators may only be able to determine what happened aboard the planes if they can recover cockpit voice recorders in the "black box" aboard each plane.

Regardless of who ends up responsible for the attacks, the nation's commercial air-traffic system is bound to be dramatically altered—with the imposition of some time-consuming, intrusive and costly stepped-up security measures as the first step.

"Civil aviation as we know it will change as a result of what happened today. The job of making airports secure is enormous, just enormous," said Retired Adm. Cathal Flynn, the FAA's former associate administrator for aviation security. The biggest obstacle will be deciding what to fix, he said, but that won't happen until investigators can determine how the system failed.

The extra protection could include individual searches of passengers and their belongings. There may be calls for mandatory matching of all passengers and luggage before takeoff—an idea the industry has objected to in the past because it would add to delays. And there is likely to be talk of major efforts to upgrade bomb- and weapons-detection scanners at airports.

Logan authorities said last night that the airport would likely adopt tougher security measures in coming days, including reduced access points to airfields, increased spot checks of luggage and passengers, an end to curbside luggage check-in, a ban on allowing non-passengers through security checkpoints, and stepped-up canine searches for explosives.

In fact, many of these tougher antiterrorist ideas gained prominence and were embraced by many in Congress and the White House during the Gulf War and, again, after the crash of Trans World Airlines Flight 800. In addition to carrying significant price tags, such proposals would fundamentally change the nature of air travel by restricting or eliminating existing conveniences such as curbside baggage checks, or showing up at the gate barely 15 minutes or half an hour before takeoff.

Despite decades of high-level U.S. government concern—and a string of recommendations from blue-ribbon study groups—the focus of attention has tended to be on issues other than potential hijackings of jetliners. Industry officials said not even the worst-case scenarios contemplated the destruction and devastation that occurred yesterday.

Airport security is the joint responsibility of the FAA, airport operators and airlines.

Typically, airlines hire private security companies to run the X-ray machines and metal detectors. The airline with the most flights on a particular concourse is responsible for managing the security screening on that concourse. In addition, major airports are required to have computer-controlled identification badges that enable employers and law-enforcement officials to immediately lock out employees who have been fired.

The GAO, the investigative arm of Congress, identified two important causes for security lapses at checkpoints: rapid turnover of screening personnel and inadequate attention to human factors. From May 1998 through April 1999, turnover more than doubled on average among screeners at 19 large U.S. airports; five airports (Atlanta, Boston, Chicago, Houston and St. Louis) had annual turnover of more than 200%.

Low wages, minimal benefits and daily stress contribute to turnover, the GAO said.

"The fact that there has been no major security incident in the U.S. ... in nearly a decade could breed an attitude of complacency in improving aviation security," Gerald Dillingham, associate director of the GAO, told a congressional subcommittee in April 2000.

At one airport, the GAO said, wages

for airport screeners started at \$6.25 an hour while fast-food-restaurant workers started at \$7. Turnover among screening personnel in Europe and Canada is lower, the agency said, and screening is often more stringent.

The FAA has moved to address GAO-identified shortcomings, the GAO said, but slowly. For instance, the FAA last year was still planning to establish performance standards that screening companies would have to meet to earn and retain certification, an action the GAO recommended in 1987.

FAA spokeswoman Laura Brown said Tuesday that at the time of yesterday's attacks, the agency was preparing to issue rules "in the next week" establishing a certification program for airport screeners.

Congress has also been slow to fill in the gaps in airport security. Legislation signed by President Clinton last year requires all airport screeners and those with access to secure areas to undergo a criminal history record check. But that provision doesn't actually take effect until later this year.

In 1999, the FAA became so concerned about lax security at the nation's major airports that it threatened to force the airlines to post guards at every airplane.

At the time, the FAA said that federal agents were able to sneak 46 times through security doors at four major airports and then walk around on the tarmac. They also boarded 51 planes unchallenged. In response, the FAA ordered increased security at 70 of the largest airports and announced that it would run exercises to test for holes in security.

In a letter to airport directors, Adm. Flynn, who at the time headed the FAA's security, wrote: "Allowing intruders to piggyback through access doors, not challenging intruders on the ramp, and intruders being able to get aboard aircraft combine to make a significant vul-

'We're not trained to deal with this type of terrorist activity,' a pilot said. 'We're trained to deal with people who are deranged or want to go somewhere...not suicide bombers.'

nerability." The breaches were detailed in a confidential report prepared by Inspector General Kenneth Mead of the U.S. Transportation Department.

Agents working for Mr. Mead found that it was possible to sneak through gates for service vehicles or to walk through doors behind airline employees without being challenged.

"Without displaying any identification, the agents roamed the air-operations area, passing 229 employees, but were challenged only 53 times," Mr. Flynn wrote.

In the following months, FAA officials said significant improvements were made at all of the airports, but at the same time, they stressed that vigilance on the part of every employee was necessary if security was to work.

Airport and airline officials have resisted taking the most extreme security measures, saying that they would be incredibly expensive, if not impossible at the larger airports, where as many as 250 airplanes can be on the ground at the same time.

David Stempler, president of the Air Travelers Association, which represents passengers, said that the disaster reflects both a lack of security at U.S. airports and wrong assumptions about likely terrorist attacks.

Mr. Stempler said that most experts whom he heard at security and risk-assessment meetings had assumed that terrorist attacks would come on international rather than domestic flights. Their reasoning was that, once terrorists were inside the country, they wouldn't bother to go to an airport but would bring their weapons straight to the target.

That being said, though, Mr. Stempler believes that security at airports should be upgraded and coordinated nationally rather than leaving it up to international airports and airlines. Also, he said, X-ray machines that require human scanning for guns or knives should be replaced by computers that automatically detect weapons.

"The reality is, we had the facade of security and safety in this country," he said. "We really didn't have a full-blown, intense security system. It wasn't perceived that the risk was there. The public won't accept heightened levels of security and all the inconvenience that entails unless they're convinced there's risk."

Security at major airports has always been a tough issue for the FAA and the airlines. On the one hand, the traveling public expects airports to be absolutely safe, but passengers also expect to be

able to travel with ease.

During the Gulf War, passengers got a glimpse of how inconvenient air travel could be when the government temporarily suspended curbside baggage check-in and prohibited all but ticketed passengers from passing beyond security checkpoints.

Security at Boston's Logan Airport has been a particular issue over the years. In 1998, the FAA investigated a company called Capital Building Security of Boston, which did airport cleaning for the Massachusetts Port Authority, which runs Logan. The company was accused of giving employees security badges and access to secure areas without conducting background checks. Capital Building didn't return a phone call yesterday.

In July 1999, a teenager dressed as a Hasidic Jew scaled an airport fence and walked two miles across a restricted ramp area and stowed away on a British Airways flight to London. That fall, the Boston Globe reported that FAA special agents found at least 136 security violations at Logan from 1997 through 1999. As a result, the FAA reportedly fined major airlines and Massport \$178,000. Agents found that screeners routinely failed to detect test items like pipe bombs and guns, and agents were able to gain access to planes parked overnight at gates and walked through secure doors without being questioned.

Last month, the FAA said it was seeking \$99,000 in civil penalties against American Airlines for allegedly failing to apply appropriate security measures on six flights, including one originating from Boston's Logan Airport. The violations were discovered on June 25, 2000 when FAA special agents found that American improperly transported unaccompanied bags on five flights, failed to perform passenger ID checks on two flights and failed to ask appropriate security questions regarding checked bags on two flights.

The FAA said American took immediate corrective action at the airports where violations were found in order to bring the airline's security measures into compliance.

James F. McNulty, an executive vice president at Burns International Services Corp., which provided preboarding security for American Airlines at Logan airport in Boston through its Globe Aviation Services Corp. unit, said their staff members at Logan didn't report anything out of the ordinary yesterday morning before the hijackings.

"We talked to them first thing this morning. There was nothing unusual," he said.

Mr. McNulty said his company had no information about how the hijackers might have smuggled weapons aboard the plane, or even whether they actually had any weapons. "Your guess is as good as mine." But he noted that there were "hundreds of vendors" at the airfield with access to airplanes, including postal, delivery and food service personnel. (Globe Aviation wasn't in charge of on-tarmac security.)

"You penetrate four airplanes, this was pretty well-planned," he said. Mr. McNulty declined to provide more information on security precautions at Logan or on Globe's operations there, saying his company and American had been advised by the FBI to refer all questions to FBI agents.

Burns International's Globe Aviation Services unit won the contract to provide security services for American Airlines at Logan last year. Both Globe and Burns are units of Sweden's Securitas AB. Burns is based in Chicago.

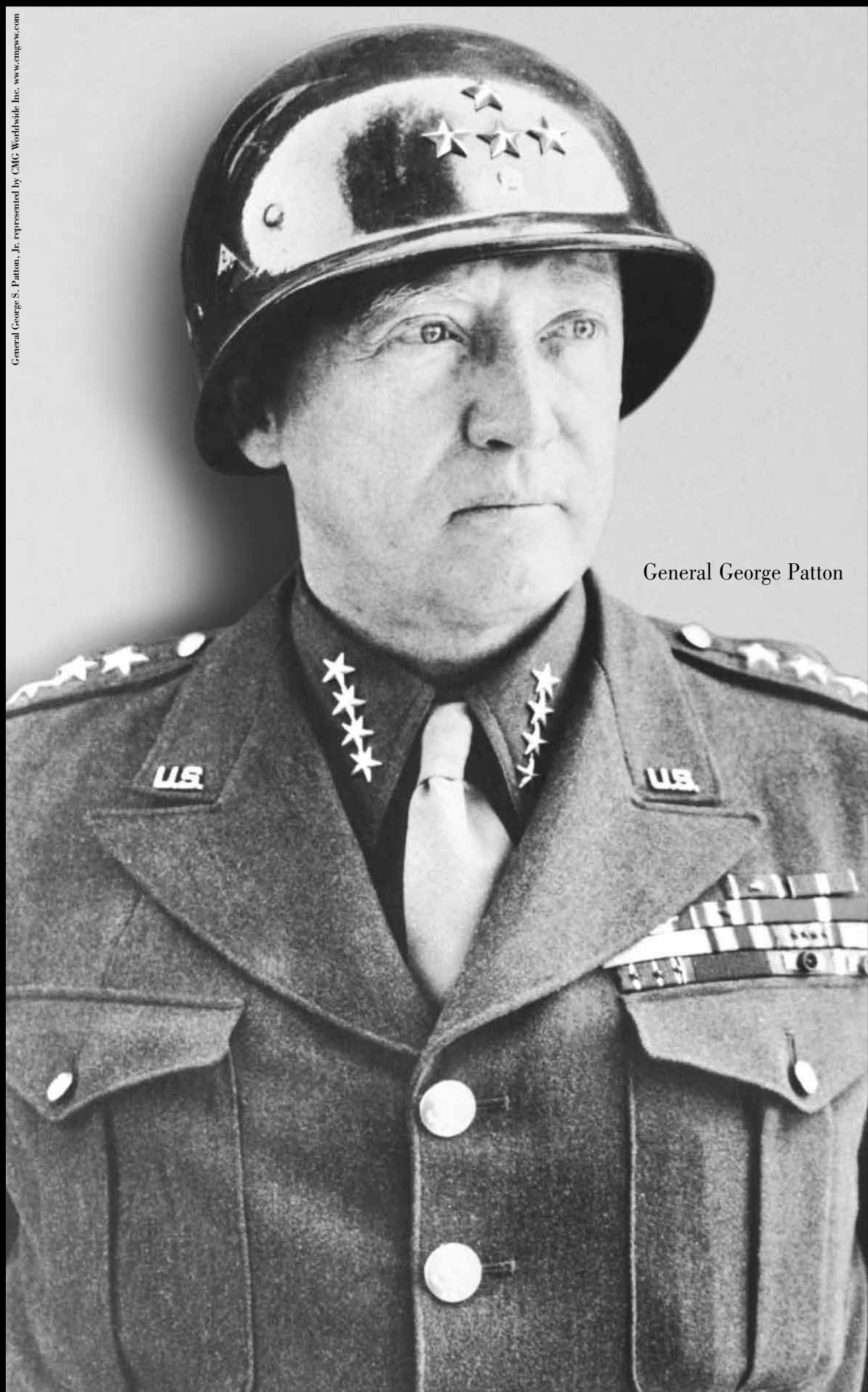
A woman answering the phone at Globe's head office said Ronald J. Harper, president and CEO, was "in a meeting" as were other executives. She said the company had "no comment at this time."

Logan Airport authorities said Huntleigh USA Corp. provides gate and baggage security services for United Airlines. United officials declined to identify the security firm at Logan Airport. Officials at St. Louis-based Huntleigh didn't return repeated phone calls.

At Logan yesterday, Massport security chief Joseph Lawless said the agency would assess security.

"I feel Logan is a safe airport," he said. "We've taken a lot of measures in place to maintain the security of the airport." Mr. Lawless added that he considered Logan "as secure as any other airport in this country."

—Stephen Power in Washington, Nicole Harris in Atlanta and Andy Pasztor in Los Angeles contributed to this article.



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New York City's Commuter Suburbs Worry and Wait

Continued From Page A2

thought America was the safest country. ... I think people will be more cautious and won't assume nothing will happen because it can."

His mother echoed his concern, "Our world as we know it isn't going to be that way for a long time," Lorrie Strauss said.

"I was so scared, because I didn't know where my dad was," said Elizabeth Geiger, at student at Ursuline Academy in New Rochelle, N.Y.

Hunter Blakely, a sixth-grader at Pelham Middle School, said, "I was feeling petrified. I thought my Mom was there and that we were going into a war and that we could get bombed at night."

People worried about neighbors and friends who worked in the World Trade Center. They greeted each other with relief and exclamations of, "Thank God you're OK."

In Rockville Centre, N.Y., a Long Island

suburb of New York City, the train station was unusually silent in the afternoon, because commuters weren't coming home because of canceled trains. A hastily erected marquee-type sign at the station advised residents of the urgent need for blood.

Nearby, at a blood bank affiliated with Long Island Blood Services, so many donors had volunteered that officials were accepting only donors with O-negative blood type, known as universal donors since their blood is accepted by any recipient. Donors with other types of blood were told to return later, or go to nearby hospitals or a Marriott hotel that were conducting blood drives over the next few days, said Susan Arnold, R.N., unit manager for Long Island Blood Services.

Ms. Arnold directed staffers and volunteers, carrying ice into the building, while answering questions from a cancer survivor about whether she could donate blood. More than 100 donors had already given

blood, Ms. Arnold said. Dozens more took numbers and sat on folding chairs that wrapped around the building, waiting their turn. In the street out front, volunteers suggested to people without O-negative blood could donate at a later time—to ease possible future shortages, since donated blood has a shelf life of only a month, and donors must wait 56 days before donating again.

Local restaurants donated food and drinks for the blood donors and blood-bank workers.

The mood was mostly solemn and determined, but signs of anger were also in evidence.

In nearby Oceanside, commuters who did straggle home through the day were greeted by neighbors with exclamations of relief at their safe return, and anxious questions about those who had yet to come home.

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A DAY OF TERROR

Scenes of Explosions and Chaos Shock All of America

Continued From First Page
sands, of people and leaving countless others maimed and burned.

The streets of downtown Manhattan were strewn with body parts, clothing, shoes and mangled flesh, including a severed head with long, dark hair and a severed arm resting along a highway about 300 yards from the crash site. People fleeing the attacks stampeded through downtown and streamed across the Brooklyn Bridge while looking over their shoulders at the astonishing sight of the World Trade Center collapsing in a pile of smoke and ash.

Andrew Lenney, 37 years old, a financial analyst for the New York City Council, was walking to work a few blocks from the trade center when, he said, "I saw the plane out of the corner of my eye. You're accustomed to a plane taking up a certain amount of space in the sky. This plane was huge. I just froze and watched the plane.

"It was coming down the Hudson. It was banking toward me. I saw the tops of both wings," he said. "It was turning to make sure it hit the intended target. It plowed in about 20 stories down dead center into the north face of the building. I thought it was a movie," Mr. Lenney said. "I couldn't believe it. It was such a perfect pyrotechnic display. It was symmetrical."

Outside the Pentagon, hundreds of workers who felt the building shake on impact poured outside amid spewing smoke. Inside, lights had switched off and alarms were blaring. "We heard a loud blast, and I felt a gust of wind," said a civilian Pentagon worker who asked not to be identified. "I heard a loud explosion, and somebody said, 'Run, let's get out of here.' And I ran."

The president learned of the initial

plane crash in New York before joining a class of schoolchildren in Sarasota, Fla. At 9:04 a.m., Chief of Staff Andrew Card whispered word of the second attack into his ear as Mr. Bush was reading to the children. About a half hour later, he appeared on television to inform the nation that terrorists were behind the tragedy. He said he had ordered a full-scale investigation to "hunt down and to find those folks who committed this act."

Shortly before 9 a.m., American Airlines' Flight 11 from Boston, hijacked by suspects with knives, slammed into one trade center tower. Eighteen minutes later—as millions watched the first tower burn on live national television—a second hijacked jet crashed into the other tower. By midmorning, the south tower had exploded and collapsed, raining debris and sending choking dust and smoke across lower Manhattan. Within half an hour, the second tower caved in.

As that scene unfolded, a third hijacked jet crashed into the Pentagon. The side of the building caved in, with secondary explosions bursting in the aftermath and huge billows of smoke rising over the Potomac River, where they could be seen all the way to the White House.

A fourth plane, also hijacked, crashed about 80 miles south of Pittsburgh. United Airlines said it was a Boeing 757 en route from Newark, N.J., to San Francisco. It crashed in a remote field, killing all 45 on board. Virginia Rep. James Moran, a Democrat, told reporters after a military briefing yesterday that the rogue plane could have been headed to the Camp David presidential retreat in the mountains of southern Maryland.

The FBI, with 20 agents at the site, said that it was treating the crash as a crime

scene. Early reports indicate that there were no ground fatalities.

In Pennsylvania, Daniel Stevens, spokesman for the Westmoreland County public-safety department, confirmed that its 911-call center received a call from a man aboard United Flight 93 over Pittsburgh at 9:58 a.m. The caller, claiming he was locked in a bathroom, said "the plane is being hijacked," and repeatedly stressed that his call was "not a hoax." Mr. Stevens said he thinks the call was bona fide. On the same flight, a flight attendant from Fort Myers, Fla., called her husband

By early afternoon, fighter jets were patrolling Manhattan. With cellphones not working, people swarmed pay phones and huddled around radios. And the towers had disappeared from the skyline.

on a cellphone shortly before the plane crashed.

A federal official said a crew member on one of the American flights called the company's operations center and reported that several crew members had been stabbed and relayed the seat number of one of the attackers.

The crashes shattered a placid, clear morning in New York and Washington. By early afternoon, fighter jets were patrolling Manhattan, and downtown New York hospitals were turning away people offering to give blood because of long lines. With cellphones not working, people swarmed pay phones and huddled around radios. And the trade center towers had disappeared from the skyline.

Vincent Fiori was on the 71st floor of the first tower that was hit. "I'm sitting at my computer and I heard a rumble and my chair spun around," he said. Most people weren't sure what had happened. On the street, people gazed up at the gaping, smoking hole in the building, some holding handkerchiefs over their mouths, more curious than frightened.

The mood changed quickly when the second plane hovered into view and swerved into the other tower. Mr. Zwyhyn, the Tradecard executive, was on the upper deck of a ferry, returning to New Jersey, when he saw the second crash and realized "this wasn't an accident."

Panic ensued, as stock traders, secretaries, construction workers and store clerks ran for cover. But there was bizarre calm, too, as some businesspeople rescheduled meetings on cellphones. Police showed up in numbers, ordering everyone to move uptown as fast as possible.

The top floors of the buildings were engulfed in smoke, and people began leaping from windows, one at a time, hitting the ground, shrubbery, and awnings. On the Brooklyn Bridge, dust-covered New Yorkers trooping homeward jammed the pedestrian walkway. A man in shorts and a T-shirt, running toward Manhattan with a radio to his ear, shouted "The Pentagon is burning, the Pentagon is burning!" and a young woman talking on her cellphone shouted, "My mother works there. I don't know where she is. What is happening? What is happening?"

Pedestrians streaming off the Williamsburg Bridge were met by local workers who had dismantled office water coolers, stacked mountains of plastic cups and hauled cases of water to the foot of the bridge. Tom Ryan, a burly ironworker who was handing out cups of water, said, "Our lives are never going to be the same. Now we're going to go through the same things as other countries."

Ferries, police boats and pleasure craft cruised up to the side of the promenade near the towers to whisk people away—children and the injured first.

Paul and Lee Manton, who moved to New York only a month ago from Australia, were holding their two children, ages 3 and 5, and frantically trying to find out where to go. The family lives near the towers, and after the planes hit, Mr. Manton stared out his window at the flaming buildings. "I said, 'These are going to go down,' and just as I said it the building started falling." Fifteen minutes later, he and his wife rushed their children outside in search of escape.

For more than 45 minutes after the second plane smashed into the second World Trade Center tower, the skyscrapers still stood—burning but apparently solid. Workers in the nearby buildings flooded out, and the promenade along the Hudson River was where many of them went. When the tower started to cave, it began with a low rumble. Slowly, amid a dark cloud of smoke, the debris rained down. "My God, it's falling," someone shouted. Mesmerized, no one moved.

A firefighters union official said he feared an estimated 200 firefighters had died in rescue efforts at the trade center—where 50,000 people worked—and dozens of police officers were believed missing.

Father John Doherty, a Roman Catholic priest, was on the street not far from the Marriott hotel adjacent to the World Trade Center. "I was buried and dug my way out," he said, speaking on a stretcher in Battery Park City a few blocks south of the ruins. He paused to spit, and out came a wet, gray wad of ash. In the pitch dark of the smoke, he said, he made it to safety only by following a guard rail that runs along the riverside. "It's only the finger of God that saved me," he said.

Timothy Snyder and two other employees of Thermo Electron were in their 85th floor office in the North Tower of the World Trade Center when the plane hit three floors above them. They didn't know it was a plane; Mr. Snyder believed it was a bomb.

"We were just working," he says. "All of a sudden, we heard this slamming sound that was so loud. The debris started falling outside the windows, and the door to the office blew open. The building started swaying, and it was hard to say if the building would remain standing. I was in my chair, and I just grabbed onto my desk.

"After five or 10 seconds, the building stopped moving, and we knew we had to leave. We all grabbed our bags and headed out." They walked down to the 78th floor where they were guided to another stairwell, crossing a lobby with a bank of elevators. The marble walls of the lobby were buckled.

As they walked down, the stairwells were crowded but calm. "There was air you could breathe," he says. "We didn't feel we were being suffocated." They were guided through the mall under the World Trade Center. Just as they came out,

World Trade Center Two collapsed. "Being in the cloud of smoke was like being in this very dense, unbreathable air that was so black no sun was getting through." He ran for safety and made it.

"We feel, since the plane hit only three floors above us, amazingly thankful we're all alive. But there were emergency workers going up those steps while we were going down. They were trying to save others and they didn't make it."

In New York, officials set up a triage center in Jersey City, N.J., in front of the Datek Online Holdings building on the Hudson River. At Chelsea Piers, a recreational complex along the Hudson River, emergency officials set up a makeshift trauma center in a cavernous room that appears to be used as a set for TV shows and films. "Trauma" was spray-painted in orange letters over one entryway, and inside there were more than 50 beds—many converted from fold-out tables and lit with the aid of television studio lights. Some 150 surgeons, in town for a medical conference, reported to the trauma center and were prepared to take patients. Emergency workers prepared several dozen volunteers who were to be assigned one-on-one to accompany patients as they came in for treatment.

But as of 4:30 p.m. more than seven hours after the first plane struck one of the World Trade Center towers, there weren't many patients—only a handful of emergency personnel had come in for treatment of minor injuries. One emergency official, communicating through a bullhorn, told the waiting doctors, nurses and emergency medical technicians that the New York Fire Department at the scene wasn't permitting rescue workers to head into the rubble. "It's still too hot," the official said. And the city's hospitals still had vacant beds.

Mike Athemas, a 46-year-old volunteer fireman, headed downtown once the bomb went off and didn't leave until midafternoon. "Everywhere you turned, there was someone taking bodies out of the rubble," he said. Making matters worse, documents that had been blown from the building were catching fire and igniting vehicles outside the World Trade Center. "There were 20 cars and trucks—police cars and emergency vehicles—on fire," said Mr. Athemas. One New York city firefighter sobbed aloud. "My company is dead. They're all dead."

After the first plane hit the World Trade Center, New York City firefighter Craig Gutkes was part of a ladder company in Brooklyn that was called in to Manhattan. When he was still on the Brooklyn side, his company saw the second plane roar over their heads. "It sounded like a freight train," he said. They watched that plane plow into Tower No. 2. When he arrived on Liberty Street, "It was like a war zone when we got there. There were body parts all over the street."

In midtown, in front of St. Bartholomew's Church, an Episcopal church, assistant rector Andrea Maier stood in the street in white vestments, handing out a specially printed prayer for peace to the dazed throngs walking uptown. Dozens of people prayed inside the church. Special services for peace were being held every hour to accommodate people walking in off the street to pray. "We'll just do this all night if we have to," said the church rector, the Rev. William Tully.

Amir Chaudhary, a 24-year old taxi driver, watched the second tower collapse from across the Hudson River in Jersey City. "In a blink of my eye the Twin Towers were gone. There was no boom even. Didn't hear anything. Guys were on their knees crying, begging me to give them a ride away. I feel like maybe it's a bad dream: If I wake up, I could get the Twin Towers back."

Although the White House was not damaged, its people were not untouched by the tragedy. Barbara Olson, wife of U.S. Solicitor General Theodore Olson, was on board the Los Angeles-bound airplane that took off from Dulles Airport and crashed into the Pentagon. Ms. Olson, a frequent political commentator, used a cellphone to call her husband just moments before she died. Late in the day, President Bush took time from his security briefing to call Mr. Olson and offer his condolences.

Before sending his aides home, Sen. John Warner of Virginia recalled to them, "I was in Washington when I heard about the Japanese attack on Pearl Harbor. This is another Pearl Harbor, and now your generation will have to meet the challenge."

By yesterday evening, military vehicles were patrolling the city, and police had cordoned off a three-square area near the White House.

In Arlington, Va., abutting Washington, fishermen plunking for catfish at a marina near the Pentagon said they could feel the heat from the explosion. The White House, the Capitol, and the Treasury and State departments were evacuated shortly after the crash at the Pentagon. "Get out! Get out!" police yelled as they swept through federal buildings. As legislators streamed out of the Capitol, the memorial chimes across the street played "God Bless America."

Attacks on Symbols of U.S. Power Alter Nation's View of World Role

Continued From First Page
and Washington. They apparently were armed with knives, and investigators believe that in at least two of the planes they "corralled and put in the back" the regular pilots, leading to the assumption they were experienced in handling jets. The FBI has been poring over airport security videos and flight manifests, and officials said they are finding strong leads to the identities of the hijackers from the names found there.

Last night, a law enforcement official said the FBI was seeking warrants to search a former residence of one of the hijackers in Daytona, Fla. The official added that airport video surveillance, as well as names on the manifests, suggested that the hijackers were of Arab nationality. In some cases they were armed with box cutters in addition to knives. One passenger, Barbara Olson, the wife of solicitor general Theodore Olson, telephoned the Justice Department in an attempt to reach her husband during one of the harrowing flights and said passengers were being held in the back of her plane before it smashed into the Pentagon.

In a clear sign of the operation's professional nature, a government official said the hijackers knew how to shut off the planes' transponders, which transmit airline flight number, speed and altitude. The official said it wasn't clear when the transponder in American Airlines Flight 11 from Boston, the first plane to strike the World Trade Center, was turned off, but it happened before it hit its target.

Meanwhile, average Americans far from the attack sites already are feeling the after-effects. Many suddenly are worrying about a matter that had never previously occurred to them: the safety of their cities from coordinated attack. Shortly after the World Trade Center attack, Peggy Smith, an office administrator with the law firm of Conley Rose & Tayon, left her downtown Houston office clutching computer-tapes and copies of account data for safe-keeping. "This is the end of the world as we know it," she said. "The United States will never be the same."

Underlining that sentiment, American F-16 fighter jets were scrambled and two aircraft carriers were dispatched, not to some distant foreign destination, but to protect the skies and seas around Washington and New York. For the first time ever, all airline flights were grounded across the country. Financial markets were closed.

The events occurred without any apparent warning, prompting immediate questions in Washington and elsewhere about a failure of U.S. intelligence. How did such a broad and coordinated attack on multiple sites occur without U.S. intelligence officials getting wind of it? How were so many commercial airplanes hijacked and diverted hundreds of miles out of their flight paths toward the nation's largest population centers? "Today our government failed the American people," said Rep. Curt Weldon, a Pennsylvania Republican.

Yet there were some hints of trouble that were, in retrospect, under-appreciated. A senior U.S. intelligence official who left the government earlier this year said that the joint FBI-CIA counter-terrorism center had been receiving what it considered solid intelligence during the past two months pointing to possible imminent attacks by Islamic extremists. The intelligence consisted of a noticeable uptick in communications activity among Islamic extremist groups.

Some officials believed, though, that the attacks were likely to occur overseas, as did recent attacks against American embassies in Africa and against the USS Cole in Yemen. "We've known for the last two months that something was planned; just nobody knew where," the former senior official said.

At the same time, there had been heightened concern for several weeks about a possible attack on a military target in the Washington area, said a current U.S. official. For that reason, checkpoints at Fort Myer and Fort Belvoir, both in the Washington area, have been more strict. At the White House, even the cars of members of Congress have been checked for explosives, and there was a partial evacuation several weeks ago when a car suspected of carrying a bomb was spotted outside the executive mansion. "Who the hell would think they would fly airplanes?" one official asked.

There are multiple reasons to suspect Islamic extremists, which explains the immediate focus on Mr. bin Laden or liked-minded compatriots. Earlier this year, in a Manhattan courtroom only a short walk away from the World Trade Center, four of his followers were convicted on all charges in the 1998 bombings of two U.S. embassies in Africa. At one point, sentencing had been set for today, though that had been postponed.

At the same time, Sheikh Omar Abdul Rahman, the spiritual leader of Al-Gama'a al-Islamiyya, Egypt's largest militant group, sits in a U.S. prison in Minnesota for his role in planning an earlier but failed attempt at terrorism in New York. His followers have been seething ever since he was convicted in 1995 for his role in a plot to stage a series of terrorist attacks in New York, and officials say he may have helped inspire a bombing in a parking garage of the same World Trade Center destroyed. "I've never forgotten about that blind sheik and what a symbol he was to radical Islamists," said Robert Blitzer, the FBI's former domestic terrorism chief. "This could be revenge."

Ties between Sheikh Abdul Rahman's followers and the bin Laden world appear to have tightened. Just last month, the foreign minister of the Taliban, the Islamic organization that effectively runs Afghanistan and harbors Mr. bin Laden, suggested the U.S. could trade Sheikh Abdul Rahman for several Western aid workers under arrest in Kabul.

The violence raging between Israel and Palestinians has given Islamic extremists more reason to be agitated at the U.S. Such anti-American entities as Iraq and the Hamas and Hezbollah extremist organizations have rallied to the side of the Palestinians, railing against both Israel and its American ally.

In any event, the attacks themselves were so intricately planned and so vast in scope that they transcend any past terrorist action. Some experts speculated that the enormity of the plot could even point to the involvement of a hostile government, such as Iraq or Iran.

Many experts, though, agreed the simultaneous nature of the attacks and other trademarks pointed to the larger terror network run or somehow inspired by Mr. bin Laden.

The list of non-state actors even remotely capable of pulling off such an attack is quite small. The only group generally known for staging simultaneous, complex terrorist attacks is Al Qaeda, the loose organization led by Mr. bin Laden. The U.S. has indicted him for the two 1998 embassy bombings in East Africa, and U.S. officials say that evidence points convincingly to his involvement in the bombing last year of the USS Cole in the Yemeni port of Aden.

Other groups such as Hamas on the West Bank, or Hezbollah, in Lebanon, have staged truck bombings and suicide attacks in Israel and elsewhere across the region. But no one has ever pulled off a series of attacks of this magnitude. Nor, experts say, are either of those groups prone to targeting Americans, despite the fact that anger is now high toward the U.S. across the Arab world.

James Steinberg, former deputy national security adviser under President Clinton, said he believed that an attack of this size was likely the work of several groups within Mr. bin Laden's greater orbit. Of those, he listed the Algerian-based Armed Islamic Jihad and the Al-Gama'a al-Islamiyya, Egypt's largest militant group. Mr. bin Laden's Al Qaeda has been known for several years to be in close contact with operatives from a wide range of militant groups across North Africa and the Middle East.

Other terrorism experts said the attacks, in their sheer audacity, bore many trademarks of the bin Laden strategy. The African embassy bombings, one in Tanzania and the other in Kenya, occurred less than 10 minutes apart, while the attacks on the two World Trade Center towers happened within 18 minutes. The fact that the World Trade Center was at the center of the plot also points to the actors behind the 1993 Trade Center bombing, many of whom were later found to have had close ties to the bin Laden network, according to U.S. officials involved in the investigation.

Yet some experts also said the complexity of the operation made it unlikely that Al Qaeda could have pulled it off without help from other terrorist organizations more experienced at hijackings and the technical problems of overcoming airport security. Al Qaeda has been building ties with groups like Islamic Jihad, the Iranian-backed Palestinian terrorist group, which has threatened attacks against U.S. interests recently in response to Israeli use of U.S.-supplied fighters and helicopters on the West Bank.

One official noted that several of the crashed jets were laden with fuel, which would make it more difficult for hijackers who took control of the jets to maneuver them unless they were experienced or had some training at controlling large airliners.

"If it turns out that bin Laden claims responsibility for these attacks, he couldn't have done it without help from professionals, like Islamic Jihad," said Robert Baer, a former CIA officer and Middle East specialist.

Certainly the attack would signal a frightening increase in Al Qaeda's deadly skills. Its previous attacks have used truck bombs and other crude devices. Other attacks linked to the group have been plagued by problems. More than a year before the bombing of the Cole, another attempt to bomb a U.S. warship failed when a boat carrying explosives sank. A Los Angeles airport bombing was thwarted altogether.

On a more ominous note, some former terrorism officials also speculated that the attacks may reveal that Mr. bin Laden now has a large and sophisticated domestic terror network operating within the U.S.

"It is not to be ruled out that there are tacticians, bomb-makers and plotters now fully active in the U.S., many of whom have been here for years," said Daniel Benjamin, a former counterterrorism official in the Clinton White House.

The diffuse and overlapping organization of today's terror groups became particularly clear after the aborted millennium plot in December 1999, when U.S. border agents arrested an Algerian crossing into Washington state with a trunk-load of explosives. Tentacles of that plot, which targeted the Los Angeles airport and other sites, extended from Canada and cities across the U.S. to actors in Algeria, Sudan, Egypt and Afghanistan.

In a bizarre twist, some experts suspect that the bin Laden organization may also have had a hand in a suicide bomb attack against Ahmed Shah Massoud on Sunday in northern Afghanistan. Mr. Massoud leads the opposition force fighting Afghanistan's Taliban leaders, who control about 90 percent of the country. The Taliban have given refuge to Mr. bin Laden since the mid-1990s. There are conflicting reports as to whether Mr. Massoud survived the blast.

For many Americans, a more tangible and bitter image of anti-American sentiment abroad will be the scenes of some abroad celebrating the terrorist attacks on Americans. In the West Bank, thousands of Palestinians took to the streets to herald the attacks and express their happiness. And in Sierra Leone, Pakistani members of a United Nations peacekeeping force were laughing, smiling and slapping hands at the mission headquarters in Freetown.

If the attack was launched by a non-state entity, choosing when and where to retaliate may not be easy.

After the bombing of two U.S. embassies in East Africa in 1998, President Clinton ordered cruise-missile strikes on a site where Mr. bin Laden and his top lieutenants were supposed to be meeting. As it turned out, the meeting had ended and the strikes came too late.

"The big question for everyone now is how much intelligence do we have? Do we have the kind of intelligence that we need?" said retired Gen. Dennis Reimer, former Army chief of staff and now head of the Oklahoma National Memorial Institute for the Prevention of Terrorism.

The U.S. could move more easily to punish any state that abetted Mr. bin Laden, especially Afghanistan, which has refused repeated demands to turn him over. A devastating military strike on the Taliban's headquarters could be one course.

Afghanistan's Taliban leaders were clearly very nervous about that possibility, denying Mr. bin Laden's involvement and calling for American "courts" to seek justice. A series of explosions last night in Kabul, the Afghan capital, apparently were part of internal fighting between the Taliban and its internal foes, and not part of any U.S. response to the terrorist attacks.

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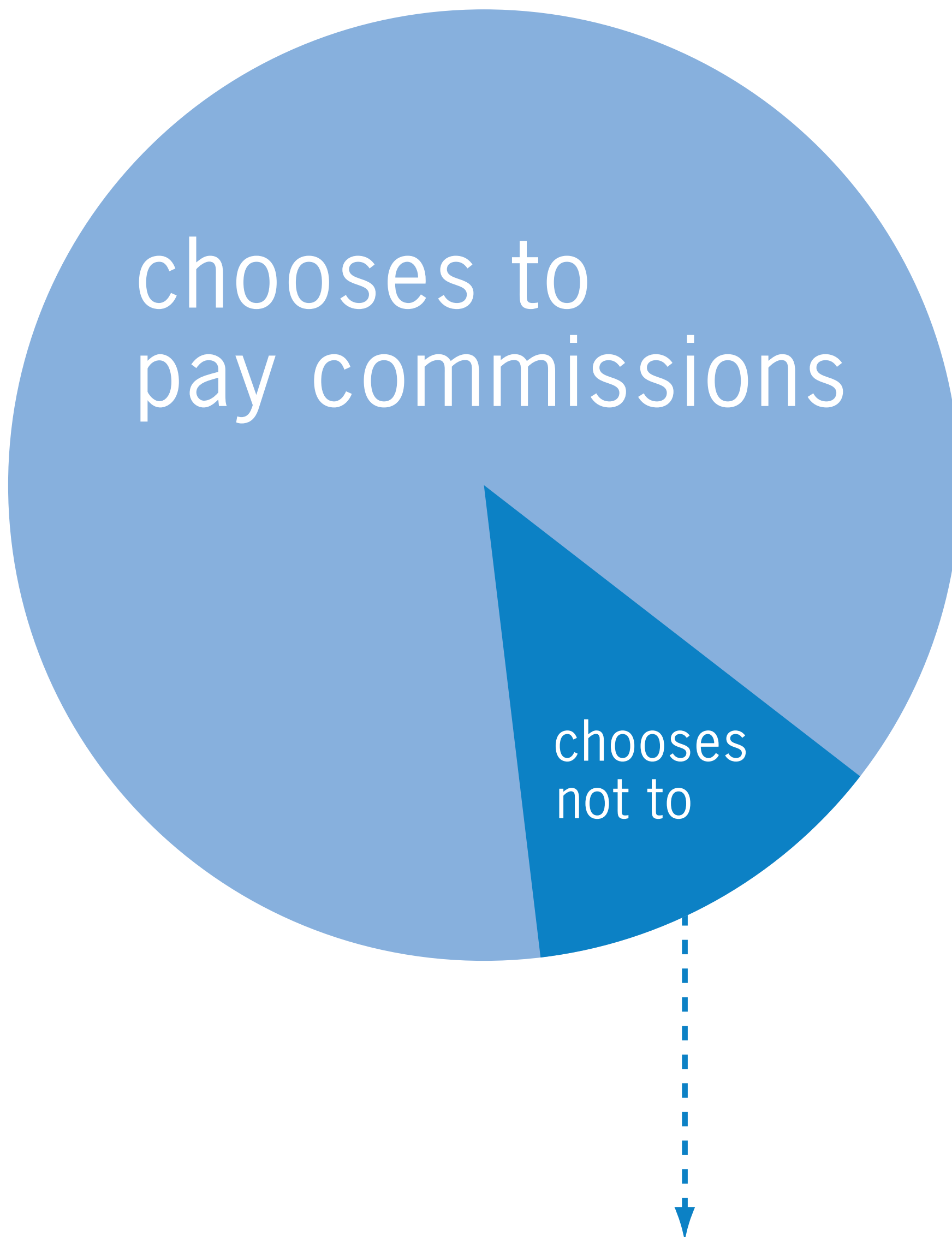
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A DAY OF TERROR

Islamic-Americans Grapple With Quick Backlash

Although the perpetrators of yesterday's terrorist attacks have yet to be identified, Islamic-Americans in many cities have already begun grappling with an angry backlash.

Salam School, an Islamic elementary school in Milwaukee, evacuated its 372 students after receiving two threatening phone calls. "They were obnoxious calls saying, 'Why are you Arabs doing this,'" says principal Humaira Bokhari, who told the callers that she didn't support the attacks and was as shocked as anyone else.

Meanwhile, Islamic schools in South-

By Wall Street Journal staff reporters Robert Tomsho, Barbara Carton and Joe Periera in Boston; Patricia Calahan in Chicago, and James Dorsey in Amsterdam.

ern California were evacuated, a Fort Worth, Texas, mosque received a bomb threat and Talal Eid, religious leader of the Islamic Center of New England, Quincy, Mass., pulled his 15-year-old daughter out of high school amid fears that she might be attacked for wearing a head scarf. "We are not guilty of anything," Mr. Eid said, adding that: "We happen to be citizens of America."

Islamic groups in this country condemned the attacks. "There is no reason whatsoever that can justify taking the lives of innocent people," said Souheil Ghanouchi, president of the Muslim American Society, Alexandria, Va. Omar Ricci, spokesman for the Los Angeles branch of the Muslim Public Affairs Council, compared the attacks to Pearl Harbor. "We unequivocally condemn this treacherous act," Mr. Ricci said. He added that "in the back of every American Muslim's mind right now is the camps that Japanese-Americans were thrown into after the [Pearl Harbor] bombing."

As of last night, U.S. investigators hadn't said who they believe is responsible for the deadly wave of terrorist attacks.

Saudi dissident Osama bin Laden has in recent weeks indicated that he planned to punish the U.S. for its support of Israel, according to Arab intelligence officials and Abdel Bari al Atwan, a London-based Palestinian journalist who has interviewed Mr. bin Laden and forged close contacts with his supporters. Arab intelligence officials and Mr. al Atwan both said, however, that they discounted the information as bluster.

Palestinian leader Yasser Arafat, visibly taken aback, told reporters, "We completely condemn this terrible attack," and added, "We are completely shocked. Unbelievable."

Islamic-Americans have dealt with such hostility in the past. In some cities, Arab-Americans were chased through the streets by college students following the 1979 seizure of the U.S. Embassy in Tehran. Islamic mosques and schools in this country were also hit with threats after early—and ultimately erroneous—reports that Islamic extremists were responsible for the 1995 Oklahoma City bombing.

Still, yesterday's attacks could mean heightened scrutiny for groups like the Holy Land Foundation for Relief and Development, of Richardson, Texas. The group says it is a nonprofit organization that co-ordinates humanitarian aid to the Middle East and has no ties to Islamic extremists. The foundation issued a statement condemning the attacks.

Less than a week ago, foundation supporters condemned what they called an "anti-Muslim witch hunt" after federal agents arrived at its offices and the nearby offices of InfoCom Corp., an Internet services business, with subpoenas for documents and records. A lawyer for Info-

Com, a closely held business that hosts about 500 Web sites, including the foundation's, said that federal agents didn't disclose what they were looking for, but copied documents and computer hard drives. After the raid, the U.S. Commerce Department suspended InfoCom's export privileges for allegedly sending computer technology to Libya and Syria. Mark Enoch, InfoCom's attorney, said the concern doesn't "have any ties at all to terrorist activities."

Amid such incidents, "the Muslim community in America is feeling prejudice against it, and it's not fair," said Rabbi John Rosove of Temple Israel of Hollywood in Los Angeles. Mr. Rosove has been part of a Muslim-Jewish dialogue group in Los Angeles that has had its own tensions; it stopped meeting over the summer after hostilities escalated in the Middle East, only to reconvene last week for the first time in months.

He stressed that "we should avoid tarring and feathering all Muslim-Americans." Even if it turns out that an Islamic fundamentalist group is behind the terrorist attacks—something far from clear at this point—"we have to remember that Muslim-Americans are American citizens, and they have civil rights," he said.

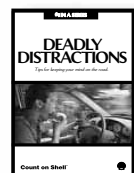
Some Islamic-Americans aren't taking any chances. A spokesman for the Council on American Islamic Relations, a Washington D.C., advocacy group, advised people who wear Islamic attire to "stay indoors for the immediate future."

Ingrid Mattson, a respected Muslim academician at Hartford Seminary, Hartford, Conn., says the horror of the attacks has already made her self-conscious about wearing her traditional scarf and fearful about what lies ahead for Islamic Americans. "My heart sinks," she says. "This can't help but set us back."

—Russell Gold contributed to this article.



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U.S. Forces Are Put on the Highest State of Alert

By GREG JAFFE AND NICHOLAS KULISH Staff Reporters of THE WALL STREET JOURNAL

WASHINGTON—The Pentagon put U.S. forces on highest alert as it scrambled fighter jets and dispatched ships to protect U.S. citizens at home and to protect troops abroad.

Meanwhile, the question of how the U.S. military will respond to the attacks on the World Trade Center and the Pentagon remained unanswered. In a speech from the Oval Office last night President Bush vowed that those responsible would be punished. "We will make no distinction between the terrorists who committed these acts and those who harbored them," he said.

In the hours after the attacks, the U.S. military sent two aircraft carriers and Air National Guard fighter jets to New York and Washington following the devastating attacks against the World Trade Center and the Pentagon.

The George Washington and John F. Kennedy aircraft carriers left from Norfolk, Va., early yesterday afternoon to provide security against any further attacks on those two cities.

In addition to the two aircraft carriers, the Navy also rushed five destroyers and

cruisers to the New York and Washington, D.C., area, said Navy officials. As the ships steamed up the coastline, F-16 Air Force fighter jets from the Washington Air National Guard buzzed over the Baltimore-Washington region and around New York City to protect against any further air attacks, an Air Force spokesman said.

U.S. forces abroad were also put on the highest state of alert. The U.S.S. Enterprise carrier battle group, which was scheduled to return home, was ordered to remain in the Persian Gulf for an indefinite period. The Enterprise could launch a first strike of both cruise missiles and fighter jets throughout the region, if ordered, at virtually a moment's notice.

As a protective measure, other ships in the U.S. military's central command, which encompasses the Middle East, were put out to sea.

Even as Defense Secretary Donald Rumsfeld declared that the Pentagon was open for business, the other side of the building was still ablaze. The acrid smell of smoke hung in the briefing room and billows of smoke continued to rise from the large gash cut through one side of the building by a crashing jetliner. Mr. Rumsfeld said at the Pentagon briefing that fighter jets would continue patrolling the

skies over U.S. cities "as long as it is appropriate."

Mr. Rumsfeld declined to discuss whether U.S. intelligence sources had determined who launched the attacks. He also said that the U.S. wasn't responsible for explosions that were heard just north of the airport in Kabul, Afghanistan, about seven hours after terrorists apparently attacked the World Trade Center and the Pentagon.

Since the 1998 African embassy attacks and the ensuing U.S. cruise-missile attacks against Afghan training camps run by Osama bin Laden, the U.S. has tried to use United Nations sanctions to pressure Afghanistan's Taliban rulers to turn Mr. bin Laden over to a U.S. court. The resolutions banned the Afghan national airlines from flying abroad, demanded that countries close Taliban offices overseas, and sought to impose an embargo on all arms sales to the Taliban.

But U.S. officials have also told Taliban leaders for at least two years that the U.S. would hold them directly responsible for any future attacks carried out by Mr. bin Laden. The cruise-missile attacks targeted Mr. bin Laden directly, but the U.S. has since sought to drive home the point that next time, the U.S. could attack the Taliban's own centers of power.

Jet Fuel Fire Is Likely Cause of Buildings' Collapse

By LEE GOMES Staff Reporter of THE WALL STREET JOURNAL

The intense heat of a jet fuel fire, rather than structural damage from the impact of the airplanes, is probably what led to the collapse of the two World Trade Center buildings.

"The mechanical hit takes out a good chunk of the building, but it will still stand," said Larry Anderson, an expert in fire damage at Exponent Failure Analysis Associates, a Menlo Park, Calif., consulting operation. But when you spray thousands of gallons of fuel around, and then light it all at once, that softens the building and leads to its collapse."

Structural engineers who watched television reports of yesterday's catastrophe noted that the World Trade Center withstood for at least an hour following the impact of the first plane. During that time, though, a fire was raging out of control on multiple floors of the building. Jet fuel is extremely combustible, and produces fires that can easily exceed 2,000 degrees Fahrenheit, more than 500 degrees hotter than other kinds of more routine office fires.

Steel, though, begins to weaken at 800 degrees Fahrenheit, and comes close to

melting at around 1,500 degrees. While steel in modern high rises is routinely coated with fire proofing materials, those materials can't protect the steel from prolonged, intense heat.

"Once the physical damage to the building was done, if the fire wasn't extinguished in a very short period of time, the likelihood of collapse was 100%," said Charles Warren, chairman of Engineering Systems Inc., of Aurora, Ill.

Rather than tilting over and falling, the towers appeared to "implode" on top of themselves, in much the same carefully controlled manner as buildings that are demolished.

That's most likely because once the steel at the points of impact could no longer support the floors above them, those floors rushed straight downward, creating an unstoppable force that went all the way to the ground, said Tom O'Donnell, of O'Donnell Consulting Engineers Inc. in Bethel Park, Pa.

Engineers said the fact that the towers stood so long after the impact of the airplanes was testimony to the engineering skills of the buildings' initial designers. The impact of the airplanes certainly dam-

aged, or even destroyed, the pillars around the perimeter of the structures, which are a key part of the buildings' overall support system.

But there was enough "redundancy" in the design, in the form of support pillars at the core of the structure, to pick up the load and keep the building from toppling, say engineers.

"It was a perfectly well-designed building," said Jim Wiethorn, of Haag Engineering Co. in Houston.

While the fire was likely to be the principal cause of the collapse, whatever damage was caused by the crashes themselves certainly weakened the buildings and made them more vulnerable, say engineers.

The consensus among engineers yesterday was that there is no way a building could be economically designed to withstand the sort of devastation involved in yesterday's attacks. The worse calamity that skyscrapers are designed to endure are massive hurricanes.

Similarly, said engineers, even the most advanced fire codes can't protect a structure from the explosive power of a fully loaded airplane ramming into its side.

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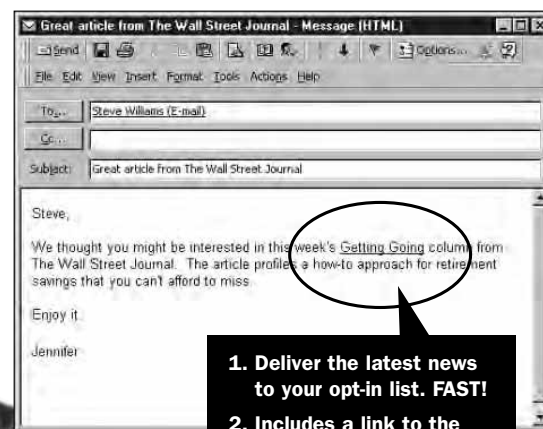
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THE WALL STREET JOURNAL. Adventures in Capitalism.

Beijing Plans Currency Reform—at Its Own Pace

By MICHAEL M. PHILLIPS
And PETER WONACOTT

BEIJING—Treasury Secretary Paul O'Neill came to China ready to urge his hosts to abandon their fixed-exchange-rate system before they fall victim to the kind of financial turmoil that rocked their East Asian neighbors in the late 1990s.

He left yesterday persuaded that Chinese authorities already are planning to adopt a significantly more flexible currency system—at their own pace.

"I'm convinced they'll take whatever actions are appropriate, and it's not something we can really help them with," Mr. O'Neill said after two days of wide-ranging meetings with top Chinese officials.

For Mr. O'Neill, on his first visit to China as Treasury secretary, appropriate means allowing the yuan to move freely against other currencies sooner rather than later. That would mean jettisoning the current policy of confining the yuan, also known as the renminbi, to a narrow band around 8.28 to the dollar. The Bush administration considers it safer for China to give up on fixed rates when its economy is booming, as it is now, rather than do so out of desperation, when investors are losing faith and the yuan is under pressure. Thanks to robust consumer spending at home, China's economy has shown remarkable immunity to a global slowdown and gross domestic product, the total value of a nation's goods and services—is expected to rise more than 7% this year.

"China is doing fabulously well," Mr. O'Neill said.

Beijing has been firm in insisting that any steps toward a free exchange rate will be taken gradually, though Chinese analysts say the government is keen to map out a course for liberalization. With Mr. O'Neill at his side, Chinese Finance Minister Xiang Huaiheng described the current, highly controlled rate as a floating system. A freely traded yuan is a "long-term goal," said one official with the China Foreign Exchange Trade Center in Shanghai, which runs China's official currency exchange. "But right now, the government needs a steady currency."

There are signs, though, that Chinese officials are searching for ways to widen access to foreign money and to explore more flexible interest rates, reforms that would test the ability of Chinese banks to

manage currency flows. In Chinese banking circles and state-sponsored think tanks, there are discussions about the transition needed to make the jump to a more liberal currency regime.

Such a move wouldn't be easy, economically or politically. Chinese officials continue to see the stable yuan as a way to protect their economy from the whims of domestic depositors and global market forces, as well as a foundation of social stability. The fixed currency also helps attract a flood of investment to China, where foreigners are putting \$40 billion a year into plants, offices and companies.

Some others in the region share that skepticism. It isn't clear whether the yuan would rise or fall if it were cut loose of the dollar. There lingers a fear around East Asia that if the yuan fell sharply, Chinese companies would grab market share from other regional manufacturers. That could deepen the woes of such trade-minded countries as South Korea or Singapore, whose overseas sales already are suffering amid the economic slowdown in the U.S.

"If they abandon their stable currency system, it might exacerbate the crisis of this region," said Yong-Duk Kim, South Korea's deputy finance minister for international affairs.

During the Asian financial crisis of the late 1990s, China's dedication to a fixed rate was considered a critical element in preventing further upheaval around the region. At the time, the Clinton administration applauded China's stance, fearing a devaluation would spark another round of depreciations among the battered East Asian currencies. A cheaper currency would have made China's exports less expensive abroad, taking business away from other Asian manufacturers.

The U.S. argument today is that China might not be so lucky next time. Mr. O'Neill thinks nations court financial disaster by tying their currencies to the dollar, yen or euro. Starting in Thailand in 1997, country after country found itself spending precious foreign-exchange reserves to defend its announced exchange rate, as nervous investors yanked their money out. Inevitably, authorities couldn't beat back market pessimism and currencies fell, leaving reserves depleted, companies short of cash and banks in tatters.

That experience with forced devaluations in South Korea, Russia and else-

where led the U.S. and its allies to advise emerging-market nations to avoid exchange systems linked weakly to other currencies. Instead, they suggested that developing countries choose between a floating-rate system and an exchange rate so firmly cemented to a major currency as to seem permanent. Mr. O'Neill is of the school that holds that floating rates are the most durable.

In China, analysts argue the country's crippled banking system still isn't ready to face the risks that accompany a flexible currency. So far, Beijing has shied away from dramatic currency reforms, instead slightly widening the trading band, cleaning up bank balance sheets and preparing for the foreign competition banks will face after China joins the World Trade Organization.

"For China, it should be WTO entry first, trade and investment liberalization second, and then comes the freely convertible currency," says Lu Deming, a professor of economics at Shanghai's Fudan University.

More Stem-Cell Lines Need to Be Generated, Panel of Scientists Says

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON—Contradicting a key aspect of the administration's policy on embryonic stem-cell research, a National Academy of Sciences panel said new stem-cell lines will be needed to ensure that the research is able to fulfill its promise.

The panel's report said new lines, or self-perpetuating colonies of cells, will be necessary because many of the current cell lines likely will develop genetic mutations over time and could be contaminated by the animal cells and serum used to help them grow.

The report is likely to stir additional criticism of President Bush's stem-cell policy. That policy, announced Aug. 9, restricts federal dollars to research conducted on stem-cell lines that were created by that date. The panel's report also endorsed what is known as "therapeutic" cloning, saying that it would reduce the possibility that tissue transplanted into patients would be rejected. The House recently banned all types of cloning, including therapeutic cloning. President Bush also opposes it.

"We ... believe that new embryonic stem-cell lines will need to be developed in the long run to replace existing lines that become compromised by age, and to address concerns about culture with animal cells and serum that could result in health risks for humans," said Bert Vogelstein, professor of oncology and pathology at Johns Hopkins School of Medicine in Baltimore. The report was written by the NAS's National Research Council and Institute of Medicine. They provide advice to Congress on scientific issues.

Postal Service to Raise Cost of Mailing Letter By 3 Cents Next Year

WASHINGTON (AP)—The cost of mailing a first-class letter will go up next year, jumping three cents to 37 cents.

Citing a looming \$1.65 billion deficit, the U.S. Postal Service announced it will seek rate increases averaging about 9%, including the increase for personal letters.

Robert F. Rider, chairman of the agency's board of governors, said the decision by the governing board was unanimous. The current 34-cent mail rate took effect in January, along with increases in many other classes of mail. Another increase in some rates kicked in July 1. Nonetheless, rising costs for fuel, labor and health care threaten more red ink for the agency, officials said. The post office is in labor negotiations with unions representing about 700,000 workers.

Earlier, managers ordered a freeze on new construction and cut back on overtime and other costs, trimming the Postal Service's deficit from \$3 billion to an estimated \$1.65 billion. A cut in headquarters managerial staff of 800 positions was announced last week with an additional 500 positions scheduled to be cut in field offices. The increase in first-class stamps will be accompanied by increases in other types of mail as well: First-class, up 8.2%; Express Mail, 9.7%; Priority Mail, 13.5%; periodicals, 10%; advertising mail, 7.3%, and packages, 8.9%.

The U.S. Postal Service, although a part of the federal government, doesn't receive tax money for its operations. It is required to pay its own expenses from fees charged for moving the mail and to break even over time. Postmaster General Jack Potter said that because of the continuing financial problems, the construction freeze will remain in place and more cuts are being sought.

Rogers Wireless Holders Reject Purchase of Shares By the Parent Company

By a WALL STREET JOURNAL Staff Reporter

TORONTO—Rogers Wireless Communications Inc. shareholders voted to reject the proposed acquisition of the company's publicly held shares by Rogers Communications Inc.

Rogers Communications, a cable, media and communications concern, in June offered to acquire 16% of the shares of Rogers Wireless, a wireless communications concern, held by the public. Rogers Communications had offered 1.1 of its shares for each publicly held share of Rogers Wireless. Rogers Communications controls about 51% of Rogers Wireless, while a partnership controlled by AT&T Wireless Services Inc., of Redmond, Wash., holds about 33%.

"The proposed transaction will not proceed," Rogers Wireless and Rogers Communications said. Rogers Wireless "will go forward as a public company and will continue to operate the business to maximize value for all of its shareholders." Rogers Communications President and Chief Executive Edward S. Rogers said.

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Treasury Proposes Rule Changes To Combat Money Laundering

By DAVID S. CLOUD
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—After months of reviewing the Clinton-era money-laundering crackdown, President Bush's Treasury Department has completed a set of revisions that would slightly ease rules in one area and tighten them in another.

Specifically, the proposed regulations aim to reduce the number of currency transactions that banks report to the government. At the same time, the Treasury wants to extend the large cash-transaction reporting requirements that already apply to banks to securities dealers and casinos.

The main goal, said a senior administration official familiar with the plan, is to reduce the volume of paperwork that appears to yield limited benefit while increasing the number of prosecutions.

The most controversial aspect of the plan is likely to be the draft regulations—to be issued by January—that would require securities dealers and casinos to report large cash transactions. The securities industry has successfully blocked previous efforts to bring it under money-laundering reporting rules.

The official said there would be a six-month comment period and that the administration plans to consult closely with brokers before making the new regulations final. "To the extent we can take a little more time to make sure they are reporting transactions of value, then that's good," the official said.

The Bush administration delayed issuing the 50-page report, required annually by statute, for several months because the Treasury Department was conducting a review of federal money-laundering efforts under orders from Treasury Secre-

tary Paul O'Neill. The Bush administration plans to focus more on the Clinton administration did on prosecuting large operations, the official said.

"We're going to concentrate on the major money-laundering centers and go after the corrupt lawyers, bankers and accountants" that facilitate money laundering, the official said. The strategy calls for creating two federal multiagency task forces, one in Chicago and one in San Francisco. Four such task forces already exist. The official said the four had concentrated too much on gathering intelligence during the Clinton years and not enough on bringing prosecutions.

In order to reduce what Bush officials say is a flood of unnecessary data, the official said the Treasury will be pushing banks to reduce the number of currency transactions they report to law enforcement. Current law requires any cash transaction of \$10,000 or above to be reported to regulators, but there are exemptions for certain regular types of transactions. Rather than changing the official regulations, the administration will push banks to use the exemptions more frequently.

Officials believe banks tend not to use the exemptions in part because they rely on computer programs to generate the reports. More than 12 million such currency-transaction reports are filed every year, but the official said 30% to 40% are filed unnecessarily and don't generate useful information for authorities.

Mr. O'Neill also has criticized the lack of precise measurement of the effectiveness of money-laundering prosecutions. As part of the new strategy, the Treasury will try to develop better statistical measures of prosecutions.

Xerox Sets Financing Pact With GE Unit In Bid to Erase About \$5 Billion of Debt

By JAMES Bandler
Staff Reporter of THE WALL STREET JOURNAL

Xerox Corp., in a major move to shed debt and raise cash, said it reached a preliminary agreement under which the GE Capital unit of General Electric Co. will become the primary provider of equipment financing for Xerox customers in the U.S.

The arrangement, which Xerox said was subject to negotiation of definitive agreements and other conditions, eventually will let the copier titan erase about \$5 billion in debt from its books.

Under the deal, GE Capital also is providing about \$1 billion in cash financing to Xerox, secured by portions of Xerox's current lease receivables in the U.S.

After nearly running out of cash last year, Xerox is scrambling to rebuild its balance sheets and raise cash by selling assets, laying off thousands of workers and shedding unprofitable lines of business.

Providing financing for its customers had once been an important business for Xerox. But the deterioration of its balance sheets spurred rating agencies to cut the company's debt rating to junk-grade levels, raising the cost of borrowing.

Last year, Xerox said it planned to find third parties to take over its customer-financing operation. It has since announced the sale of its financing arm covering the Nordic region of Europe.

Xerox Chief Executive Anne Mulcahy said the GE Capital deal would "transform" Xerox's balance sheet, improve liquidity and ensure that Xerox customers continue to receive high levels of financing services and support. "For Xerox, the significance of these landmark agree-

ments cannot be overstated," she said.

Xerox canceled a conference call with analysts scheduled for 10 a.m. EDT yesterday because of the terrorist attacks in New York City, Washington, D.C., and Pennsylvania. The company has facilities-management employees in the World Trade Center, but there was no word on the fate of those people as of yesterday afternoon. The company also took the precautionary step of closing the Xerox Tower in Rochester, N.Y., though it kept open its headquarters in Stamford, Conn.

A spokesman said Xerox has total debt of about \$16 billion. About 65% of that amount is related to financing. The deal with General Electric will affect financing in the U.S. only—about \$5 billion in vendor financing, which will roll off Xerox's balance sheets as leases expire.

The company said it finished the second quarter with about \$2.2 billion in cash on hand and had reduced its net debt level by about \$700 million.

Xerox will move nearly all its U.S. customer administration operations into a new joint venture with GE Capital Vendor Financial Services. GE Capital will own 81% of the venture, while Xerox will own the remaining 19%. The new entity, to be called Xerox Capital Services LLC, will be jointly managed by Xerox and GE Capital, and will be based in Rochester, N.Y. The joint venture will handle such operations as order processing, credit approval, billing and collections.

Xerox expects about 2,400 Xerox employees in offices in Rochester, Chicago, Dallas and St. Petersburg, Fla., to be transferred to the venture on Jan. 2, 2002.

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REVIEW & OUTLOOK

A Terrorist Pearl Harbor

The world is a different place after the massive terrorist attacks on the United States yesterday, much as it was after the bombing of Pearl Harbor nearly 60 years ago; a new kind of war has been declared on the world's democracies. Just as Munich led to World War II, so attempts to buy peace in the Middle East are surely behind this attack.

The scope of the terror assault would have been unimaginable before yesterday. Multiple suicide squads conducting multiple airline hijackings, taking control of planes and diving them and their passengers into high profile targets in New York and Washington. The nation's airports closed down, movement in and out of Manhattan impossible. Uncounted number of innocent civilians killed, grief for many American families, anxiety for even more and almost universal inconvenience.

For the dead we can only grieve, and repairing the physical damage will take many years. But even within sight of the World Trade Center, life went on, albeit fitfully, yesterday. The airlines will fly again, albeit not quite as before, and new buildings will be built. Modern industrial society, for all the talk of its vulnerabilities, has a certain resilience. Returning to our normal way of life as quickly and as completely as possible is one part of the answer to the monsters who plan and perpetrate such ghastly events.

President Bush rightly promises to pursue and punish those responsible. The pursuit of those directly implicated in the attacks is a high calling, as recent convictions of African embassy bombers demonstrate. But we delude ourselves if we believe we are threatened by some band of mavericks, no matter how well organized and financed. Acts of this magnitude can only be done by, or at least with the connivance of, states. The key sentence in Mr. Bush's speech last night was therefore his promise to "make no distinction between the terrorists who committed these acts and those who harbor them."

We are entitled to assume that this is the work of the usual suspects—Saddam Hussein, the Taliban, the Iranian mullahs and other dictators who invoke Muslim fundamentalism to justify their fundamentally illegitimate power. The first victims of this are their own populations, cemented into backwardness and cut off from modernity. Another is the Muslim faith itself, richer and more humane than the reputation won by the fanatics who serve the cynical despots.

The immediate focus of the terrorist drive is of course Israel. But as yesterday's events again show, Israel serves as a proxy for much deeper grievances against the United States and the civilization it represents. An undercurrent (or more) of resentment at Western civilization runs through

Civility Amid Chaos

Terrorists may have thought they were striking at the heart of selfish Western capitalism in Manhattan's financial district yesterday. But what they unleashed instead was a show of democratic civility and resilience.

Amid the horror of airplane attacks and buildings collapsing, fighter jets patrolling overhead as if at war and the awful uncertainty of what might happen next, the news is the panic that didn't happen. Instead New Yorkers revealed their courage and kept their cool. The supposedly ungovernable city showed it could govern itself under the most terrifying pressure.

Yes, the National Guard was called in, but, as Mayor Rudy Giuliani pointed out, to relieve police and firemen not to keep public order. The public kept its own order. Within minutes of the first attack, the ambulances and relief cars were streaming downtown unimpeded. The triage ranks quickly formed near Battery Park and thousands of people lined up at stations all over the city to wait two or three hours to donate blood.

"It's a crisis. You must help. There's nothing else to do," 19-year-old donor Jessica McBlath told the Associated Press. Doctors, nurses, and cops streamed in from all over the Northeast to help. One Modell's sporting goods store became a makeshift refugee center, with T-shirts passed out to help victims breathe through the dust from the World Trade Center collapse. A police lieutenant was seen imploring people to leave the second of the trade towers as fast as possible. He saved many, but apparently not himself. Edward Cardinal Egan made it down to St. Vincent's, the hospital in the heart of the trauma, to administer last rites.

This public civility is all the more remarkable when you consider the rumors that were rampant yesterday. Walking through Manhattan, our own cell-phone network not working, we heard many frightening stories that turned out not to be true: The AT&T building in Manhattan, the State Department and Capitol Hill had all been

the chanceries and bazaars of the Arab world, as well as a fear of what democracy might mean for the power of local rulers.

We were glad to see that some Arab leaders denounced the attacks yesterday. Egypt's Hosni Mubarak called it "horrible and unimaginable." Even Yasser Arafat sent his condolences. But these leaders need to understand that their societies carefully nurture and inculcate resentments and hatreds against America and the non-Arab world.

In its current issue, Commentary magazine carries an article "How Suicide Bombers Are Made," by the Italian journalist Fiamma Nirenstein. Items: Al Ahram, the leading government-sponsored newspaper in Egypt, carries a series about how Jews use the blood of Gentiles in matzah. In Gaza and the West Bank, school texts praise a young man who becomes a shahid, a martyr for Palestine and Islam. A hit song in Palestine and Egypt is entitled "I hate Israel." These popular attitudes and these state policies, not some isolated madman, are the threat we saw come to fruition yesterday. In Gaza, the crowds rejoiced.

The American approach to this, and even more so the European one, has been to be "even-handed" between the terrorists and their victims, between our friends and our enemies. Faced with a new intifada, George W. Bush reneged on his promise to recognize Jerusalem as the capital of Israel. President Clinton begged Yasser Arafat to continue a photo-op "peace process" and allowed our defense capabilities to decline. George H.W. Bush stopped American tanks in the desert, leaving Saddam to pursue his evil designs in Baghdad. Little wonder that the fanatics conclude that America can be intimidated by a terrorist spectacle.

In this they have certainly miscalculated, just as Tojo's war planners miscalculated in believing Pearl Harbor would leave America with no taste for war. The upshot of this is likely to be a serious turn on a number of fronts. Intelligence, for example; how could the CIA and FBI have no advance indication of so large an event? Homeland defense, for another; can anyone now continue to doubt that someday people like those who conducted yesterday's events will have missiles that can threaten U.S. cities at 30 minutes warnings?

What most needs to be recognized, though, is that the terrorism has a political purpose. It is intended to intimidate America into standing aside humiliated while the Arab despots and fanatics destroy Israel and thereby prove that freedom and democracy are not after all the wave of the future. We can honor yesterday's dead by rallying our diplomatic, moral, financial and as necessary military resources to insure that that purpose is convincingly defeated.

car bombed; other hijacked planes were still in the air heading who knew where?

Our information society is supposed to yield us instant and credible news. We pride ourselves on knowing everything right now. But here was a premodern scene, with rumors of war, crowds looking through windows at appliance-store TVs, and nobody sure about anything. Panic at such a moment would have been easy, indeed inevitable if you believe that prosperity has made Americans soft and selfish. But while we saw many tears of worry and sadness, we saw no flights of fear or rage. Reuters reports that construction workers at a site on Broadway for a new Toys 'R Us store prompted a wave of applause from the streets when they put up signs saying "Pray for families & victims" and "God Bless America."

Something similar could be said, we think, of our political leadership. Mayor Giuliani not only urged calm, he showed it. His press conference yesterday was the essence of democratic grace under pressure, focusing not on revenge but on rescue. His message, like President Bush's words, is that the best answer to terrorism is to show that democratic values endure even in a crisis.

For that reason, the most important fact about Mr. Bush's TV address last night wasn't what he said but where he said it. It was symbolically important for Americans to see that their President had returned to Washington to deliver his talk from the reassuring backdrop of the Oval Office. Terrorists need to know Presidents can't be frightened out of the White House for long, if at all.

This is what makes yesterday's anecdotes from New York and Washington more than just individual acts of compassion or heroism. They are all of that. But above all these acts of civility are validations of our own democratic civilization, what we sometimes call Western civilization. This is what the terrorists hope to steal from us, and yesterday Americans showed that the terrorists had failed.

We Beat Hitler.

We Can Vanquish This Foe, Too.

By MARK HELPRIN

America, it is said, is slow to awaken, and indeed it is, but once America stirs, its resolution can be matchless and its ferocity a stunning surprise.

The enemy we face today, though barbaric and ingenious, is hardly comparable to the masters of the Third Reich, whose doubts about our ability to persevere we chose to dissuade in a Berlin that we had reduced to rubble. Nor is he comparable to the commanders of the Japanese Empire, whose doubts about our ability to persevere we chose to dissuade in a Tokyo we had reduced to rubble. Nor to the Soviet Empire that we faced down patiently over half a century, nor to the great British Empire from which we broke free in a long and taxing struggle that affords a better picture of our kith and kin than any the world may have today of who we are and of what we are capable.

And today's enemy, though he is not morally developed enough to comprehend the difference between civilians and combatants, is neither faceless nor without a place in which we can address him. If he

Our problem is not our enemy's anonymity but that we have refused the precise warnings, delivered over more than a decade, of those who understood the nature of what was coming

is Osama bin Laden, he lives in Afghanistan, and his hosts, the Taliban, bear responsibility for sheltering him; if he is Saddam Hussein, he lives in Baghdad; if he is Yasser Arafat, he lives in Gaza; and so on. Our problem is not his anonymity but that we have refused the precise warnings, delivered over more than a decade, of those who understood the nature of what was coming—and of what is yet to come, which will undoubtedly be worse.

* * *

The first salvos of any war are seldom the most destructive. Consider that in this recent outrage the damage was done by the combined explosive power of three crashed civilian airliners. As the initial shock wears off it will be obvious that this was a demonstration shot intended to extract political concessions and surrender, a call to fix our attention on the prospect of a nuclear detonation or a chemical or biological attack, both of which would exceed what happened yesterday by several orders of magnitude.

It will get worse, but appeasement will make it no better. That we have promised retaliation for decades and then always drawn back, hoping that we could get through if we simply did not provoke the enemy, is appeasement, and it must be quite clear by now even to those who perpetually appease that appeasement simply does not work. Therefore, what must be done? Above all, we must make no promise of retaliation that is not honored; in this we have erred too many times. It is a bipartisan failing and it should never be repeated.

* * *

Let this spectacular act of terrorism be the decisive repudiation of the mistaken assumptions that conventional warfare is a thing of the past, that there is a safe window in which we can cut force structure while investing in the reversion in military affairs, that bases and infrastructure abroad have become unnecessary, that the day of the infantryman is dead, and, most importantly, that slighting military expenditure and preparedness is anything but an invitation to death and defeat.

Short of a major rebuilding, we cannot now inflict upon Saddam Hussein or Osama bin Laden the great and instantaneous shock with which they should be afflicted. That requires not surgical strikes by aircraft based in the United States, but expeditionary forces with extravagant basing and equipment. It requires not 10 aircraft carrier battle groups but, to do it right and when and where needed, 20. It requires not only all the infantry divisions, transport, and air wings that we have needlessly given up in the last decade, but many more. It requires special operations forces not of 35,000, but of 100,000.

For the challenge is asymmetrical. Terrorist camps must be raided and destroyed, and their reconstitution continually repressed. Intelligence gathering of all types must be greatly augmented, for by its nature it can never be sufficient to the task, so we must build it and spend upon it until it hurts. The nuclear weapons programs, depots, and infrastructure of what Madeleine Albright so delicately used to call "states of concern" must, in a most un-Albrightian phrase, be destroyed. As they are scattered around the globe, it cannot be easy. Security and civil defense at home and at American facilities overseas must be strengthened to the point where we are able to fight with due diligence in this war that has been brought to us now so vividly by an alien civilization that seeks our destruction.

* * *

The course of such a war will bring us greater suffering than it has brought to date, and if we are to fight it as we must we will have less in material things. But if, as we have so many times before, we rise to the occasion, we will not enjoy merely the illusions of safety, victory, and honor, but those things themselves. In our history it is clear that never have they come cheap and often they have come late, but always, in the end, they come in flood, and always in the end, the decision is ours.

Mr. Helprin, a novelist, is a contributing editor of the Journal.

I Saw It All. Then I Saw Nothing.

By DANIEL HENNINGER

I saw the airliner at the instant it hit the north tower of the World Trade Center. A little later I saw the flames burst out of the south tower when the second airliner hit it. I saw people fall from the top of the World Trade Center. I saw the south tower fall down. A little later, I saw the north tower fall down. I have, in the past several hours, looked into lower Manhattan, and each time, where the World Trade Center stood, there is absolutely nothing.

I think that in the next few days I am going to wish that I had not seen any of this. There is no benefit in being able to watch two 108-story office buildings fall to the ground after two airliners have been forced to fly into them. It all seems very compelling now, and when you are in this business and you are on the scene, it is your job to provide an account. So this is just such an account, because there is something about us that demands that we provide this detail for the record.

For some of us who commute into New York City from New Jersey there is the delight each morning of traveling by ferry boat from Hoboken train terminal to lower Manhattan. The delight is in the fact that from the ferry's top deck one is able, each morning, to see the Statue of Liberty, that great green statue. Morning after morning, for many of us, it remains a fresh sight and especially so yesterday morning, against a sky of the purest blue and a faint fall breeze.

I had come into town about 15 minutes earlier than usual, because I was going to buy a new cummerbund at Brooks Brothers for my tuxedo, to wear at my son's weekend wedding in Madera, Calif. Brooks Brothers is just across the street from the World Trade Center.

There is a small coffee shop, with very good cinnamon-raisin croissants, across from American Express in the northern tower of the World Financial Center. Dow Jones is in the WFC's southern tower, and the whole complex sits in the shadow of the World Trade Center. In fact, you have no idea, unless you had ever seen it, just how extraordinarily beautiful this complex of buildings was on a dark, clear night looked at from the Hoboken ferry in the middle of the Hudson River; all the buildings would be lit up, and the fat, domed World Financial Center's buildings, designed by Cesar Pelli, stood in perfect proportion to the two magnificent, high silver towers. I cannot believe I will not see it again.

As I walked toward the coffee shop, at about 8:45, I glanced upward, and then downward. Quicker than these words can convey, my mind said: I think I just saw the wing of an airliner below the top of the Trade Center. Then the loud sound. I thought, my God, it hit it. But when I looked up, there was no plane. There was a wide gash across the north face of the tower, very high up, and gray smoke was billowing out of the gash, and there was a large fire inside the building. There were little, shining particles floating down from the building. I never saw the plane, or a fuselage or a wing. The plane seemed to have vaporized.

Way up there, the building just burned.

There was a lot of smoke, but for a time, despite the horrifying tragedy, it somehow seemed like a containable event. The smoke was billowing upward and about three-fourths of the building looked fine. It seemed that the people below the gash would be able to descend. For awhile, the gathered crowd on the ground mainly watched amazed as the Trade Center tower burned from this one awful, open wound. Then the back of the other tower blew out. Then hell was in Manhattan.

A guy came running toward us who said another plane had crashed into the other tower, and now the sky was filling with a massive wall of black smoke and

Of course it fell. It was the most awful, humbling, disgusting sight. All of a sudden, it was just a 100-floor shaft of smoke.

orange flames. Staring upward at the two majestic buildings, one had helpless thoughts about a helpless situation. It was so high up, there was no way to put water on these flames; it was just going to keep burning. Maybe it would just burn out the top of the building.

For awhile, aside from the flames and smoke, it was oddly uneventful. Sometimes windows would fall off the building and float down; sometimes a piece of smoking debris would arc downward. Then people started jumping off.

They were all so far away, but you always knew when a person was coming off the building because they all came down the same way—spread-eagled, turning, falling fast, and disappearing behind the Woolworth Building. It was awful, and one's head filled, irresistibly, with awful thoughts. Did they jump rather than be burned? Did the fire force them off the building? Just an hour before, they were probably on the ground, like the rest of us. I was stooping down near a trimmed green hedge near Stuyvesant High School, and I kept hearing a cricket chirp in the hedge, and occasionally small birds would fly up toward the blue.

Then the first building fell down. You have probably seen this over and over on television. I heard on TV later that a lot of people got out of the towers in an orderly evacuation because someone told them the buildings couldn't fall down. I never thought those towers would fall down. But when it fell, it fell not merely with thunder, but all the way down, as rubble. It was so quickly nothing.

Now we were all running away, hard, because the smoke, about 40 stories high, was racing outward, toward us and all of lower Manhattan. My editorial-page colleague Jason Riley told me later that he got caught in the first collapse's fallout. He couldn't run faster than the smoke and crawled under a van to avoid the debris. But he started choking and his eyes were burning and the air had turned black. He said he thought the van would move and kill him. He banged on the van's window

Awakening to a Nightmare

By MARY O'GRADY

I arrived at work early yesterday—not quite 8 a.m.—eager to write before the office started humming. The editorial page of the Journal is on the ninth floor of the World Financial Center, and my window looks out on the World Trade Center. Early morning is the perfect time to work, and the only other person in our offices was the new editorial page editor, Paul Gigot, whom I greeted by the water cooler.

A few minutes later, Paul passed my office on his way out, and we both commented favorably on the beautiful weather. Some minutes later, although I have no idea how long, the building shook as if from a sonic boom. My experience in the 1994 Northridge earthquake made me supersensitive to shaking buildings, and I immediately swung toward the window to see a large piece of debris plummeting from the sky. There were thousands of sheets of paper raining down from above. Looking up, my eyes met a gaping hole in the top of the World Trade Center building on the left. Black smoke and flames poured out the side and I thought about the poor souls who had been there just seconds before. The sound I heard immediately before the explosion made me think that a plane had been involved, but there was no fuselage to be seen.

I raced down to Paul's office wondering if he had returned, but he was gone. I was alone. Sprinting back to my office and shaking, I grabbed my jacket and purse and took off for the elevators. Downstairs, building security urged me to remain calm: Whatever it was had not hit our building. We were OK.

Just then the Journal's foreign editor, John Bussey, came limping along in the lobby. He said he had just pulled a muscle running in the street. "Walk with me," he said as he headed for his office on the ninth floor. Before I knew it, I was back in my office, staring out the window at the fire above. Some of the fallen debris was on fire in an outdoor parking lot below my window. People were streaming out of the World Trade Center now, running just as they do in all the horror movies featuring an urban Armageddon.

Despite the fact that the fire seemed contained in the top of one tower, there was no way to get back to work. Two other colleagues had come in, and one kindly brought me some water. We all kept looking out the window. I phoned my parents to tell them I was OK. They had not heard the news. My second call went to a brother in New Hampshire who works for a small local newspaper. My voice quivered and my heart was racing, but I told him that I was fine. Not two minutes into that conversation, a second, much louder boom shook my offices. I cursed loudly, shouted "I'm getting outta here," threw down the phone and ran for the exit. Only two elevators

were working. "C'mon elevator." I said a prayer, then another.

An elevator arrived. It was packed with people, who said, "Hurry up, hurry," as the door opened. One guy pounded on the door-closed button; someone saw me shaking and put a hand on my shoulder. No one said anything but somehow we were quietly sharing our terror. When we hit the lobby, I ran for the escalator and out toward the river. Many people were running north toward Stuyvesant High School. I headed south along the river, perhaps because most of the crowd was heading north. By now the river esplanade was teeming and there were many witnesses who saw the second attack. "It was a passenger plane," one man told me, "a 727." A good number of people leaned against the railing by the river and simply stared up at the burning towers. Wailing sirens filled the air.

My heart was racing now and I walked briskly along the river, past the Holocaust Museum, although one woman warned the exodus that that would be the worst place to be. I traversed through crowds in Battery Park, cut in and out of the crowds on Water Street, followed police orders to give a wide berth to Beekman Hospital. Along the way I saw men and women weeping and cursing. Many people simply had their heads down. Shock, sadness and fear were everywhere.

I wanted to get to Brooklyn but walking over the bridge had risk. What if it became a target? Several times along Water Street, I wondered if I should go back over to our offices; the worst had to be over. Something inside told me to take the bridge. I entered in the car lane, even though there was traffic going by, and soon began running as fast as I could in my high-heel sandals. Some of the walkers were begging for rides. One group got picked up, and when the last guy, in a suit and tie, couldn't fit in the car, he laid spread-eagle on the hood and the car took off with him.

About halfway across the bridge, a loud cry went up from the crowd. It was, I was sure, a plane heading right for us. But when I turned around, what I saw was the implosion of one of the towers. Pedestrians on the bridge stopped in their tracks. I kept walking but had to dodge many people who were simply frozen, mouths agape as they watched the dust and smoke rise. I rushed past them, past a woman walking alone with her head down, mumbling. All I heard was "Dear Lord." I asked her if she was all right. She said yes, she was just praying for those poor people. I wanted to cry too but I dared not start.

Now I felt in a race against time, sure that something else was yet to come. As I reached the end of the bridge, soot and ash began to fall from the sky. Everyone had some item of clothing over their

and they let him in. Then they opened the door to let two other guys in, and the van started filling with floating debris and smoke. He got out and cops were telling people to "make for the water." Jason headed toward the Brooklyn Bridge, and made it across.

I went north on the West Side Highway, with thousands of scared people. There is something called the Children's Playground along there, and I went in and sat down at a picnic table to watch the towers again. The northern tower was still burning from its original wound; in fact, for awhile the burning seemed to stop in the first tower, but started again after the other building fell down. I decided that if the other tower had collapsed, then this one would too, and I was going to watch it fall.

I was going to bear witness. Let's be a little more precise about this statement. I loved the World Trade Center towers. I have worked in their shadow for almost 25 years. I came to see them the way I saw the Statue of Liberty. At night, in the fall, as I noted earlier, when they and all the rest of Manhattan's buildings were alight against a dark sky, the World Trade Center's towers were just joyous. They shouted out on behalf of everyone in this city, where everyone seems to take pride in working long, hard hours. No matter what, those long, hard silver towers were always there. Way up there.

Of course it fell. It was the most awful, humbling, disgusting sight. All of a sudden, it was just a 100-floor shaft of smoke. As it fell, as it was hitting the ground, the smoke and crap flew upward, I guess along the sides still standing, and the smoke arced away from the building in a series of neat, repulsively identical plumes. I looked at the center of the building and all I could see were a few scraggly black twisted girders pointing upward. Then they fell and it was all gone.

We all had to start running again because the smoke was so huge and terrifying, and it was moving very fast. It was covering all of lower Manhattan. Along the way, a fellow told me that an airliner had crashed into the Pentagon.

It was impossible to think. It was perfectly obvious that identifiable Middle East terrorists had done all this and the United States and its new president would be obliged to respond on some very large scale. For all that, the depth of the evil and nihilism was numbing to behold, though in truth the beholding was over. The people in the airliners, the people coming off the top floors of the buildings, the bodies at the bottom beneath the rubble, all these souls evaporated in one clear morning in September.

As I walked north along the West Side Highway, empty now but for a torrent of police cars and fire engines from distant New York suburbs, racing southward to help, I kept turning around and turning around to look, and look again. I kept looking up at the sky, above the famous old Woolworth Building, where the World Trade Center stood, its two side-by-side towers, so high against the sky. I always saw the same thing, which was nothing.

Mr. Henninger is deputy editor of the editorial page of the Journal.

mouthing so they could breathe more easily. At least I had made it to Brooklyn.

Writing this hasn't been easy. I'm still trembling as the news reports stream in, and we learn that it is more horrific than anyone could have imagined. I've now heard that the window of my office was blown in after I left. There's glass and dust and ash, all over the space where I, and others, work. But it's quiet here where I write, though I know that peace is a long way off. A terrible evil has been unleashed against our country. To face what is ahead we will need courage. Would that it all were a nightmare, and I were about to wake up on a gentle September morning.

Ms. O'Grady edits the Journal's Americas column.

THE WALL STREET JOURNAL.

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Mistakes Made the Catastrophe Possible

By DANIEL PIPES

It is likely that more Americans died yesterday due to acts of violence than on any other single day in American history.

Two parties are responsible for this sequence of atrocities. The moral blame falls exclusively on the perpetrators, who as of this writing remain unknown.

The tactical blame falls on the U.S. government, which has grievously failed in its topmost duty, to protect American citizens from harm. Specialists on terrorism have been aware for years of this dereliction of duty; now the whole world knows it. Despite a steady beat of major, organized terrorist incidents over 18 years (since the car bombing of the U.S. Embassy in Beirut in 1983), Washington has not taken the issue seriously.

Here are some of its mistakes:

- *Seeing terrorism as a crime.* American officials have consistently taken the view that terrorism is a form of criminal activity. Consequently, they have made their goal the arrest and trial of perpetrators who carry out violent acts. That's fine as far as it goes, but it does not go far enough. This legalistic mindset allows the funders, planners, organizers and commanders of terrorism to continue their work untouched, ready to carry out more attacks. The better approach is to see terrorism as a form of warfare and to target not just those foot soldiers who actually carry out the violence but the organizations and governments that stand behind them.

- *Relying too much on electronic intelligence.* It's a lot easier to place an oversized ear in the sky than to place agents in the inner circle of a terrorist group, and so the Central Intelligence Agency and other information-gathering agencies have put on their headphones and listened. Clearly, this is not enough. The planning for the events that took place yesterday requires vast preparation involving many people over a long period of time. That the U.S. government did not have a clue points to nearly criminal ignorance. As critics like Reuel Marc Gerecht keep hammering home, American intelligence services must learn foreign languages, become culturally knowledgeable and befriend the right people.

- *Not understanding the hate-America mentality.* Buildings like the World Trade Center and the Pentagon loom very large as symbols of America's commercial and military presence around the world. The trade center has already been attacked once before, in a bombing in February 1993. It should have been clear that these

buildings would be the priority targets, and the authorities should have provided them with special protection.

- *Ignoring the terrorist infrastructure in this country.* Many indications point to the development of a large Islamist terror network within the United States, one visible to anyone who cared to see it. Already in early 1997, Steven Emerson told the Middle East Quarterly that the threat of terrorism "is greater now than before the World Trade Center bombing as the numbers of these groups and their members expand. In fact, I would say that the infrastructure now exists to carry off 20 simultaneous World Trade Center-type bombings across the United States."

The information was out there but law enforcement and politicians did not want to see it. The time has come to crack down, and hard, on those connected to this terror infrastructure.

If any good is to come out of yesterday's deaths and trauma, it will be the prompting of an urgent and dramatic change of course in U.S. policy, one that looks at the threat to the United States as a military one, that relies on human intelligence, that comprehends the terrorist mentality, and that closes down the domestic network of terror.

An easy assumption pervaded the airwaves yesterday that the morning's horrors will have the effect of waking Americans to the threat in their midst. I am less optimistic, remembering similar assumptions eight years ago in the aftermath of the 1993 bombing of the World Trade Center. That turned out not to be the wake-up call expected at the time. Perhaps because only six people died then, perhaps because the bombing was not accompanied or followed by other incidents, that episode disappeared down the memory hole. We owe it to yesterday's many victims not to go back to sleep again.

We also owe it to ourselves, for I suspect that yesterday's events are just a foretaste of what the future holds in store. Assuming that the attacks in New York and in the Washington area were only what they seemed to be, they killed and injured only those who were in the buildings under attack or in their immediate vicinity. Future attacks are likely to be biological, spreading germs that potentially could threaten the whole country. When that day comes, this country will truly know what devastation terrorism can cause. Now is the time to prepare for that danger and make sure it never happens.

Mr. Pipes is director of the Philadelphia-based Middle East Forum.

How Did They Get Past Security?

By BRENDAN MINITER

Now we know, someone said yesterday, why they ask us all those silly questions at the airport. But those silly questions didn't stop the terrorists who hijacked four commercial planes and used them to destroy the World Trade Center's twin towers and part of the Pentagon.

So how could they have done this?

One of the planes used in the attack took off from Dulles International Airport, just outside Washington, en route to Los Angeles. It will be some time before investigations reveal how, exactly, the terrorists were able to execute their plan. But I've seen the security measures at Dulles—and they weren't tight.

As it happens, I once worked for the duty-free shops at Dulles, one of the many jobs I worked to put myself through school. The job entailed stocking shelves, selling items to international passengers and delivering those goods to passengers as they boarded their flights. So I had a card that let me bypass many of the security measures. A quick swipe would open a door to a tunnel that went under the metal detectors. Inside that tunnel we would often load a van to carry our products to the outer terminals.

At the time it struck me how many holes there are in airport security. Presumably background checks are performed on everyone who is issued a security pass. But if a terrorist slips through and is issued a pass, he could easily smuggle through whatever it takes to hijack a plane. Digitally enterprising terrorists could surely find a way to make a false security card or simply steal a valid one from an unsuspecting employee. What's

worse, many employees would let others follow them through the door into the tunnel—even though we were warned against such "piggybacking" and made to watch a video on security before being given clearance.

The tunnel wasn't the only way a terrorist could foil the airport's security measures. The metal detectors and X-ray machines offer only a minimal review of passengers. I would often carry a can of soda through the security checks, and the security officers would allow me to put it off to the side with my keys as I walked through the metal detector. I often wondered if a terrorist could dummy up a can of soda and put a bomb or pieces of a gun in it, to be opened once on board.

Delivering packages to passengers as they got on their plane revealed another flaw in the security system. With my security pass I would make my way into the jetway, line up my bags and await my customers. After listening to details of the hijacked planes, I wonder how the terrorists smuggled weapons aboard. Did they have an accomplice who met them in the jetway?

I hate being hassled every time I fly. And after having worked at Dulles, it seemed clear that the security measures were aimed at making people feel safe instead of actually protecting them. Have your bags been in your possession? Has anyone given you anything to carry on-board?

Is it even necessary to ask such questions? It certainly isn't sufficient.

Mr. Minitier is assistant editor of *Opinion-Journal.com*.

Taking Refuge Under, Then in, a Van

The following first-person account from the streets around the World Trade Center is from an e-mail from *Journal* editorial writer Jason Riley:

I'm back at home now. Got as far as Broadway and Liberty this morning, but wasn't allowed to cross Broadway. South Tower was still burning. Watched it collapse from that vantage point. Seemed to fall in slow-motion. Then a huge, black cloud of debris formed and began spreading toward us. Everyone turned and ran, including me.

I kept looking over my shoulder, and it was clear I could not outrun the cloud, so I started looking for cover. I saw a van and slid underneath, hoping it would shield me from the debris. It didn't. I was having difficulty breathing. Every time I inhaled, more smoke and debris. My eyes were burning and it was completely dark.

Then I started to worry that the van would move, and I would get crushed. I also started to think that inside the van might be safer than under it. So I slid back out from underneath and banged on the window. Someone inside opened the door and let me in. Two other guys from the street also jumped in the van behind me, nearly crushing my leg. But in the few seconds the door was open, so much debris got inside the van that it was nearly impossible to breathe in there, too. We were afraid to drive, for fear of running over people. Plus, it was still dark (but getting lighter). Eventually, no one could breathe at all in there and we had to get out. I ran into a nearby building and was ushered into the basement. But 30 seconds later, we were told to evacuate.

Back out on the street it was light again

and a policeman was telling everyone to "make for the water," perhaps not realizing Manhattan is an island. So I continued east, passing a Burger King, where I thought I could get some water. It was still very difficult to breathe. A crowd of about 50 people were inside, including a woman who was holding a newborn and was hysterical. There's a hospital nearby, but she didn't want to go there. She was afraid to go outside.

I was in the Burger King for about 2 minutes when I heard a loud rumble. Several moments later it was completely dark outside again. Someone had a radio and said the second tower had collapsed. I waited for it to lighten up again (about 15 minutes), and then I started for the Brooklyn Bridge. People were streaming over it. We must have looked like refugees. I walked home to Park Slope.

Pepper . . . and Salt

THE WALL STREET JOURNAL



"Technically, Mr. Copely, you are only eligible for a lunch break once you've been hired."

It's not every day in Manhattan that you look up and are relieved to see U.S. fighter jets flying combat patrol over the city.

The air patrol may have come too late to do much good, but watching from our roof on the Lower East Side, my neighbors and I agreed it was damn comforting to know the skies were back under control. I was in bed, contemplating a column on the waste and folly of the Microsoft prosecution when the first explosion rippled by. I wrote it off to construction down the block.

Business World

By Holman W. Jenkins Jr.

where a building had just been cleared and a new one was expected to go up. The second explosion came a bit later, followed by screams from the balcony of the building behind me. I heard a woman's voice say, "A plane just crashed into the World Trade Center."

Wow. When I turned on CNN, I was dumbstruck to learn that two planes had smacked into the towers. *They had video of the second one—a twin-engine passenger jet.* Unbelievable.

I went to the roof where my neighbors were already gathered. One of them, a structural engineer, was explaining about rated steel, designed to allow a couple of hours to evacuate in case of fire. We saw flames three or four stories tall licking out from the sides of the north tower. Long ribbons of silver—my neighbor said it was melting aluminum—dangled from the sides. What might have been paper or sections of wallboard wafted in the smoky

What I Saw on the First Day of the War

breeze around the towers.

The day was brilliant, cloudless, the kind that Manhattan looks especially majestic in. I went back downstairs and was working the email when the first tower collapsed, but I knew instantly what was happening—the thump, the rumble, the gasps and shrieks from neighbors on their roofs and balconies and fire escapes.

Back to the roof. Those who live in this city, and especially those who get around by foot, know the towers are indispensable points of reference. Now one was gone and the second was going.

I pointed to a bulge in the vertical steel cornice well below the flames and blackened hole where the plane had smashed through. We realized the broadcast antenna would go first, playing havoc with TV and radio traffic and cell phones. Would pancaking of the roof and top floors take down the entire structure? During the trial over the bombing of eight years ago, it came out that the towers had been designed to withstand a direct hit by a 727.

When it came, it happened in slow motion, beginning as we expected with the antenna. Then it was gone, engulfed in smoke and dust.

I went back downstairs and began fielding phone calls. A friend reported that an acquaintance in the building next to the trade center had gotten out safely and now was walking home *sans* purse and shoes. Another friend in Tribeca called to wonder if she should grab her kids and head uptown. She said she heard from a neighbor that he saw people jumping from the burning towers before they fell.

Is it safe to stay in lower Manhattan? Who knew? I ducked out to the ATM and

loaded up with cash. So far, no mob. At the grocery store, a few people are buying bottled water, and I noticed as I moved through the checkout that a crowd was starting to build.

Now I'm back home, watching the president on TV, saying thanks to those involved in the rescue efforts and assuring us that the government and military leadership are functioning. Sirens are a continuous backdrop in the streets. There are

The day was brilliant, cloudless, the kind that Manhattan looks especially majestic in.

hundreds of people trudging en masse, like a World War Two exodus, because the subways are out of action. Overhead comes the roar of an F-16 streaking over my neighborhood. The war—some kind of war—has begun.

New Yorkers have been expecting this for a while, though many of us were thinking in terms of poison gas. All it takes is money and organization to commit destruction on a cinematic scale. The world doesn't seem short of people with a grandiose sense of their own grievances. That intelligence official once told me that most suicide bombers are unwilling emissaries. Family members are held hostage and threatened with torture and death to give these beloved sons added incentive to do their duty.

But we don't stop living in cities or flying in airplanes or making political choices in the world just because we feel

vulnerable. The urge to flatten some foreigners is, of course, strong on a day like yesterday. CNN briefly flashed video of jubilant Palestinians celebrating amid the squalor of their microstate, but evidently thought better of running it more than once.

The best way to fight this war is to clean up the mess, go about our business and get back to normal. In the long run, as Henry Kissinger said in one interview, this was an integrated attack and deserves an integrated response. That means a response in which policy aims carefully worked out and carefully pursued.

Certainly airlines might want to rethink their traditionally passive strategy once a hijacker is aboard. Nor is there anything to gain by slackening our support of other democratic countries fighting this battle. Coordinated intelligence is the magic bullet against terrorist attacks before they get started.

Let us also acknowledge that vengeance may not be an attractive moral stand, but it can be good policy. Suicidal fanatics are not people on whom deterrence works. But the folks behind them are rational and respond to incentives.

Dictators and terrorist chiefs are not the willing victims of the wars they prosecute. They like their lives, their power and their ambitions. The president's vow to "hunt down and punish" culprits would be the best defense against future outrages, if carried out. But this can't mean stopping halfway up the terrorist chain of command.

Living in cities is a hallmark of civilized man. Doing so safely, though, requires a way of dealing with uncivilized man, even if he happens to be another country's head of state.

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Columnist
The Wall Street Journal

Rick Robinson
Senior Vice President and Chief Experience Officer
Sapient Corporation

Agenda

Brand Moxie: Creating and Maintaining Brand Resilience
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Monday, October 1

- Golf tournament
- Welcome reception and dinner

Tuesday, October 2

Taking a Legacy Brand into New High-Growth Sectors

Carl E. Gustin, Jr., Chief Marketing Officer and SVP, **Eastman Kodak Company**

Is Branding Overrated?

Regis McKenna, Chairman, **The McKenna Group**

Walter Mossberg, Columnist, **The Wall Street Journal**

Tectonic Shift: Software and Hardware in a Services Wrapper?

Panel led by Marco Vriens, SVP and Chief Research Officer, **Millward Brown IntelliQuest**

Leslie Gaines-Ross, Chief Knowledge and Research Officer, **Burson-Marsteller**

Anil Menon, Associate Professor of Marketing, **Emory University**

Ross, GM and Herding Cats: How Metaphor Liberates the EDS Brand

Don Uzzi, SVP, Global Advertising, Marketing and Communications, **EDS**

David Lubars, President and Executive Creative Director, **Fallon**

Gail Rigler, VP, Global Marketing, **EDS**

Off the Shelf to Off the Net: Can the Microsoft Brand Make the Switch?

Panel led by Lee Dilday, SVP, Client Services, **Millward Brown IntelliQuest**

Kara Swisher, Columnist, **The Wall Street Journal**

Brand Leadership: The Evolution of Microsoft through Trials and Tribulations into Success in New Markets and New Audiences

Jim Minervino, GM Branding and Research, **Microsoft Corporation**

Wednesday, October 3

It's Not A Promise, It's A Tool: Brands From the User's Point of View

Rick Robinson, SVP and Chief Experience Officer, **Sapient Corporation**

Brand: What Have You Done For Me Lately?

Panel led by Walter Mossberg, Columnist, **The Wall Street Journal**

Murray Gaylord, VP of Brand Marketing, **Yahoo! Inc.**

Julie Wainwright, Former CEO at Pets.com and CEO in Residence, **Hummer Winblad**

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Doug Edwards, Director of Marketing, **Google**

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Keith Bruce, SVP, Director of Sports Marketing, **FCB Worldwide**

Will the World Cup Score an Avaya Goal?

Paul Myer, VP, Integrated Marketing Communications, **Avaya Inc.**

Can Brands Win With Sports Marketing?

Panel led by Keith Bruce, SVP, Director of Sports Marketing, **FCB Worldwide**

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A DAY OF TERROR

Government Officials Relocate, Keep Working

Starting in a Whisper, Response Is Execution Of Unthinkable Drill

The U.S. government began to shudder visibly at 9:04 a.m. EDT as President Bush was reading to schoolchildren in Sarasota, Fla.

White House Chief of Staff Andrew Card whispered in his ear the horrific news of a second airline crash into the World Trade Center. The president, already aware of the first attack, blanched; then he turned back to the book, and about a half-hour later denounced "an apparent terrorist attack on our country."

That was just the beginning of the most terrifying assault on the U.S. since Pearl

By Wall Street Journal staff reporters Jim VandeHei, Jeanne Cummings, David Rogers, Shailegh Murray and John Harwood.

Harbor. Before it was over, the White House, the Capitol, the Pentagon, the Treasury and other Washington power centers had been mostly evacuated, sending the government of the world's richest and most powerful democracy into hiding. When Mr. Bush flew out of Sarasota on Air Force One, he stopped in Louisiana, where he vowed to "hunt down" the terrorists responsible—and flew off again to a safe location that officials wouldn't immediately disclose.

The need for such precautions was frighteningly apparent to anyone with a television. Minutes after Mr. Bush's first statement, another airliner crashed into the headquarters of the U.S. military. It tore a gaping hole in the Pentagon, forcing evacuation of most offices. After a brief attempt to personally assist the casualties, Defense Secretary Donald Rumsfeld retreated into the building's highly secure National Military Command Center. Another plane crashed in western Pennsylvania at 10 a.m.

Credible Threats

One by one, leading government officials abandoned their offices and relied on the wonders of 21st-century telecommunications for the exercise of their duties. The White House complex itself was evacuated after security officials reported a credible threat; Vice President Dick Cheney was taken out of his office to an undisclosed "secure" location, while the president's top economic adviser, Lawrence Lindsey, decamped to a downtown law firm to monitor events.

First Lady Laura Bush had been preparing to testify before a Senate committee on education policy. Instead, she called on American parents "to reassure their children everywhere... that they're safe," before being whisked away and phoning her own husband and twin daughters.

"A policeman came in and said, 'Get out of the building,'" said Sen. Robert Byrd of West Virginia, an 83-year-old Democrat who is the longest-serving member of Congress. The bipartisan congressional leadership huddled first at Capitol police head-

Terrorism Hits Home

Terrorist acts became familiar to Americans over three decades—though never near so close or deadly as yesterday.



● **1972:** Shattering the Olympics' symbolic peace, a Palestinian group attacks Israeli athletes at Munich's Olympic village. 17 are killed.

● **1979:** The U.S. Embassy in Tehran is stormed by a group of militant students. 52 of the hostages were held for 444 days, released January 21, 1981.

● **1983:** A truck bomb kills 241 Marines in their Beirut, Lebanon, barracks.

● **1985:** An American tourist is killed and thrown overboard when Palestinian terrorists hijack an Italian cruise ship off Egypt.

● **1988:** Pan Am Flight 103 explodes over Lockerbie, Scotland, killing 270. Libyan terrorists are blamed.



● **1993:** At the World Trade Center, six are killed and more than 1,000 wounded when a car bomb explodes in the garage. Three Islamic terrorists were convicted of conspiracy in 1994; after appeals, just five weeks ago each was sentenced to 100 years in prison.

Sources: WSJ research; news reports

● **1994:** Authorities arrest a man who'd planned to hijack an Air France plane in Algeria and crash into a building in Paris.

● **1995:** An American citizen blows up the federal building in Oklahoma City, killing 168 Americans.



● **1996:** The bombing of the Khobar Towers barracks in Saudi Arabia kills 19 U.S. airmen and injures 500.

● **1997:** A Palestinian with a tourist visa shoots seven tourists in New York City's Empire State Building.

● **1997:** Authorities thwart three men armed with suicide bombs and a note indicating plans to attack New York City subways.

● **1998:** Near-simultaneous bombings of U.S. embassies in Kenya and Tanzania kill 263 and injure 5,000. The U.S. charges Saudi Arabian terrorist leader Osama bin Laden, Clinton orders missile strikes against Afghan and Sudanese targets.

● **1999:** A man is apprehended in Washington state as he heads for a terrorist attack at Los Angeles International Airport.

● **2000:** Terrorists drive motorboats loaded with explosives into the USS Cole in Yemen, killing 17 U.S. soldiers.

quarters, then departed by helicopter for a secure location of its own. Before sending his young aides home, GOP Sen. John Warner of Virginia recalled to them, "I was in Washington when I heard about the Japanese attack on Pearl Harbor. This is another Pearl Harbor, and now your generation will have to meet the challenge."

'Open and Operating'

The Federal Reserve issued an emergency statement saying the central bank was "open and operating" and ready "to meet liquidity needs" of the U.S. economy. About 100 staffers remained at work inside a building that had been officially evacuated. But a plane carrying Fed Chairman Alan Greenspan, who had been returning from a meeting in Switzerland, was diverted to a secret location.

The same was true of Secretary of State Colin Powell, who cut short a trip to South America to return to the U.S. Treasury Secretary Paul O'Neill had just arrived for economic talks in Tokyo when

news of the attack broke on television at his hotel. Treasury officials traveling with him initially had trouble reaching their colleagues back at headquarters, since it, too, had been evacuated. The hotel phones in Tokyo were jammed; Mr. O'Neill's security detail warned aides not to reveal their location or schedules when making cellular telephone calls.

Other top government officials vanished, too. Supreme Court justices left their building, which was placed within the security perimeter authorities established on Capitol Hill. A few blocks away at the Energy Department, Secretary Spencer Abraham joined senior aides in a bomb shelter before leaving the building later in the day. Upon hearing the news, Transportation Secretary Norman Mineta broke off a meeting with a Belgian representative of the European Union; he moved to the White House situation room to monitor events.

It was a chilling real-world execution of plans that top federal officials maintain in

the hope they will never become necessary. "Not only did we think about it, [but] at a national level, we practiced it," said John Podesta, who served as White House chief of staff under President Clinton.

President's Four Priorities

For security reasons, Mr. Podesta wouldn't discuss specifics. But he did say that top officials at federal agencies, and senior White House aides, would be ushered to situation rooms to keep their essential duties moving. The president himself would focus on four priorities: ensuring no further attacks were taking place, ensuring his own safety, dispatching the needed personnel and money for "consequence management," and working with the intelligence community to find the terrorists.

By midafternoon, Mr. Bush's communications director Karen Hughes emerged from the White House situation room to tell Americans that those preparations were working.

"Every federal agency has implemented continuity-of-operations plans to make sure the government continues to function effectively," she told reporters assembled at the Federal Bureau of Investigation. "While some federal buildings have been evacuated for security reasons and to protect our workers, your federal government continues to function effectively."

By that point, the government felt confident enough to disclose the president's whereabouts. Mr. Bush had first been flown, under escort from military jets, to Barksdale Air Force Base in Bossier City, La., a heavily fortified base with state-of-the-art communications equipment and sophisticated strategic intelligence. After his midday statement, Ms. Hughes said, President Bush was taken to Offutt Air Force Base in Omaha, home of the U.S. Strategic Command.

Subsequently, the government sought to restore some sense of normalcy to a day that was so shockingly abnormal. "Make no mistake about it, your armed forces are ready," said Gen. Henry Shelton, chairman of the Joint Chiefs of Staff. From the White House briefing room, Health and Human Services Secretary Tommy Thompson said the department had dispatched emergency medical assistance to authorities in New York and Washington.

House and Senate leaders of both parties announced plans to reconvene today to take up resolutions condemning the attacks; some conservatives began pressing for some sort of war against those responsible. But on this occasion, members of all ideological stripes, some of them in tears, joined in singing "God Bless America" on the Capitol steps.

President Bush arrived back at the White House at 6:53 p.m. EDT and walked into the Oval Office. Slightly more than 90 minutes later, he told the nation, "Today, our nation saw evil, the very worst in human nature."



CAPITAL JOURNAL

By GERALD F. SEIB

Without Notice, History Hits Bush With Severe Test

PRESIDENT BUSH suddenly faces a crisis that transcends nearly any nightmare he could have imagined, and one that calls upon him to summon leadership skills he's never tested.

Indeed, the very skills he now needs most—the ability to unite a quarrelsome nation, the knack for transcending partisan divides, the talent to pull America's international allies behind him—are precisely the skills that skeptics doubt he possesses.

Other presidents whose skills were similarly doubted at a time of national duress—Abraham Lincoln, Franklin Roosevelt—rose to the demands of history, showing depths of leadership and character that detractors never imagined they held. Others—Lyndon Johnson, perhaps, or Herbert Hoover—were found wanting.

In either case, there's little doubt that the defining moment of Mr. Bush's presidency occurred between dawn and lunchtime yesterday, as hijacked airliners flew into the World Trade Center and the Pentagon, wreaking death and havoc. Now, there is no script for Mr. Bush, for America has never before been the target of concerted attack from an unidentified foe. It isn't even clear where to direct a response. As Israeli Prime Minister Ariel Sharon has long noted, the difficulty in dealing with terrorism is finding the address to which you respond.

But there can be little doubt about the steps Mr. Bush must take. His first task is to calm and reassure a nation that, more than at any time since Pearl Harbor, has lost its sense of security and safety. In modern America, that is a job that only a president can perform, and one that will require Mr. Bush to project an aura of command that some Americans think has eluded him in his first eight months in office.

FOR ALL HIS FLAWS, Mr. Bush's predecessor, Bill Clinton, was a master at rising to such moments, as he did after the Oklahoma City bombing. Mr. Bush hasn't yet shown he can master the megaphone of the presidency

quite so well. His calm, measured remarks to the nation last night delivered a simple but stern message to America's foes, and marked an improvement over a somewhat shakier performance earlier in the day.

But at a time like this, Americans' demands aren't onerous. They will settle for a sense of steadiness and resolve at the top. Toward that end, Mr. Bush would be wise at this point to find ways to remind Americans that the brain trust he assembled—Vice President Dick Cheney, Secretary of State Colin Powell, Defense Secretary Donald Rumsfeld—could well have been designed for a national security crisis like this one. All three have been criticized in recent months, but they present a reassuring picture at this moment.

Mr. Bush's second task will be to bury, for now and the foreseeable future, the air of partisan jockeying that has hung over Washington since last fall's contested election. Of course both parties will pay lip service to putting aside partisan divisions; that's what politicians do at a time like this.

But ramifications of yesterday's terrorism will linger for months, if not years. Americans will now debate how to respond, how to construct defenses, indeed, how to adjust life in America. At such moments, other nations form national unity governments. That isn't the American way. But if bipartisanship is to have real meaning, Mr. Bush will have to make Democratic leaders part of a unified national response. A good way to start might be to summon his foe in last year's election, Al Gore, to the White House as a symbol that the country unites at such moments.

THE THIRD, AND perhaps most challenging task for Mr. Bush will be to marshal a united international response. If the response to yesterday's terror is seen strictly as America's military retaliation it will be useful. If the response is a united international attack on terrorists, on their sponsors, and on their apologists, it will have far more meaning, and save far more lives in the long run. Yet testiness in dealing with allies has been more the norm for Mr. Bush.

It is impossible to say now what military response is appropriate. Americans won't demand instant action, or be comfortable with precipitous retaliation taken without careful consideration.

Yet American credibility is at stake. Going into this time of testing, Mr. Bush carries some seeming disadvantages. For one, he arrived in office with limited international experience. But he brings considerable assets as well. His very name—Bush—is reassuring to many Americans. His father successfully prosecuted a conventional war. Mr. Bush himself is well-liked and has shown that he takes the duties and responsibilities of his office solemnly and seriously. Most reassuring of all, history shows that American presidents, more often than not, rise to the moment.

Recent Incidents Led U.S. to Focus on Car Bombs

By JOHN FIALKA And JACKIE CALMES

WASHINGTON—America found itself yesterday at war in peacetime. Horrific as it was, though, warning signs have long pointed to a day like this coming.

No antimissile defense was going to stop it. Just as Japan on Dec. 7, 1941, destroyed America's longstanding belief in its ocean-guarded invulnerability, now Sept. 11, 2001, joins that date to live in infamy—for obliterating Americans' sense that foreign terrorism, even when aimed at U.S. interests, was something that mostly happened somewhere else, to someone else.

As a shaken Rep. Curt Weldon (R., Pa.) said, "This is 21st century war."

Especially in the past decade, a rash of terrorist attacks aimed at U.S. interests have proved the killing power of carefully-placed explosives and the increasing sophistication of global terrorist groups. For all the precursors, the nation appeared wholly unprepared for yesterday's catastrophe—even though, by targeting the Pentagon just over the Potomac River in northern Virginia, and the World Trade Center anchoring Manhattan's skyline, a stealth enemy struck at the very symbols of America's government and economy.

Past terrorist incidents were all "mere apples and oranges compared to this in terms of magnitude, coordination and... pain inflicted," says Bruce Hoffman, an expert on terrorism for the Rand Corp. think tank. Moreover, says Mr. Hoffman, whose office is in sight of the Pentagon, the pattern of recent terrorist incidents may have steered U.S. defense efforts in the wrong direction.

Those attacks have led to a focus on the truck bomb, the weapon used in the October 1983 blast of the U.S. Marine barracks in Beirut that killed 241, the 1996 barracks bombing in Saudi Arabia that killed 19 and wounded 500, and the August 1998 blasts that devastated U.S. embassies in Kenya and Tanzania and killed hundreds.

Similarly, it was a car bomb that went off in the 1993 attack on the now-destroyed World Trade Center. While many experts predicted that attack would be a wake-up call for Americans, alerting them to the terrorist threat at home, in fact the event faded in memory—perhaps because the casualty count was far less than it could have been. More than 1,000 were wounded, but just six people died.

In response to the threat of car and truck bombers over recent years, U.S. officials have surrounded the White House, Capitol, Pentagon and other national institutions with giant cement pots filled with flowers. Such impediments seemed almost superflu-

ous yesterday, as members of Congress and staff passed them when they evacuated the Capitol complex, eyes to the sky for fear of more hijacked airliners crashing down.

After the collapse of the Soviet Union, some U.S. experts focused on containing weapons of mass destruction, to guard against chemical, biological and nuclear weapons falling into terrorists' hands. With the attention either to relatively rudimentary truck-bombs or sophisticated weapons of mass destruction, "We've been focusing on two ends of the spectrum," Mr. Hoffman says. Using airliners as bombs amounts to a threat that "sits right in the middle. It is spectacular, not exotic, but unfortunately is very, very effective."

Airline hijackings long have been a terrorist tactic, though most planes have been landed safely. The Libyan bomb that destroyed Pan Am Flight 103 in midair 12

As a weapon of choice, the fuel-laden commercial airliners used as suicide bombers yesterday weren't so 'exotic,' says one expert on terrorism at Rand Corp., 'but unfortunately... very, very effective.'

years ago led to a step-up in already cumbersome airport-security measures. A portent of yesterday's sort of disaster came seven years ago, when authorities apprehended a man who was going to hijack an Air France liner and blow it up over Paris.

The Boeing 757 that exploded at the Pentagon normally weighs 200,000 pounds, including about 170,000 pounds of jet fuel. "From now on," says Gary Milhollin, an engineer and director of the Wisconsin Project, which traces components of nuclear weapons, "I guess we have to consider airliners to be in the category of dual-use weapons."

What experts call dual-use weapons—ordinary commercial products that can be turned into deadly weapons—have been a hallmark of recent terrorist activity. Timothy McVeigh, America's own terrorist, filled a truck with fertilizer to blow up the Alfred P. Murrah Federal Building in Oklahoma City. A speedboat laden with explosives pulled alongside the U.S.S. Cole in October in Aden, Yemen, crippling the ship and killing some crewmen.

Since Iraq's attack on Kuwait in August 1990 led to the Persian Gulf War, U.S. intelligence agencies have worried that certain commonly used chemicals and pharmaceutical gear could be adapted for weaponry.

As for the destructive power of a crash-

ing airliner, much of the analysis to date has focused on accidental crashes. For example, such an accident explains why all 103 operating U.S. nuclear plants are protected by cement domes purposely designed to withstand an airliner crash, says Bill Beecher, a spokesman for the U.S. Nuclear Regulatory Commission.

Throughout the 1980s, a series of international airline hijackings prompted U.S. authorities to fortify airports and increase security. In 1983, a bomb exploded outside the U.S. Senate chamber, leading to security procedures that have made much of the Capitol off-limits to tourists.

"What is truly dismaying about this is that these attacks happened in several cities at roughly the same time with no advance notice, despite the fact that the Clinton and Bush Administrations have spent an awful lot of money and an awful lot of man-hours

trying to follow terrorist groups," says James Lindsay, a foreign-policy analyst at Brookings Institution, a think tank here.

"For some Americans, this will tell them that the world outside is a dangerous place, full of people who don't like the U.S., and they will have a tendency to turn their backs on it," Mr. Lindsay says. "Others will be tempted into a kind of jingoism, where we strike out blindly at an imagined enemy."

It will be the President's job to control both reactions, he says.

Analysts note that terrorists often try to provoke an overreaction that can prove more crippling ultimately than the event itself. For example, security restrictions could be imposed on commercial airliners that become disruptive to travel. "Yet we need airliners," said Mr. Milhollin. "Our economy depends upon them."

Despite budget woes, Congress is certain to consider providing billions of dollars more to beef up U.S. intelligence agencies. "It will be easy to say this is an intelligence failure, but you could be talking about a small nucleus of sophisticated people," Mr. Hoffman says. "Terrorist groups have gotten much more diffuse. There is no way you could have an agent in every one of those cells."

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DOW JONES

Foreign Exchange: U.S. dollar falls after the terrorism attacks **Page B3.**

Banking: How the everyday flow of money was disrupted **Page B3.**

MONEY & INVESTING

Commodities: The impact of shutdowns on traders, farmers **Page B3.**

World Stock Markets: Tables of Dow Jones Global Indexes **Page B4.**

Attack Shuts Down U.S. Markets and Causes Global Declines

Markets Will Remain Closed Again Today; Officials Assess Damage

In the wake of the destruction caused by the terrorist attack on lower Manhattan, the nerve center of U.S. finance, all major markets were closed yesterday and will remain closed today, as officials scramble to instill confidence in shaken global investors.

When U.S. markets will reopen and what will happen when trading resumes

By Wall Street Journal staff reporters Michael Schroeder in Washington, and Kate Kelly and Antonio Regalado in New York.

is unclear, as officials sift through the physical damage and human carnage.

There is a risk that U.S. stock markets, already shaky, could follow the jittery reaction in the global markets that did remain open yesterday. In Europe, the Dow Jones Stoxx 50 index of European blue chips

plunged 6.1% to its lowest level since August 1998. British stocks fell 5.7%, French stocks 7.4% and German stocks 8.5%.

In a further sign of nervousness, on Wednesday in Asia, the benchmark Nikkei index of major Tokyo stocks was down 5.9% at 9685.77 in midday trading, falling below the psychologically important 10000 mark for the first time since 1984. The dollar fell sharply against both the Japanese yen and the euro, while the price of gold — considered a haven during times of crisis — spiked up.

"Even if it's physically possible" to reopen trading, "it may not be practical," Harvey Pitt, chairman of the Securities and Exchange Commission, said in an interview yesterday afternoon. He said officials needed to be sensitive to the tragedy hitting employees, and the state of trading systems. The shutdown will affect all stock and futures markets, which shut yesterday morning shortly after word of the bombing attacks spread.

The Bond Market Association told securities firms that bond trading had been suspended "indefinitely."

The Federal Reserve promised to provide sufficient cash to keep the financial system stable.

The last time the New York Stock Exchange closed for an unscheduled day was Richard Nixon's funeral in 1994, and the last time for two unscheduled days was for V-J at the end of World War II. Perhaps the last big shutdown because of direct damage to financial markets was the 1835 New York City fire.

Past history suggests the stock market will likely tumble when it finally opens again for trading, but a rebound could follow. The Dow Jones Industrial Average sank 2.9% the day after the Pearl Harbor bombing, perhaps the most comparable tragedy in U.S. history, according to brokerage firm A.G. Edwards in St. Louis. The U.S. stock market was in a bear market and the economy struggling at the time of Pearl Harbor, similar to its state before yesterday's surprise attack. The Dow average was down a full 9.7% three months after the Pearl Harbor attack.

But the Dow average was off just 0.1% 12 months after the attack, after signs of an economic recovery emerged.

The market has generally shrugged off terrorist attacks such as the one against the federal office building in Oklahoma City or the first bombing of the Trade Center, though those attacks were less severe

than this one. "In terms of magnitude, this is so much greater, I don't think it's comparable," said Steve Leuthold, head of Leuthold Group, a money-management and research firm in Minneapolis. He added that the Kennedy assassination was a reasonable comparison because people believed it was part of a broader attack on the U.S. government.

The market was open at the time of the attack and quickly fell 4% before trading was halted. But when the market reopened several days later following the president's funeral, it was clear to investors that the government was secure, and the market surged 4% that day.

Some analysts feared a prolonged shutdown of U.S. markets could only further erode investor faith in workings of the financial markets. "Keeping the markets closed shows that terrorists brought you to bay, and it also creates more uncertainty," said Gary Gensler, the top Treasury official overseeing financial markets for the Clinton administration. Open markets would "allow for a lot of economic pressures to be relieved in an orderly way," he added.

But others speculated that an extended period with no trading could allow

How the World's Markets Reacted

COUNTRY	INDEX	% CHANGE
Belgium	Bel-20 Index	-5.46
Britain	London FTSE 100-share	-5.72
France	Paris CAC 40	-7.39
Germany	Frankfurt Xetra DAX	-8.49
Italy	Milan MIBtel	-7.42
Netherlands	Amsterdam AEX	-6.95
Spain	IBEX 35	-4.56
Sweden	SX All Share	-7.75
Switzerland	Zurich Swiss Market	-7.07

Latin America

COUNTRY	INDEX	% CHANGE
Argentina	Merval Index	-5.18
Brazil	Sao Paulo Bovespa	-9.18
Canada	Toronto 300 Comp.	-4.03

Chile	Santiago IPSA	-2.80
Mexico	I.P.C. All-Share	-5.55

Asia*

COUNTRY	INDEX	% CHANGE
Australia	All Ordinaries	-0.01
China	Dow Jones Shanghai	+0.30
China	Dow Jones Shenzhen	+0.09
Hong Kong	Hang Seng	+0.49
India	Bombay Sensex	-1.04
Japan	Tokyo Nikkei 225	+0.95
Japan	Tokyo Topix Index	+0.20
Singapore	Straits Times	+0.53
South Korea	Composite	-1.84
Taiwan	Weighted Index	-2.62

*Asia's markets closed before having a chance to react to the news, but by midday, Japan's Nikkei fell nearly 6%. Source: WSJ Market Data Group

markets to reopen in a climate of calm, once the initial period of panic and rumor had passed. "The longer it takes, the less shock there's going to be," Mr. Leuthold said.

"I'm more concerned about the mental

state of the people exposed to this kind of tragedy up close," Mr. Pitt said. "We need a period to calm down. It would be unwise to force people back to work," he added.

Today, firms, markets and exchanges

Please Turn to Page B2, Column 3

Trade Center Firms Fear For Friends and Colleagues

A WALL STREET JOURNAL NEWS ROUNDUP
The devastation of the World Trade Center wiped out a symbol of America but also a very real center of U.S. business and financial life.

Among the hundreds of tenants housed in the two 110-story buildings were many

Trade Center Offices

For a list of the hundreds of companies whose World Trade Center offices were destroyed yesterday, see page B2.

brokerage firms and banks, law offices, technology companies, trading firms and other businesses, all occupying prized office space within a five-minute walk of Wall Street itself.

More than 50,000 people regularly worked in the Twin Towers and other World Trade Center buildings, with tens of thousands more—including many tourists visiting a sky-high observation deck and shoppers crowding ground-level retail outlets and banks—moving through the complex each day. Many people escaped before the destruction of the landmark buildings, but amid the chaos, the toll of dead and injured was unclear.

Many hours after the jetliners crashed into the buildings, tenant companies were struggling to obtain information on the status of their employees and to offer what comfort they could to family and relatives.

Numerous foreign banks favored the World Trade Center for their New York offices, including Germany's Deutsche Bank AG, which occupied four floors. Government offices also were located throughout the complex; Secret Service agents traveling with President Bush say about 200 agents were stationed in the World Trade Center office.

Among domestic financial firms, Morgan Stanley, based in midtown Manhattan, was one of the World Trade Center's largest tenants, with about 20 floors as a result of its acquisition of Dean Witter, which long had its offices in the Twin Towers.

Yesterday morning, Morgan Stanley President Robert Scott was at a conference in his firm's offices, addressing about 400 economists and investors at a meeting of National Association of Business Economists. Mr. Scott's topic: the investment opportunity stemming from the savings of baby boomers in coming years. Suddenly, the chandeliers started shaking, and Mr. Scott stopped.

People started leaving the room, first walking and then running. Mr. Scott made it out of the building safely, though Morgan Stanley yesterday couldn't say how many of its World Trade Center employees were unaccounted for.

"Our immediate focus and concern are for the well-being and safety of Morgan Stanley employees," said Phil Purcell, chairman and chief executive of the brokerage and investment-banking firm. "Some 3,500 people working for Morgan Stanley's individual-investor businesses were based in the World Trade Center complex, and we are working diligently with local authorities to determine the facts regarding their safety."

Because of the confusion and evacuation of the injured to hospitals, the safety of some building occupants was hard to determine. David Alger, head of Fred Alger Management Inc., which occupied the 93rd floor of the North Tower, remained unaccounted for last evening, a family member said. His family had no information on any of the firm's employees, the family member said.

Mr. Alger's funds built some of the best performance records in the mutual-fund industry during the past decade by investing in fast-growing companies, and he was one of the first mainstream money managers to embrace Internet stocks. His firm is also known as a training ground for young analysts, several of whom hold top positions in major firms, including Stilwell Financial Inc.'s Janus Capital Corp.

Cantor Fitzgerald, one of the country's biggest bond dealers responsible for trading as much as a third of all U.S. govern-

ment bonds, had offices on some of the highest floors—between the 101st and 105th floors of the North Tower. "We are doing everything we can to assess the situation, focusing mainly on the state of our employees," a spokeswoman said, declining to elaborate.

Brent Glading, a salesman for MassMutual Financial Group's Oppenheimer-Funds Inc., was on the 33rd floor of the South Tower yesterday morning when the first plane hit the North Tower. He headed down the stairs, but then there was an announcement over the building's public address system that said a plane had hit the North Tower but that the South Tower was secure. So he and others began heading back to their offices.

Mr. Glading, who had made it down to the sixth floor, had climbed up to the 20th when the jetliner smashed into his building. "I have to believe that anyone who was in the process of evacuating may have stopped," he said, adding the flow of people down the stairs thinned significantly. "It was too premature to make that kind of announcement," said Mr. Glading, who escaped uninjured.

When the plane hit, Mr. Glading was in the stairwell and smelled smoke. "The building was shaking like hell, and I thought I better get out of here," he said.

Executives of money-management firm Fiduciary Trust Inc., a unit of Franklin Resources Inc., said many of the 500 employees who worked in the complex had gotten out, but officials didn't have an exact count. "We've been incredibly lucky; people we knew were in there got out," said Anne Tatlock, the firm's chairman and chief executive.

Fiduciary Trust, which occupied five floors that were located high in the South Tower, caters to investors of substantial net worth and used its elegant offices to help woo clients, who often paused to admire the amazing views when they visited.

Ms. Tatlock was in Omaha, Neb., at a conference sponsored by Warren Buffett when she heard about the disaster. "I thought, why would they joke, then I saw the TV," she said.

Network Plus Corp., Randolph, Mass., said all 21 employees working in offices on the 81st floor of the North Tower were able to evacuate. The telecommunications provider said the office employs about 40 people, but many of those workers were out in the field.

But a representative in the Hartford, Conn., office of investment-banking firm Keefe, Bruyette & Woods, which had offices on the 89th floor of the South Tower, said the company hadn't accounted for all the 150 bankers, traders and research analysts who normally work in the building.

The firm had developed plans for emergencies after the World Trade Center bombing in 1993. Yesterday, however, officials outside of the Manhattan office had only very sketchy information and were swamped fielding calls from worried family members. "I have no idea what we are going to do now," a spokesman said. "We are operating on a personal level today, obviously."

A spokesman for MassMutual Financial Group said all of the roughly 600 employees in their offices in the South Tower survived the attack. He said the firm, with \$127 billion in assets, would be ready to operate when markets reopen and that OppenheimerFunds, which had its headquarters in the World Trade Center, would relocate its critical services.

Law firm Harris Beach & Wilcox LLP had 113 people, including 50 attorneys, working on the 85th floor of the South Tower. "The difficulty is that we can't obtain information. We can't reach the 212 area code." Timothy Gleason, a spokesman for the company's office in Rochester, N.Y., said during the day.

Gunther K. Buerman, a managing director added: "Right now, for all of us, people are first, business is secondary."



Smoke billows from one of the towers of the World Trade Center and flames and debris explode from the second tower.

Control of World Trade Center Towers Moved to Private Hands Just Months Ago

By PETER GRANT
Staff Reporter of THE WALL STREET JOURNAL

The cataclysmic destruction of the World Trade Center came less than two months after control of the famed complex passed into private hands for the first time in its 30-year history.

A group led by New York developer Larry Silverstein and Westfield America Inc. acquired a 99-year lease of the 11 million square-foot complex from the Port Authority of New York and New Jersey. The value of the deal was put at \$3.2 billion, making it one of the biggest real-estate deals ever.

Spokesmen for Mr. Silverstein and Westfield, a leading shopping-center company, couldn't be reached for comment.

The deal was the crowning achievement of Mr. Silverstein's 50-year history as a New York real-estate investor and developer, capping his comeback from financial problems in the early 1990s. He triumphed over much larger public companies thanks in part to his experience in dealing with the Port Authority as the owner of 7 World Trade Center.

He developed that tower, which also collapsed in yesterday's disaster, in the 1980s on land leased from the Port Authority.

One person familiar with the financing said the World Trade Center was insured in case of a terrorist bombing, but not insured if it was destroyed as an act of war. He said the risk was spread among many different insurance companies.

The Port Authority developed the complex in the 1970s in an effort to revitalize

lower Manhattan and boost trade. It was led in part by David Rockefeller, who, as head of Chase Manhattan Bank, was worried about the migration of businesses to Midtown.

The Twin Towers, which for a short time were the tallest buildings in the world, became one of the symbols of New York City. Its Windows on the World restaurant and observation deck were popular tourist attractions.

But the property had a mixed leasing history, and its management by the Port Authority bureaucracy was often criticized as being inefficient. It also was the scene of a terrorist bombing in 1993, which shut part of the complex for months. In the mid-1990s the governors of New York and New Jersey agreed to privatize the complex and return the Port Authority to its core mission of transportation.

For years, bickering between the two states stalled a decision to proceed with a sale or a long-term lease. But, as it turned out, that delay worked in the Port Authority's favor, because as the years ticked by the real-estate market improved. The \$3.2 billion value of the Silverstein group deal was more than twice what the Port Authority expected to get in 1998.

The bidding for the center began heating up a year ago when Silverstein Properties and seven other companies submitted bids. Mr. Silverstein made it into the final round of four companies by forming a venture with Westfield, which dazzled Port Authority officials with its plans for retail business in the complex.

Mr. Silverstein, who is now 70 years

old, also strengthened his position by cutting a deal with General Motors Corp.'s GMAC Commercial Mortgage Corp., which agreed to lend him most of the down payment. Mr. Silverstein also brought into the deal Lloyd Goldman, the head of another New York real-estate family. Mr. Goldman, 43, put together a group of family members and others that contributed two-thirds of the equity in the deal.

In exchange, Mr. Silverstein gave Mr. Goldman a role in running the property, especially in the future.

Mr. Silverstein proved indefatigable during the bidding process. At one point, he told the New York Post that he and Westfield "were lusty" after the complex. After he was hit by a car and broke his hips shortly before a bidding deadline, he simply continued his work from his hospital room.

Mr. Silverstein also came close to losing the deal when the Port Authority initially selected Vornado Realty Trust as the winning bidder. But he was ready to jump back in the fray when Vornado and the Port failed to conclude a deal.

Even after the Port Authority selected Mr. Silverstein, it was touch-and-go until he and Westfield finally signed the contract with the Port Authority on April 26. He and his partners didn't decide to go forward with the highly leveraged deal until just a few hours before the Port's deadline. They rushed down to the World Trade Center and put down their \$100 million deposit.

When they closed the deal in July, *Please Turn to Page B2, Column 3*

Insurers May See Biggest Liability Ever for Losses

As it struggled with the loss of many of its own employees, the insurance industry also is facing what is certainly the largest man-made and possibly the largest-ever disaster it has faced, with the price tag estimated at more than \$10 billion.

"We're looking at a multibillion-dollar event," said Matthew Mosher, vice presi-

By Wall Street Journal staff reporters Christopher Oster in New York, Christopher Rhoads in Berlin and David Pringle in London.

dent of property-casualty rating division at A.M. Best Co., an insurance ratings firm. "You have property damage, workers' compensation coverage, substantial business-interruption coverage and ultimately some business liability coverage." Mr. Mosher said it was unclear just which insurance carriers could be liable for damage stemming from the terrorist attacks yesterday that destroyed New York's World Trade Center and devastated part of the city's financial district, but said "most of the major reinsurers in the world are going to feel a substantial impact." Reinsurance companies essentially provide insurance to the primary sellers of coverage, sharing risk on policies. Some experts estimated that as many as 100 insurers ultimately will share the cost.

'A Monumental Loss'

Insurance executives said the total damage could climb up to the \$20 billion range, with property damage alone coming in above \$5 billion. "It's going to be a monumental loss" industrywide, said William R. Berkley, chairman and chief executive of W.R. Berkley Corp., property-casualty insurance company based in Greenwich, Conn., although he said his company itself doesn't expect claims of "any consequence." He added, "This is going to change how people think about high-limit property coverages."

Robert Hartwig, chief economist at the Insurance Information Institute, a large trade group, said the attacks likely would end up as the costliest man-made disaster in the U.S. for the insurance industry. The Los Angeles riots of 1992 caused insured losses of \$775 million, which Mr. Hartwig said equated to \$1 billion in today's dollars. Insurers paid \$510 million for the World Trade Center bombing in 1993 and \$125 million for the Oklahoma City bombing. In Oklahoma City, the costs to insurers were lower because the industry had limited exposure on the federal office building.

The largest natural disasters, in dollar terms, to hit the U.S. were Hurricane Andrew in 1992, which caused insured losses of \$15.5 billion, and the Northridge, Calif., earthquake in 1994, with insured losses of \$12.5 billion.

At the time of the 1993 bombing, the New York Port Authority, which owns the World Trade Center, had \$600 million in property coverage and \$400 million in liability insurance. Mr. Hartwig said, noting that more than a dozen insurers participated in that coverage at the first level of coverage and that those companies then protected themselves by buying various levels of reinsurance.

Mr. Hartwig said that the impact on insurers of the new attack on the World Trade Center could be mitigated by exclusions in some policies for terrorist attacks. Some insurers added such exclusions to their policies after the 1993 bombing. "It's not clear if some or all of the insurers had such exclusions," he said.

Munich Re, the huge German reinsurer, said it has policies with direct insurers of the World Trade Center building and "could have considerable losses from these several events." Rainer Kueppers, a spokesman, stressed that "the financial strength of the group is not at all in question. We have been in this business for more than 100 years and have made prov-

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Attack Shuts U.S. Markets and Causes Overseas Declines

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will need time to assess the effect of operations that were lost in the collapse of the towers, Mr. Pitt said. For instance, the NYSE had a number of operations in one of the two towers, including some regulatory offices. Regulators also says it is impossible to know the amount of records that were lost in the various offices of Wall Street firms located in the towers.

In Washington, the President's Working Group on Financial Markets—made up of the chief financial regulators, the Federal Reserve, the Treasury, the SEC, and the Commodities Futures Trading Commission—held formal and informal conference calls throughout the day yesterday, and issued a late-afternoon joint statement backing the decisions to close markets and expressing "confidence that trading will resume as soon as it is both appropriate and practical." One issue to be weighed by regulators today is whether to allow some markets, such as the Chicago futures markets, to reopen prior to other markets.

Soon after the first attack in the heart of the financial center in lower Manhattan, markets began announcing that the trading openings would be delayed. But the NYSE and Nasdaq Stock Market, the two largest stock markets, never began trading, as the scope of the damage became clear. The SEC said all regional exchanges, and the American Stock Exchange also closed for the day.

In addition, most commodity futures and options markets nationwide shut down. New York Board of Trade, located in an nearby World Trade Center building, was destroyed when the towers collapsed. The New York Mercantile Exchange closed, followed by Chicago Board of Trade and Chicago Mercantile Exchange. Fannie Mae, based in Washington, postponed the scheduled an-

ouncement of its benchmark bills and notes yesterday in light of the market's closure. The Treasury canceled permanently yesterday's four-week bill auction.

Later in the day, another Trade Center building collapsed, destroying the SEC's three-floor New York offices. The SEC's 300 New York employees had already been evacuated.

Throughout the day, shocked financial-district workers filtered northward along streets largely barren except for emergency vehicles. Michael O'Brien, a supervisor at the NYSE, said traders and other staff had been out on Broad Street watching the fires caused by the impact of the airplanes when the first of the towers collapsed. "There was black smoke billowing down Broad St.," said Mr. O'Brien, who fled back inside the exchange with colleagues. "It looked like Indiana Jones."

Trading on the floor, which usually starts at 9:30 a.m. Eastern time, never began, said Mr. O'Brien. When the second plane collided, lights flickered inside the exchange, according to Mr. O'Brien and two other supervisors whose green tunics were dusted in the fine powder that coated downtown after the disaster. "They told us to stay calm," said Mr. O'Brien "But our natural reaction was that our building could be a major target. There was a lot of subdued fear on the trading floor."

He said that after the buildings collapsed, NYSE employees were told to stay inside the building. Injured were brought into the NYSE off the street, and carried across the trading floor to a triage set up by NYSE medical staff at the new trading room at 30 Broad Street. Mr. O'Brien said about 20 injured were treated in the exchange, with four collected by ambulances and taken to hospitals.

Mr. O'Brien and the other two supervisors said the area near the trade center after the collapse reminded them of disaster images from the eruption of Mount St. Helen's. "You go onto Wall St. and you can scoop of vials of dust off the street," he said.

"It hasn't sunk in yet," said another NYSE supervisor, who still had debris in his hair, and didn't want his name used. "It hasn't sunk in yet. We hope that President Bush, who was elected to do the right thing, does do the right thing."

Nasdaq officials had a frightening view of the terrorist attack from their offices in the 49th and 50th floors of One Liberty Plaza, located across the street from the World Trade Center. Scott Peterson, a spokesman, said he and others saw an American Airlines flight "coming in low, wings wagging back and forth" before it crashed in the World Trade Center.

After the explosion, a group of Nasdaq officials decided to evacuate the building, making their way through broken glass at street level and the chaos of other workers trying to escape the area over the Brooklyn Bridge.

When the Nasdaq officials flagged down a car and found other bridges in Brooklyn closed, they arranged to be picked up by boat and ferried to Connecticut, on route to Nasdaq's data center in Trumbull to monitor the market situation. Other senior executives set up a command post in a midtown hotel.

Although most European markets officially remained open yesterday, most traders there found it difficult to do much business. Several firms shut down early, and staff at others were glued to television screens for news updates. One German fund manager shrugged off calls, saying it was "wrong to be talking about stocks when thousands of Americans are

dying." Business in London's financial district ground to a standstill yesterday afternoon as traders and salesmen, stymied by clogged-up telephone lines to the U.S., resorted to watching stunning footage on television of the terrorist attacks and the damage they wreaked.

"The biggest worry is the short-term damage this [terrorist crisis] does to the U.S. economy, which was already bordering on recession," said Gary Dugan, a European equity strategist at J.P. Morgan Fleming Asset Management in London. "There's huge risk aversion spreading through the markets; people are just selling."

Sergio Albarelli, a director at Milan brokerage Franklin Templeton Sim, fretted that closing markets would only compound investors' anxiety. "The most worrying aspect is how long markets will stay closed since this has repercussions on all economic activity, and it's a risk for stability to keep them closed," he said.

Back in the U.S., those investors able to contemplate the markets tried to figure out how stocks will react to the tragedy. Al Goldman, chief market strategist at A.G. Edwards, said he fielded more than 20 calls from the firm's brokers throughout the day.

Mr. Goldman, who had been among the more upbeat analysts, said the attacks will badly hurt the nation's economy and lower the gross domestic product during both the third and fourth quarters this year, chiefly by crippling consumer spending.

"Consumer spirits will be hurt, there's no doubt," he said. "People aren't going to want to go to the mall, to dinner or take trips."

—Silvia Ascarelli in London, and Gregory Zuckerman and Ken Brown in New York contributed to this article.

Insurers May Face Biggest Losses Ever: More Than \$10 Billion

Continued From Page B1
sions for this." Munich Re's coverage is provided through its U.S. subsidiary, American Reinsurance.

Swiss Re, another big reinsurer, said it was "not appropriate at this time to comment on the financial implications" of the disaster. A spokeswoman added, "Right now, we're focusing on the fate of our employees in New York. We won't know financial details for some time."

The Main Priority

A spokesman for Germany's Allianz AG also declined to estimate losses, saying the company's main priority is the well-being of 400 employees who usually work out of the World Trade Center; most are believed to have been evacuated in time, he said.

Among other insurers or insurance-related businesses in the big towers, broker Marsh & McLennan Cos. had 1,700 employees, of whom about 500 had been accounted for as of midday. Aon Corp., a broker with 1,100 employees assigned to the World Trade Center, declined to comment.

A spokeswoman for Lloyd's of London, the major insurance market, said yesterday afternoon, "We don't have a database that says X insures X, but we will try to find out." Soon afterward, the Lloyd's building in London was evacuated. Lloyd's officials couldn't be reached to comment further.

The largest U.S. commercial insurer, New York-based American International Group Inc., declined to comment on whether it provided insurance on the World Trade Center.

In a news release, property-casualty insurer Chubb Corp. said early estimates indicated its pretax loss from the attacks, after reinsurance, would be in the \$100 million to \$200 million range on property alone; in the second quarter, Chubb had net income of \$146.8 million and net written premiums of \$1.6 billion. That estimate, however, doesn't include claims on workers' compensation, accident or business-interruption insurance. The company said it was too early to estimate the losses from those lines.

'A Heck of a Lot Longer'

"In the case of a hurricane it normally takes two to three days to get in there and assess the damage, but this will be a heck of a lot longer than that," said Stephen Clark, a spokesman for Britain's Royal & Sun Alliance Insurance Group PLC. The company does about one-quarter of its business in the U.S. Its shares fell 15% in overseas trading in the wake of the news of the attack, one of numerous European insurance stocks quickly dumped by investors fearful of a big financial hit.

Life insurers also are likely to face big losses. However, a spokesman for major life insurer Prudential Insurance Co. of America Inc. said that without knowing the number of deaths from the attacks, "no one is going to have a firm estimate" of Prudential's exposure.

World Trade Center Recently Came Under Private Firm's Control

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Silverstein group paid another \$563 million, which they borrowed from GMAC. GMAC raised that money through an issue of commercial mortgage-backed securities in August, which was a major success thanks to the prominence of the property. The rest of the \$3.2 billion value of the deal was to come from rent payments starting at about \$100 million a year.

Mr. Silverstein finally had his moment in the sun in late July when he accepted the keys from the governors of the two states in a ceremony under the Twin Towers. At the ceremony, he told the story of meeting the leadership of China in the 1993 and how they recognized the complex.

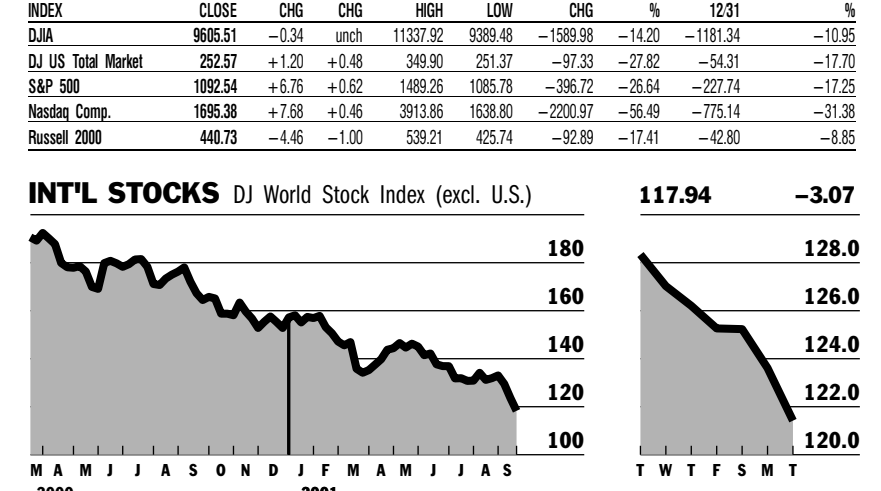
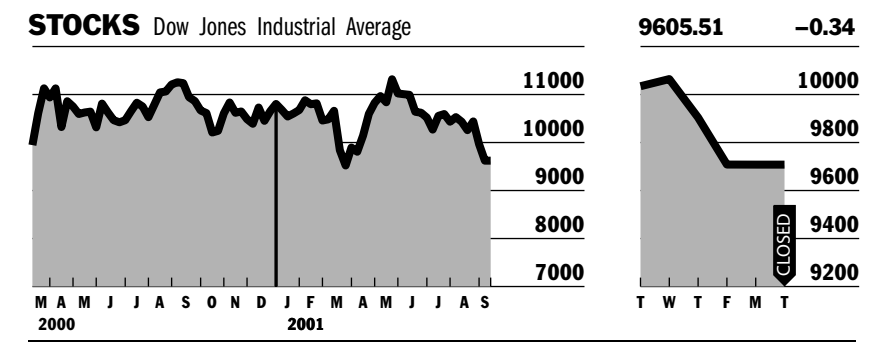
"It identifies New York," he said.

Full List Of World Trade Center Tenants

TENANTS (INDUSTRY)	FLOOR(S)/SUITE(S)	TENANTS (INDUSTRY)	FLOOR(S)/SUITE(S)	TENANTS (INDUSTRY)	FLOOR(S)/SUITE(S)
South Tower		Banks/financial inst.	7	American TCC Intl Group (investments)	47, 90
CINDE Continental Co. (insurance)		Amerson Group Co. Organizations	8	Dai-ichi Kangyo Trust Co. Trusts	48-50
Xerox Document Co. (manufacturing)	BSMT	Bank of America		AT&T Corp. (telecom)	51
Johnston & Murphy	concord	Banks/financial inst.	9-11, 81	C & P Press Business (services)	51
Nichols Foundation (government/schools)	GRND	Porcella Vicini & Co.	11	Bramax (USA) Corp. (manufacturing)	52
Verizon commun. (telecom)	9-12	Primarch Decision Economics (consulting)	11	Gayer Shyu & Wiesel (investments)	52
Colortek Kodak Imaging (services)	1	Instinet (investments)	13, 14	Hill Betts & Nash, LLP (law)	52
EuroBrokers (investments)	12	Dun & Bradstreet (Research)	14	Howly (US) corp.	52
Charma Chemicals (manufacturing)	14	Landmark Education Corp. (government/schools)	15	Leeds & Morrelli (law)	52
Paging Network, New York (telecom)	14	California Bank & Trust Banks/financial inst.	16	Okasan Intl. (American) Inc. (investments)	52
Patinka Intl. Inc. Business (services)	14	Zim-American Israel Shipping Co.	16, 17	RGL Gallagher PC Accountants	52
Union Bank of California Intl.	14	Empire Health Choice Agencies (insurance)	17, 19, 20, 23, 24, 27-31	Richard A. Zimmerman, Esq. (law)	52
Candia Shipping (wholesalers)	15	Avesta Computer (services), Ltd. Data Processing	21	The Williams Capital Group	52
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John W. Looftourrow Assoc. (investments)	15	Dr. Tadasu Tokumaru, M.D. Doctors	21	Bank of Taiwan	53
Orient Intl.	15	Friends Ivory & Sime (investments)	21	China Resource Products USA Ltd.	53
Mancini Duffy (architects)	15, 21, 22	Friends Villas Fischer Trust (investments)	21	Keenan Powers & Andrews (law)	53
National Develop & (research)	16	Infotech	21	LoCurto & Funk (investments)	53
N.Y. Inst. of Finance (consulting)	17	law Offices of Roman V. Popik (law)	21	Natural Nydegger Transport Corp.	53
Alliance Consulting (consulting)	18	Lief Intl. USA (manufacturing)	21	Pacrim Trading & Shipping	53, 78
Caserta & Co.	18	Tower Computer Service Retailers	21	Brown & Wood, L.L.P. (law)	54, 56-59
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Intera Group Inc. (employ agencies)	18	Cheng Xiang Trading USA Inc. (Computer services)	22	World Trade Inst.	55
Abad, Castilla & Mallonga (law)	18	Chicago Options Exchange Corp. (investments)	22	Asahi Bank, Ltd.	60
Pines Investment	18	G.C. Collection Agencies (services)	22	Airport Access Program	63
Professional Assist. & Consulting	18	Gold Sky Inc. (manufacturing)	22	Hal Roth Agency (insurance) Agencies	77
Weiland Intl. (investments)	18	Kaiser Overseas Inc. (manufacturing)	22	Jun He Law Office, LLC (law)	77
Showtime Pictures	18, 107	Karoon Capital Management (investments)	22	Martin Progressive LLC Computer (services)	77
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Antal Intl. (employ agencies)	22	China Patent & Trademark USA (law)	29	Geiger & Geiger (law)	78
Sinochem American Holdings (investments)	22	World Travel Travel Agencies/Tours	29	Hyundai Securities Co., Ltd. (investments)	78
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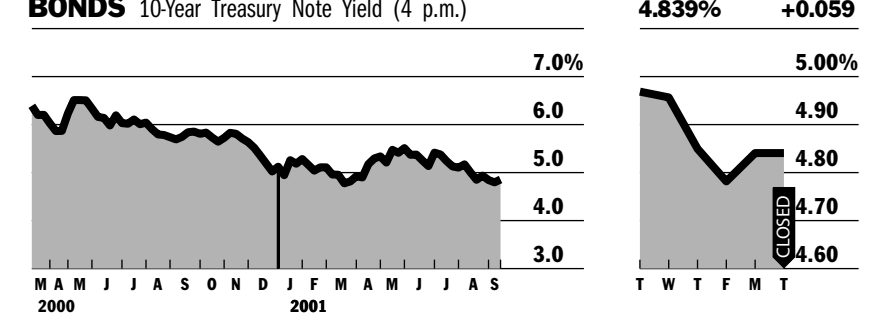
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Notice to Readers: Data for Stocks, Bonds, Interest and Commodities sections reflect Sept. 10 trading. All U.S. markets were closed on Tuesday. The DJ-AIG Commodity index reflects Sept. 11 trading.



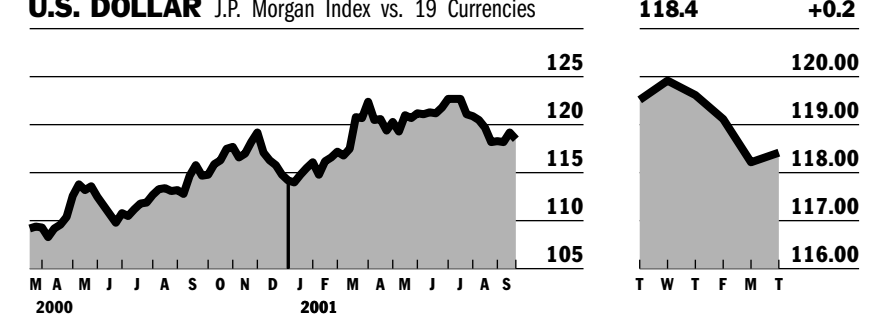
BONDS 10-Year Treasury Note Yield (4 p.m.) **4.839% +0.059**

INDEX	CLOSE	NET CHG	PCT CHG	12-MO HIGH	12-MO LOW	12-MO CHG	%	FROM 12/31	%
Lehman Brothers Long T-Bond	10025.36	5.42%	10074.22	5.37%	10077.33	8767.76	+5.37		
DJ 20 Bond (Price Return)	103.66	7.09	103.91	7.07	104.08	95.34	+6.42		
Merrill Lynch Mortgage	1023.96	6.20	1024.41	6.16	1024.99	916.38	+6.51		
Bond Buyer municipal	107-14-32	5.18	107-15-32	5.18	107-22-32	99-03-32	+4.02		
Merrill Lynch corporate	1192.31	6.18	1194.95	6.14	1195.63	1043.64	+9.51		



U.S. DOLLAR J.P. Morgan Index vs. 19 Currencies **118.4 +0.2**

CURRENCY	LATE TUE	LATE MON	DAY'S HIGH	DAY'S LOW	12-MO HIGH	12-MO LOW
British pound (in U.S. dollars)	1.4751	1.4579	1.4767	1.4533	1.5029	1.3727
German mark (per U.S. dollar)	2.1389	2.1744	2.1336	2.1836	2.3650	2.0421
Japanese yen (per U.S. dollar)	119.16	120.93	118.55	122.05	126.88	106.58
Canadian dollar (in U.S. dollars)	0.6384	0.6401	0.6414	0.6361	0.6750	0.6329
Euro (in U.S. dollars)	0.9144	0.8995	0.9169	0.8955	0.9578	0.8270



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Dollar, in Reaction, Declines in Global Trading

FOREIGN EXCHANGE

By MICHAEL R. SESIT
Staff Reporter of THE WALL STREET JOURNAL

LONDON—Terrorist attacks on the U.S. sent the dollar tumbling in global trading.

The day's events highlighted that "if the U.S. is as vulnerable as it seems to be, there's no such thing as a safe place," as one trader put it.

In late London trading, the euro stood at 91.44 U.S. cents, up from 89.95 cents late in New York Monday. The dollar tumbled to 119.16 yen from 120.93 yen late Monday; the British pound rose to \$1.4751 from \$1.4579.

Meanwhile, currencies seen as havens in time of turmoil, such as the Swiss franc, rose sharply.

"This is the end of a golden epoch for the U.S., from the collapse of the Nasdaq [since March 2000] to the elimination of our feeling of indestructibility," said Andrew Busch, a currency strategist at BMO Nesbitt Burns in Chicago, in a note to clients. "When terrorists attack the mainland of the U.S., our entire society is put into question. This changes everything."

Visibly shaken by the events they saw on television screens, many traders and currency analysts were loath to talk, both out of respect for victims of the terrorist attacks, uncertainty about who was behind them and what would be the political and economic consequences. "First of all, you don't know what's going on; and two, to make a market call on the back of this is outrageous," one currency strategist at a big U.S. bank said.

Just before the first passenger plane hit one of the twin World Trade Center towers in lower Manhattan, the euro was trading at about 89.50 cents, sterling stood at \$1.4550, and the dollar was changing hands at 122 yen. From then on, the dollar seered as news trickled in.

"First, there was a knee-jerk reaction, [with traders] thinking it's a disaster, but

an accident," said Tony Norfield, global head of foreign-exchange research at ABN Amro Bank in London. "Usually with accidents—even if very bad ones with loss of human life—there's no lasting market impact." The euro shot up about a cent to 90.50 cents, before falling back to about 89.75 cents.

"Then, when news of a second plane came through, it became clear it wasn't an accident, but a bigger issue," Mr. Norfield said. The euro rebounded to 90.70 cents and then fell to 90.30 cents. "But then, when the scale of the attack became obvious—this is the biggest mainland aggression the U.S. has faced since the Civil War—the dollar took a more substantial hit" and its path downward became "more of one-way street

with new euro highs above 91 being hit," he said.

Some of the day's biggest gains were chalked up by the yen and Swiss franc, with the dollar falling to intraday lows of 118.55 yen and 1.6375 francs from highs of 122.05 yen and 1.6915 francs. The franc finished at 1.6410, compared with 1.6863 late Monday. The Swiss currency historically has been attractive during periods of global political turmoil.

By contrast, one analyst said the yen's gains reflected a "stampede out of positions" by hedge funds that had used borrowed money to place big bets that the dollar would rise on the back of U.S. Treasury Secretary Paul O'Neill's scheduled meetings with Japanese officials; those meet-

ings have been canceled.

The weakening of the dollar was tempered by a steep rise in the price of crude oil—Brent crude for October delivery jumped \$1.61 to \$29.06 a barrel—that is bought and sold in dollars. The euro's strengthening was limited by the fact that speculators already held sizable short-dollar positions, or bets the dollar would weaken.

Noting that the dollar sold off in relatively light trading volume, Paul Meggyesi, director of currency research at Deutsche Bank in London, summarized the thoughts of many traders and analysts in the \$1.3 trillion a day global foreign-exchange market, saying: "No one can make any sense of this."

Where the dollar is headed next depends on a combination of political events, economics and the possibility of war. Traders noted that during the 1991 Gulf War, the dollar fell against most major currencies, particularly the yen and Swiss franc.

What is more, the dollar often fares poorly during periods of rising risk-aversion, mostly because the low savings rates of Americans make the U.S. dependent on foreign capital to finance the \$450 billion deficit in its current account, a broad measure of trade in goods and services plus certain financial transfers.

"The U.S. dollar will be initially sold for somewhat safe haven currencies like the Swiss franc," said Mr. Busch of BMO Nesbitt Burns.

"The issue, though—which is likely to become more of a problem—is that the economic and financial disruption [to the U.S.] could be more prolonged than it would be if it were a one-off event," said Mr. Norfield of ABN Amro. "It's not like clearing up after an earthquake."

What is more, the terrorist attacks "will raise questions about what the Bush administration is going to do next," Mr. Norfield said. "The Bush administration will be closely scrutinized on what they will do on foreign policy, economic policy. Will this disrupt them from looking at the economy?"

Past Closings of the New York Stock Exchange

Yesterday's closure of U.S. financial markets represented one of the few times that the New York Stock Exchange has shut down trading. It did so when Hurricane Gloria struck in 1985, and closed for the entire day after President Nixon died in 1994. Other events that caused closures include the shooting of President Reagan and the assassination of President Kennedy. Among the closings:

- 1835:** The Great Fire. The Great Fire destroys more than 700 buildings in lower Manhattan. The then-named New York Stock & Exchange Board moves to temporary headquarters.
- 1914:** Longest Exchange Shutdown, World War I. As armed conflict engulfs Europe, securities exchanges around the world suspend operations to arrest plunging prices. The NYSE closes its doors on July 31, and does not fully reopen for four and a half months, the longest shutdown in Exchange history.
- 1945:** Exchange Closes for V-J Day. Victorious American troops are welcomed home with a ticker tape parade. The Exchange closes from August 15th through the 16th for V-J Day.
- 1963:** Kennedy Assassinated. The assassination of President Kennedy on Nov. 22 forces an emergency early closing of the Exchange to avoid panic selling.
- 1997:** Circuit Breakers. On Oct. 27, the Dow Jones Industrial Average plunges 554 points, triggering the NYSE's "circuit breaker" rule for the first time. Trading halts at 3:30 p.m. The circuit breaker limits later were eased so that a much-greater decline would be needed to close the exchange.
- 2001:** Terrorism. The Big Board and other financial institutions close after terrorist attack on lower Manhattan.

Source: New York Stock Exchange

Bank Branches Close in Wake of Attacks; Check Processing, Transport Disrupted

The everyday processing of money, a 24-hour system that the American public relies upon to pay the light bill and mortgage and deposit and withdraw money, was disrupted in some parts of the system in the hours after the terrorist attacks in New York and Washington, D.C.

Thousands of bank branches, normally open until 4 p.m. local time, closed early.

By Wall Street Journal staff reporters
Carrick Mollenkamp and Will Pinkston in Atlanta and Jacob Schlesinger in Washington.

Check-processing centers that handle people's paper checks were down as well. The nationwide system that carries paper checks from bank to bank and Federal Reserve Banks in between was temporarily halted because all air traffic was grounded.

Wachovia Corp., the Charlotte, N.C., bank that recently changed its name from First Union Corp., said it shuttered all 2,900 branches it operates from New Jersey to Florida. In downtown Atlanta, a sign on a branch said, "Closed due to emergency." Another branch sign said, "The national situation warrants us to be very cautious and to protect our customers and employees' safety." A bank spokeswoman said the branches will open today at 9 a.m.

In Washington, Federal Reserve officials issued a statement intended to pre-

branches to withdraw their entire accounts. Washington Mutual Inc., Seattle, said it yesterday restricted withdrawals to \$2,500 a day per person.

Regional Federal Reserve banks in the Midwest reported contacts from anxious bank executives seeking assurances that the Fed system was operating and that cash was available. Regional Fed officials took their own security measures. The Minneapolis Fed bank, for example, halted Brink's Inc. trucks from coming in or out from 10 a.m. to 11 a.m. but resumed deliveries after that.

Enough cash appeared to be on hand at the Fed's 12 regional district banks to continue operations without disruption for at least 48 hours. Beyond that, the system's effectiveness would be tested if it couldn't physically move checks and cash by air, said a Federal Reserve official. That official said cash would flow, but at a much slower pace.

The real crunch, created by the grounding of all U.S. air traffic, was on a check-transfer system largely invisible to the average consumer. AirNet Systems Inc., Columbus, Ohio, which hauls checks for more than 100 of the nation's biggest banks, was forced to ground its fleet of 120 Lear jets and twin-engine aircraft and was preparing yesterday to mobilize a slower-moving truck operation, usually used only on weekends, if its planes can't fly tonight.

"Some shippers will be in a very difficult position," said Joel Biggerstaff, AirNet's chairman, president and chief executive officer.

Another test was expected to come yesterday evening. That is because on a daily basis, from 8 p.m. to 6 a.m., air-cargo carriers carrying millions of paper checks operate more than 200 flights to deliver checks to 45 Fed-processing centers.

Failure to meet check-delivery deadlines can wreak havoc in the U.S. financial system. When a check is written and cashed, there is a brief period as money appears simultaneously in banking institutions on either end of the transaction. And

that creates "float," which, according to the Fed, exaggerates the amount of money in the nation's banking system and has a "significant impact on the Fed's day-to-day monetary policy decisions." The goal of the check-relay network, adds the Fed, is to deliver checks on time to minimize that float.

Pat Barron, first vice president of the Atlanta Fed, which coordinates the Fed's regional-transfer system, said check relays would be disrupted after the Federal Aviation Administration shut down the national air-traffic system. But many checks still would be delivered by trucks, he said,

adding, "hopefully, we'll not have major disruption in every location."

Banks at the epicenter of the terrorism in New York, J.P. Morgan Chase & Co. and Citigroup Inc.'s Citibank, struggled to get employees safely home. Others outside themselves scrambled to operate as best as possible. U.S. Bancorp, Minneapolis, Minn., said it is keeping the majority of its branches open. Wachovia and Bank of America Corp., whose towers stand over downtown Charlotte, N.C., shuttered their headquarters. SunTrust Banks Inc., Atlanta, kept all branches open except 376 offices in Washington, D.C., Virginia and Maryland.

Banks tried to find a way around the grounding of the air traffic by ramping up delivery by armored car or truck. AmSouth Bancorp., Birmingham, Ala., said less than 20% of its three million paper transactions are transported by plane. "As we speak, we are going after it [the transactions handled by air] with ground," said David Rickey, AmSouth spokesman.

In New York, depositors found that some automated-teller machines from several banks, including J.P. Morgan Chase and Citigroup, were running low on cash. But bank officials said this was a problem with restricted traffic, which kept delivery trucks from replenishing machines at a time when many consumers were making extra cash withdrawals. There were no reports that systems themselves were in any way affected. "We are focused on maintaining access to service for our customers," Citigroup said in a statement.

—Calmetta Coleman and Amy Merrick in Chicago, and Jathon Sapsford in New York, contributed to this article.

A closed Atlanta bank's sign said, "The national situation warrants us to be very cautious...."

Fed officials issued a statement saying the central banking system 'is open and operating.'

Closing of Markets Jolts Grain Elevators, Exporters

COMMODITIES

By SCOTT KILMAN
Staff Reporter of THE WALL STREET JOURNAL

The closure of the New York exchanges shut down the Chicago futures markets, creating a situation in the Farm Belt not seen since the Chernobyl nuclear plant explosion in April 1986: nobody knew the price of a bushel of U.S. grain yesterday.

When the grain futures contract-trading pits failed to open at the Chicago Board of Trade, everyone from small-town grain elevators to giant exporters such as Cargill Inc. were unable to hedge their risks of buying and selling commodities.

Instead of quoting farmers a flat price for their grain, commodity companies yesterday took the extraordinary step of offering farmers a discount or premium on the price that is established when futures trading resumes. Few farmers took the offer.

Andersons Inc., a major grain handling concern based in Maumee, Ohio, ordered elevators located in about a dozen Midwest towns not to post any grain prices for farmers to see. "We don't know the price of a bushel of grain today," said Craig Parr, central hedger at Andersons.

Grain continued to flow at a normal pace yesterday to millers and exporters. Several grain processors yesterday said they have ample supplies to run their mills for the foreseeable future. But some processors might have problems operating at normal levels if trading doesn't return to normal by Friday, industry officials said.

The last time grain handlers took such an unusual step was when the Chernobyl explosion ignited a huge rally on speculation that escaped radiation might damage the then-Soviet Union's grain belt.

The closure of the commodity markets also forced the U.S. Agriculture Department to postpone the release of several market-moving crop reports until Friday.

It isn't clear how soon the Chicago Board of Trade and the Chicago Mercan-

tile Exchange will resume normal trading. The trading pits related to equity markets at the two exchanges, as well as the Chicago Board Options Exchange will likely stay closed until the major stock exchanges reopen. A quick return to business in the commodity pits was blocked when the Merc decided late yesterday not to operate its after-hours electronic trading system through the night.

The CBOT and Merc suspended operations at the beginning of the day and sent thousands of traders into the streets of Chicago's financial district, triggering a stampede by high-rise office workers to evacuate, including the nearby 1,450-foot tall Sears Tower. Grim office workers quickly clogged train stations and subways. Street traffic nearly became gridlocked.

By the afternoon rush hour, downtown Chicago was nearly deserted, and looked like it does on quiet Sunday. An electronic stock market sign on the corners of LaSalle and Adams blinked 0.

Commodity exchanges outside Chicago and New York were also closed yesterday; including the Kansas City Board of Trade, the Minneapolis Grain Exchange and the Winnipeg Commodity Exchange.

COMMODITY INDEXES

Tuesday, September 11, 2001

	CLOSE	NET CHG	YR. AGO
Dow Jones-AIG Futures	101.329	+0.168	110.286
Dow Jones Spot	Closed		
Feuter U.K.	1170.56	-1.74	1413.50
C R B Bridge Futures	Closed		

Treasury Cancels Auction of Four-Week Bills

WASHINGTON—The U.S. Treasury Department canceled its scheduled auction of four-week Treasury bills for this week after the terrorism attacks in the Eastern U.S.

The Treasury said that it was canceling the sale and that there were no plans to reschedule it.

The Treasury had announced it would sell \$10 billion in four-week bills this

week in an auction originally scheduled for yesterday, then postponed after a series of hijackings and plane crashes that destroyed the World Trade Center in New York, damaged the Pentagon in Washington, and caused most government buildings to be closed and evacuated.

The four-week bills were slated to be dated Sept. 13 and mature on Oct. 11, with a Cusip number of 912795GS4.

Auto debt continued to be soft early Tuesday, with the prospect of more supply from Ford Motor Credit Co weighing on the market, another credit strategist said.

WORLD STOCK MARKETS

DOW JONES GLOBAL SECTORS

Sector Performance		Tuesday, September 11, 2001, as of 5:15 p.m.									
Sector	YTD %CHG.	US	YTD %CHG.	Americas	YTD %CHG.	Europe	YTD %CHG.	Asia Pacific	YTD %CHG.	YTD %CHG.	
201.93	- 4.39	Automobile	269.06	+ 0.02	260.70	+ 0.91	134.14	- 15.67	153.11	- 3.53	
90.68	- 16.34	Banking	366.30	- 6.19	344.06	- 6.72	214.39	- 23.62	51.76	- 12.26	
100.07	- 5.03	Basic Resources	166.50	+ 0.46	116.34	- 2.25	153.19	- 9.11	45.23	- 8.27	
143.51	- 19.92	Chemicals	152.61	- 9.30	134.34	- 10.03	167.49	- 23.30	61.29	- 26.14	
87.50	- 10.71	Construction	169.31	- 5.56	154.52	- 1.44	118.91	- 12.00	38.83	- 1.20	
168.75	- 21.25	Cyclical Goods/Svc	205.30	- 9.87	191.93	- 10.10	130.69	- 28.70	74.05	- 23.78	
232.29	- 5.53	Energy	242.56	- 11.14	241.89	- 10.55	237.09	- 0.27	74.68	+ 12.64	
279.16	- 23.34	Financial Services	428.00	- 17.23	397.50	- 16.48	166.90	- 29.46	93.03	- 10.19	
186.25	- 9.17	Food & Beverage	217.90	- 6.36	206.06	- 6.51	156.85	- 12.66	63.38	- 9.35	
292.01	- 17.66	Health Care	303.12	- 15.84	300.69	- 15.80	269.24	- 20.07	146.31	- 23.59	
177.60	- 27.00	Industrial Goods/Svc	243.64	- 18.44	221.82	- 18.50	152.04	- 37.07	72.72	- 23.87	
223.39	- 32.91	Insurance	246.21	- 17.68	352.45	- 17.46	178.06	- 40.06	73.98	+ 1.54	
260.80	- 23.58	Media	348.29	- 13.40	328.04	- 14.04	190.57	- 40.78	216.64	- 14.34	
246.15	- 4.55	Noncyclical Goods/Svc	239.32	+ 5.19	230.18	+ 4.92	185.59	- 13.26	109.92	- 17.47	
201.74	- 12.21	Retail	266.42	- 5.64	254.89	- 5.53	124.52	- 16.73	65.39	- 14.83	
397.40	- 42.21	Technology	460.75	- 38.49	440.97	- 40.53	169.22	- 64.81	140.18	- 25.19	
199.23	- 27.04	Telecommunications	189.83	- 9.77	193.49	- 13.59	179.83	- 50.35	124.34	- 34.34	
102.56	- 18.04	Utilities	143.12	- 19.51	141.71	- 19.63	199.75	- 14.64	79.29	+ 7.08	

Indexes based on 12/31/91=100. In US Dollars. djiindexes.com

Markets in Europe, Latin America Post Huge Point Losses After Terrorist Attacks

Dow Jones News wires
 Many stock markets around the globe fell to the lowest levels in years, as the world reacted to terrorist attacks in the U.S.
In LONDON, the FTSE-100 fell 5.7%, or 287.70 points, to 4746.00, the biggest one-day point drop since the October 1987 stock-market crash.
In FRANKFURT, the Xetra DAX fell 8.5%, or 396.60 points, to 4273.53. It was the biggest one-day point drop ever, which left the index at levels of nearly three years. Last yesterday, the Deutsche Boerse was reported to be considering a suspension of trading today in the wake of the terrorist attacks, which closed markets in New York.
 Shares also fell in **PARIS**, with the CAC-40 shedding 323.99 points, or 7.4%, to 4059.75, its lowest level since March 1999. **In ZURICH**, the Swiss Market Index slid 7.1%, or 433.20 points, led by insurance companies. It closed at 5695.10, its lowest close since 1988.
 There also were declines in Milan and

Amsterdam. Overall, the Dow Jones World Stock Index excluding the U.S. fell 2.54%, or 3.07 points, to 117.94.
 Many Latin American markets also headed lower, with the Brazilian Bovespa in SAO PAULO falling more than 9.2%, or 1094.43 points, to 10827.96, in late afternoon trading. The IPC in Mexico in MEXICO CITY fell 5.6%, or 325.17, to 5531.02.
In TORONTO, the TSE 300 slid 4%, or 295.90, to 7048.80. Toronto Stock Exchange officials will meet this morning to decide whether to reopen trading today.
 Asian markets, which already had closed when the terrorist attacks began, were mixed. **In TOKYO**, shares rebounded from 17-year lows following small gains in the Nasdaq Composite Index Monday. The benchmark Nikkei Stock Average of 225 issues rose nearly 1%, or 97.26, to 10292.95.
In HONG KONG, the Hang Seng rose 0.5%, or 51.04, to 10417.36. **In SEOUL**, the KOSPI fell 1.8%, or 10.16, to 540.57.

FOREIGN MARKETS

Americas		Europe		Africa		Asia		
CLOSE	NET CHG.	CLOSE	NET CHG.	CLOSE	NET CHG.	CLOSE	NET CHG.	
TORONTO In Canadian dollars								
Abitibi C	11.12	- 0.76	ABN AMRO	16.50	- 2.08	Uganda TSB Grp	6.250	- 0.510
Air Canada	6.00	- 0.40	ASML/Photography	15.25	- 1.40	Marconi	0.320	- 0.015
Alcan	50.75	- 2.70	Aspen	25.68	- 1.90	Maritz & Spencer	2.390	- 0.103
Air Res	2.50	- 0.10	Avon	29.68	- 1.92	Mitsui	2.730	- 0.130
BC Gas	36.65	- 0.86	Bayer	44.47	- 2.03	Nov	8.600	- 0.370
BCE Inc	37.75	- 0.95	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Bank Mtl	40.46	- 1.81	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Bank N S	47.60	- 1.90	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Barick Gold	27.70	+ 2.50	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Barrick Gold	18.50	- 1.50	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Bearstar/Bld	0.55	+ 0.05	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
C Unit	51.75	+ 0.50	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
CAE	11.80	- 0.90	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
CCL Indus B	11.05	- 1.45	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
CIBC	53.75	- 2.45	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
CIPAC Ltd	55.00	- 5.84	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
CITRE A F	22.40	- 2.00	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Climax	0.72	+ 0.08	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Comcast	36.25	- 1.20	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Constar	9.72	- 0.20	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Cascades I	7.90	- 0.25	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Cdn Natl Res	48.05	+ 2.11	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Cdn Tire	39.40	- 0.50	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Co Steel	4.99	+ 0.44	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Dia a o f	24.20	- 0.40	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Dominar	17.00	- 0.20	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Dundee/Ed	21.76	- 1.18	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Dupont A	41.76	- 1.28	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Enbridge	20.02	- 1.28	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
F Season	68.00	- 3.50	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Fairfax F	218.50	- 18.50	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Fairbrng	14.86	- 1.24	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Finnish	19.00	- 0.05	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Genco	21.41	+ 0.70	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Geo Computer	4.44	- 0.47	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Hi Bay Co	15.55	- 1.10	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
I Forest/ST	3.82	- 0.43	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Imperial/Oil	45.25	+ 1.20	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Inco	24.05	- 0.75	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Ipsco	18.50	- 0.50	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Inaco A F	3.25	- 0.26	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Loblaws Co	49.75	- 2.35	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Molson/M	23.50	- 2.00	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Moore	11.60	- 0.95	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Noranda I	15.00	- 0.50	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Noranda II	6.01	- 0.44	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Norske/Sig	17.75	- 1.58	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Nov C F	45.50	+ 1.00	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Pan-Can P	42.01	+ 2.11	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Petro/CCV	38.25	- 1.24	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Placer Dm	16.20	+ 1.24	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Power Corp Can	35.25	- 0.65	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Plash Corp	87.01	- 5.99	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Qbcprint	39.25	- 1.58	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Quebec Inc B	20.75	- 1.14	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Regrs Bf	23.28	- 1.10	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Royal Bank	47.15	- 1.27	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
S&P TSE 60	41.75	- 1.81	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
SSGA DJ40	43.00	- 1.90	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Sears Can	16.00	- 1.42	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Shell	46.50	- 1.45	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Spur Aeros	21.85	- 0.13	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Stelco A	31.75	- 1.06	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
TELUS	28.80	- 0.73	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Talisman	60.50	- 1.15	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Tec B F	11.36	- 0.14	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
ThorCor	48.00	- 2.00	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Tor/Enbrg	18.00	- 1.60	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Torstar Bf	19.00	- 0.10	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
TNAC Corp	23.00	- 0.05	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
TICan PL	19.00	- 0.72	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Trilon A	13.00	- 0.65	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Trizec/Haf	27.00	- 0.80	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Westcoast E	35.40	- 1.75	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
Weston	28.35	- 5.15	Bayer AG	44.47	- 2.03	Novo	1.430	- 0.045
MEXICO CITY in pesos								
Alfa A	10.50	- 1.45	Alfa Romeo	10.50	- 1.45	Alfa Romeo	10.50	- 1.45
Aspa2 A	46.00	- 1.50	Aspa2	46.00	- 1.50	Aspa2	46.00	- 1.50
BWA/Banc	6.60	- 0.53	BWA/Banc	6.60	- 0.53	BWA/Banc	6.60	- 0.53
Banaco O	17.00	- 0.50	Banaco O	17.00	- 0.50	Banaco O	17.00	- 0.50
Bimbo A	19.00	- 0.99	Bimbo A	19.00	- 0.99	Bimbo A	19.00	- 0.99
Fensa B	29.80	- 1.81	Fensa B	29.80	- 1.81	Fensa B	29.80	- 1.81
GM/DeCo	20.40	- 1.35	GM/DeCo	20.40	- 1.35	GM/DeCo	20.40	- 1.35
Grasno A1	24.50	- 2.50	Grasno A1	24.50	- 2.50	Grasno A1	24.50	- 2.50
Kimber A	25.00	- 1.45	Kimber A	25.00	- 1.45	Kimber A	25.00	- 1.45
Masasa B	19.00	- 1.50	Masasa B	19.00	- 1.50	Masasa B	19.00	- 1.50
Tamco	17.00	- 1.38	Tamco	17.00	- 1.38	Tamco	17.	

INSIDER TRADING SPOTLIGHT

Biggest Individual Trades

(Based on reports filed with regulators last week)

COMPANY NAME	EXCH.	INSIDER'S NAME	TITLE	\$ VALUE (000)	NO. OF SHRS. IN TRANS.	% OF HDLNG. OPTNS.	TRANSACTION DATES
BUYERS							
Western Wireless Corp.	O	J. M. Nelson	s	3,197	100	-	08/13-14/01
Develops Div. Realty Corp.	N	J. A. Schorr	D	1,292	68	14	08/21-22/01
Loral Space & Comm. Ltd.	N	E. D. Shapiro	D	300	25	42	08/10/01
Ceigene Corporation	O	J. W. Jackson	CB	269	12	2	08/09-16/01
G&K Services, Inc. COM A	O	T. R. Moberly	P	116	4	6	08/20/01
CIRCOR International, Inc.	N	D. K. Cross	D	101	7	-	08/03-10/01
Digital Insight	O	D. Walker	P	96	5	33	08/29/01
SMTC Corporation	O	P. Walker	D	96	38	5	08/24-28/01
Pennzoil-Quaker State Co.	N	H. J. Greeniaus	D	67	6	14	08/06-10/01
Connetics Corporation	O	G. A. Oclassen	x	66	10	50	08/02-07/01
SELLERS							
Ohio Casualty Corporation	O	H. L. Sloneker III	x	13,152	1,000	-	08/07-09/01
Publix Super Markets, Inc.	O	C. H. Jenkins	JR	10,726	226	10	08/20/01
Global Spots, Inc.	O	M. G. Rubin	CB	10,000	1,000	12	08/23/01
Intl. Bancshares Corp.	O	A. R. Sanchez	JR	7,950	2,000	-	08/02/01
Alberto-Culver Co. COM B	N	H. B. Bernick	s	4,166	100	-	08/08-09/01
CTS Corporation	N	J. P. Walker	D	4,014	175	27	08/01-08/01
USA Education, Inc.	N	M. M. Keler	VP	2,987	37	-	08/03/01
Northern Trust Corporation	O	B. G. Hastings	x	1,921	30	6	08/01/01
First Health Group Corp.	O	A. L. Dickerson	VP	1,475	50	33	08/21/01
Frontier Oil Corporation	N	J. R. Gibbs	CB	1,338	100	29	08/20/01

Companies With Biggest Net Changes

(Based on actual transaction dates in reports received through Friday)

COMPANY NAME	EXCH. SYMBOL	NET % CHG. IN HOLDINGS OF		LATEST 12 WKS.		LATEST 24 WKS.	
		LATEST 12 WEEKS	LATEST 24 WEEKS	NO. OF BUYERS-SELLERS	MULTIPLE OF HIST. NORM*	NO. OF BUYERS-SELLERS	MULTIPLE OF HIST. NORM*
BUYING							
Apache Corporation	N/APA	52	72	4-1	1.0	4-1	1.0
Pinnacle Entertainment	N/PNPK	18	8	3-0	3.0	3-1	1.5
Proxymed, Inc.	O/PILLD	12	12	3-0	1.0	3-0	1.0
Synplicity, Inc.	O/SYNP	6	6	3-0	1.0	3-0	1.0
SELLING							
Smurfit-Stone Container	O/SSSC	-79	-79	0-5	1.7	0-5	0.8
Keystone Automotive Ind.	O/KEYS	-72	-72	0-4	1.0	0-4	0.5
AmSurg Corp.	O/AMSG	-53	-53	0-3	2.0	0-3	1.0
CPI Corp.	N/CPY	-42	-42	0-3	3.0	0-3	1.5
Nordson Corporation	O/NDSN	-16	-3	0-4	1.0	0-5	0.6

NOTE: Shows purchases and sales by most officers and directors, which must be reported to the SEC and other regulators by the 10th of the month following the month of the trade. Includes both open-market and private transactions involving direct and indirect holdings. Excludes stocks valued at less than \$2 a share, acquisitions through options and companies being acquired. n-No prior holdings, r-Sale within two weeks of option exercise equal to 90% or more of shares sold. S-Holds other class of stock. X-Reflects shares held indirectly. L-Late filing. *Base period is less than 3 years.

CB-Chairman, P-President, D-Director, VP-Vice president, O-Officer, Z-Other.

¹ranked by the net change in shares held by those insiders who bought or sold during the last 12 weeks, expressed as a percentage change of only their holdings at the start of the period. Reflects companies for which filings made last week showed some insider activity during the latest 12 weeks. Excluded: Companies with total trade valued under \$75,000; option-related sales, unexercised options, companies with fewer than three buyers or sellers, or fewer buyers or sellers than the historical average for the period.

²Based on the previous three years. Source: Thomson Financial/First Call, Boston, MA

BANXQUOTE® MONEY MARKETS

Tuesday, September 11, 2001

Average Yields of Major Banks	MMI*	1 MO.	2 MOS.	3 MOS.	6 MOS.	1 YR.	2 YRS.	5 YRS.
NEW YORK								
Savings	2.10%			2.76%	2.85%	2.95%	3.39%	3.99%
Jumbos	2.82%	2.45%		2.63%	2.73%	2.90%	3.30%	3.99%
CALIFORNIA								
Savings	2.06%			3.17%	3.25%	3.34%	3.75%	4.64%
Jumbos	2.51%	3.15%		3.21%	3.27%	3.37%	3.76%	4.69%
PENNSYLVANIA								
Savings	2.07%			2.40%	2.42%	2.48%	3.11%	4.50%
Jumbos	2.90%	3.14%	3.14%	3.25%	3.27%	3.42%	3.89%	4.65%
ILLINOIS								
Savings	2.22%			2.71%	2.83%	2.95%	3.50%	4.34%
Jumbos	2.83%	3.08%	3.12%	3.11%	3.14%	3.23%	3.67%	4.83%
TEXAS								
Savings	2.65%			2.67%	2.83%	2.90%	3.23%	4.20%
Jumbos	3.00%	2.89%		2.97%	2.99%	3.07%	3.61%	4.68%
FLORIDA								
Savings	3.00%			3.08%	3.23%	3.18%	3.50%	4.17%
Jumbos	3.27%	2.70%	2.75%	3.20%	3.20%	3.30%	3.80%	4.88%
U.S. BANK AVERAGE								
Savings	2.20%			2.80%	2.94%	3.11%	3.58%	4.37%
Jumbos	2.93%	2.89%	2.82%	2.97%	3.10%	3.27%	3.76%	4.66%

WEEKLY CHANGE (in percentage points)
Savings 0.02
Jumbos - 0.08 - 0.01 - 0.01 - 0.03 - 0.02 - 0.02 - 0.01 - 0.02

Savings CD Yields Offered Through Leading Brokers

BROKER AVERAGE	3 MOS.	6 MOS.	1 YR.	2 YRS.	5 YRS.
.....	- 0.10	- 0.09	- 0.08	- 0.16	- 0.04

Money Market Investments include MMDA, NOW, savings deposits, passbook and other liquid accounts. Each depositor is insured by the Federal Deposit Insurance Corp. (FDIC) up to \$100,000 per issuing institution. COMPOUND METHODS: c-Continuously, d-Daily, w-Weekly, m-Monthly, q-Quarterly, s-Semi-annually, a-Annually. SIMPLE INTEREST: si-Paid Monthly, e-Paid Semi-annually, n-Paid Annually, y-Paid at Maturity. OTHER SYMBOLS: APY-Annual percentage yield, F-Floating rate P-Prime CD, T-T-Bill CD, BD-Broker-Dealer, pp-Priced below par. DAY BASIS: A-Actual/Actual, B-30/360, C-Actual/360. The information included in this table has been obtained directly from broker-dealers, banks and savings institutions, but the accuracy and validity cannot be guaranteed. Rates are subject to change. Yields, terms and capital adequacy should be verified before investing. Only well capitalized or adequately capitalized depository institutions are quoted.

HIGH YIELD JUMBO

Small minimum balance/opening deposit, generally \$500 to \$25,000

Money Market Investments*	Rate	APY	Six Months CDs	Rate	APY
WFB.com, Irvine CA	4.35%	dA 4.45%	FBZOnline.com, Scottsdale AZ	4.26%	dA 4.35%
ING DIRECT, Wilmington DE	4.30%	mA 4.40%	DeepGreenBk.com, Seven Hills OH	4.18%	dA 4.27%
BofI.com, San Diego CA	4.30%	dA 4.39%	NetBank.com, Alpharetta GA	4.17%	dA 4.26%
ZionsBank.com, Salt Lake City UT	4.25%	dA 4.34%	Advanta Bk. Corp., Salt Lake City UT	4.12%	dA 4.21%
IndyMacBank.com, Pasadena CA	4.21%	dA 4.30%	GiantBank.com, Ft. Lauderdale FL	4.12%	dA 4.21%
One Month CDs					
First Commercial, Orlando FL	3.74%	mA 3.80%	DeepGreenBk.com, Seven Hills OH	4.46%	dA 4.56%
BofI.com, San Diego CA	3.50%	dA 3.56%	First Trade Union, Boston MA	4.45%	mA 4.54%
Bluebonnet Savings, Dallas TX	3.50%	mA 3.56%	NetBank.com, Alpharetta GA	4.41%	dA 4.51%
IndyMacBank.com, Pasadena CA	3.49%	dA 3.55%	Advanta Bk. Corp., Salt Lake City UT	4.31%	dA 4.40%
BkTheHooch.com, Alpharetta GA	3.45%	siA 3.51%	IndyMacBank.com, Pasadena CA	4.26%	dA 4.35%
Two Months CDs					
First Commercial, Orlando FL	3.74%	mA 3.80%	DeepGreenBk.com, Seven Hills OH	4.85%	dA 4.97%
BofI.com, San Diego CA	3.50%	dA 3.56%	Advanta Bk. Corp., Salt Lake City UT	4.78%	dA 4.90%
Bluebonnet Savings, Dallas TX	3.50%	mA 3.56%	NewsFed.com, Birmingham AL	4.90%	siA 4.90%
IndyMacBank.com, Pasadena CA	3.49%	dA 3.55%	CapitalOne.com, Glen Allen VA	4.74%	dA 4.85%
BkTheHooch.com, Alpharetta GA	3.45%	siA 3.50%	First South, Tallahassee FL	4.59%	dA 4.70%
Three Months CDs					
FBZOnline.com, Scottsdale AZ	4.26%	dA 4.35%	NewsFed.com, Birmingham AL	5.65%	siA 5.65%
nBank, Commerce GA	4.00%	dA 4.08%	Provident National, Tilton NH	5.50%	dA 5.65%
NewsFed.com, Birmingham AL	3.95%	siA 4.01%	Provident.com, Salt Lake City UT	5.50%	dA 5.60%
CapitalOne.com, Glen Allen VA	3.92%	dA 4.00%	CapitalOne.com, Glen Allen VA	5.45%	dA 5.60%
IndyMacBank.com, Pasadena CA	3.83%	dA 3.90%	ETradeBank.com, Arlington VA	5.35%	dA 5.50%

HIGH YIELD JUMBO

Large minimum balance/opening deposit, generally \$95,000 to \$100,000

Money Market Investments*	Rate	APY	Six Months Jumbo CDs	Rate	APY
BanxQuote.com, Greenville SC	4.50%	dA 4.60%	NextBank.com, Phoenix AZ	4.25%	siA 4.30%
First Bank, Louisville KY	4.49%	dA 4.59%	DeepGreenBk.com, Seven Hills OH	4.18%	dA 4.27%
ProGrowth Bank, Nicollet MN	4.47%	mA 4.56%	NetBank.com, Alpharetta GA	4.17%	dA 4.26%
d DIRECT, Wilmington DE	4.40%	mA 4.49%	CapitalOne.com, Glen Allen VA	4.12%	dA 4.21%
BofI.com, San Diego CA	4.30%	dA 4.39%	IndyMacBank.com, Pasadena CA	4.12%	dA 4.21%
One Year Jumbo CDs					
First Commercial, Orlando FL	3.83%	siA 3.90%	DeepGreenBk.com, Seven Hills OH	4.46%	dA 4.56%
Great Southern Bk., Springfield MO	3.69%	siA 3.75%	NetBank.com, Alpharetta GA	4.41%	dA 4.51%
Westcoast Savings, Seal Beach CA	3.64%	siA 3.70%	State Bank, Fargo ND	4.40%	ya 4.40%
HomeStreet Bank, Seattle WA	3.64%	siA 3.70%	CapitalOne.com, Glen Allen VA	4.31%	dA 4.40%
AEA Bank, Seattle WA	3.60%	siA 3.66%	BofI.com, San Diego CA	4.26%	dA 4.35%
Two Years Jumbo CDs					
First Commercial, Orlando FL	3.83%	mA 3.90%	DeepGreenBk.com, Seven Hills OH	4.85%	dA 4.97%
Bluebonnet Savings, Dallas TX	3.50%	mA 3.56%	CapitalOne.com, Glen Allen VA	4.96%	dA 4.96%
NewsFed.com, Birmingham AL	3.50%	dA 3.56%	Provident National, Tilton NH	4.69%	dA 4.80%
Advanta Bk. Corp., Salt Lake City UT	3.50%	siA 3.55%	Provident.com, Salt Lake City UT	4.69%	dA 4.80%
IndyMacBank.com, Pasadena CA	3.49%	dA 3.55%	State Bank, Fargo ND	4.75%	ya 4.75%
Five Years Jumbo CDs					
NextBank.com, Phoenix AZ	4.15%	siA 4.22%	CapitalOne.com, Glen Allen VA	5.60%	dA 5.76%
First Commercial, Orlando FL	3.83%	mA 3.90%	Provident National, Tilton NH	5.59%	dA 5.75%
Guardian Savings, Houston TX	3.84%	qA 3.90%	Provident.com, Salt Lake City UT	5.59%	dA 5.75%
IndyMacBank.com, Pasadena CA	3.83%	dA 3.90%	ETradeBank.com, Arlington VA	5.35%	dA 5.50%
American General, Midvale UT	3.83%	dA 3.90%	Direct Merchants, Scottsdale AZ	5.35%	dA 5.50%

Additional information on deposits and loans for all 50 states is available in the **BanxQuote Banking Center** in the online Wall Street Journal at **WSJ.com**

BOND MARKET DATA BANK 9/11/01

INTERNATIONAL GOVERNMENT BONDS

COUPOIN	MATURITY (Mo./Yr.)	PRICE	CHANGE	YIELD*
Japan (3 p.m. Tokyo)				
4.70%	09/03	109.36	- 0.01	0.07%
3.00	09/05	110.61	...	0.33
1.40	09/11	99.83	- 0.05	1.42
2.00	06/21	99.37	...	2.05
United Kingdom (5 p.m. London)				
7.00%	06/02	101.95	+ 0.25	4.264%
9.50	04/05	114.97	+ 0.44	4.908
9.00	07/11	132.02	+ 0.40	4.863
4.25	06/32	93.46	- 0.04	4.652

*Equivalent to semi-annual compounded yields to maturity

TOTAL RATES OF RETURN ON INTERNATIONAL BONDS

In percent, based on J.P. Morgan Government Bond Index, Dec. 31, 1987-100

COUNTRY	LOCAL CURRENCY TERMS				U.S. DOLLAR TERMS					
	INDEX VALUE	1 DAY	1 MO	3 MOS	SINCE 12/31	INDEX VALUE	1 DAY	1 MO	3 MOS	SINCE 12/31
Japan	211.84	- 0.04	- 0.23	- 0.43	+ 3.16	216.06	+ 1.83	+ 2.44	+ 2.25	- 0.74
Britain	378.49	+ 0.45	+ 0.32	+ 3.50	+ 2.67	294.87	+ 1.21	+ 3.32	+ 10.78	+ 0.98
Germany	247.57	+ 0.27	+ 0.44	+ 2.67	+ 4.13	180.18	+ 1.17	+ 1.79	+ 10.68	+ 0.64
France	328.91	+ 0.26	+ 0.47	+ 2.77	+ 4.35	241.93	+ 1.16	+ 1.82	+ 10.79	+ 0.86
Canada	355.78	+ 0.02	+ 1.80	+ 3.41	+ 4.97	294.21	- 0.33	- 0.23	- 0.17	+ 0.32
Netherlands	263.43	+ 0.29	+ 0.50	+ 2.75	+ 4.24	191.44	+ 1.19	+ 1.86	+ 10.76	+ 0.75
EMU-d	173.44	+ 0.21	+ 0.45	+ 2.73	+ 4.48	128.33	+ 1.10	+ 1.79	+ 10.73	+ 0.97
Global-a	297.44	+ 0.27	+ 0.68	+ 2.47	+ 4.64	248.11	+ 1.13	+ 1.92	+ 6.37	+ 1.95
EMBI+-b	208.78	0.00	+ 1.09	- 4.60	+ 3.39	208.78	0.00	+ 1.09	- 4.60	+ 3.39

a-18 int'l govt. markets. b-external-currency emerging mkt. debt, Dec 31, 1993-100. d-Jan. 2, 1995-100.

CURRENCY TRADING

Country	U.S. \$ EQUIV.		CURRENCY PER U.S. \$	
	Tue	Mon	Tue	Mon
Japan (Yen)	008392	008269	119.16	120.93
1-month forward	008417	008293	118.81	120.59
3-months forward	008462	008337	118.18	119.94
6-months forward	008523	008404	117.33	118.99
Jordan (Dinar)	14069	14069	7108	7108
Kuwait (Dinar)	32852	32733	3044	

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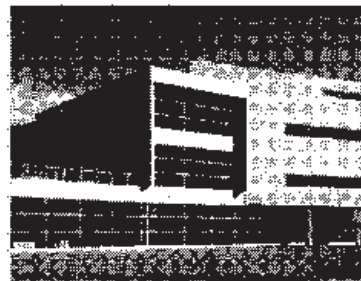


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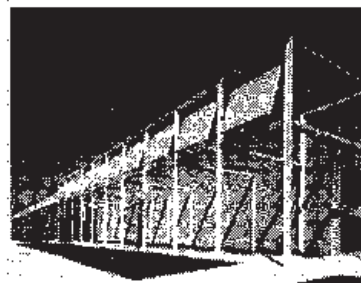
BOSTON



- **Marlborough, MA**
- Corporate Campus with 4 office buildings
- Property is 40 minutes from downtown Boston and Logan Airport
- 550,000 square feet
- Construction completed in 1999
- Available for sale

Cushman & Wakefield of MA
Kevin Hanna
kevin_hanna@cushwake.com
617.204.4139

CHICAGO



- **Mount Prospect, IL**
- Manufacturing/warehouse and office property
- 5 miles from O'Hare International Airport
- 651,765 square feet
- Renovated in 1997-1998
- Available for sale

Cushman & Wakefield of IL
James R. Estus
jim_estus@cushwake.com
312.470.1800

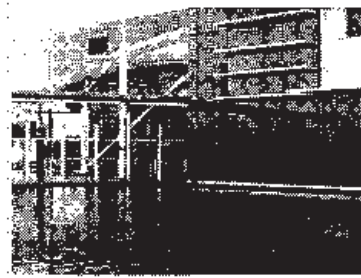
SILICON VALLEY



- **Santa Clara, CA**
- Corporate Campus consisting of 6 high-quality office/R&D buildings
- 876,359 square feet
- Constructed in phases between 1990-1997
- Available for sale or lease

Cushman & Wakefield of CA
Fred Beaubien
fred_beaubien@cushwake.com
408.436.5500

SINGAPORE



- **Changi North Industrial Development**
- Manufacturing plant, office and distribution center
- High profile location close to the Singapore Airport
- 334,042 square feet
- Construction completed in 1998
- Available for sale

Cushman & Wakefield of Asia
Donald Han
donald_han@cushwakeasia.com
65.232.0888

For information on how to acquire a stand-alone, self-contained environment with amenities including food services, fitness centers and state-of-the-art conference centers in an ideal location, contact the exclusive agents at Cushman & Wakefield or visit www.corpcampus.com.



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Retail Properties

Property	Street Address	City	State	Bldg/SF	Site/AC
1550	Ashville Road, N.E.	Leads	AL	57,134	5.12
10603	East Apache Trail	Apache Junction	AZ	88,878	8.50
3133	North Carfield	Loveland	CO	86,523	10.22
6251	West Sample Road	Coral Springs	FL	96,394	9.47
101 N.	Florida Highway 19	Palatka	FL	94,996	7.72
7425	Gall Blvd.	Zephyrhills	FL	106,884	16.96
730	East First Street	Ankeny	IA	94,401	11.24
2321	Veterans Memorial Blvd	Abbeville	LA	89,717	6.86
8221	Jewella Avenue	Shreveport	LA	99,640	8.16
925	Behrman Highway	Terrytown (Gretna)	LA	122,107	9.84
2414 N.	Main Street	Miami	OK	91,287	8.02
1111	South Fifth Street	Hartsville	SC	67,361	9.11
367	Market Street	Seneca	SC	95,000	8.48
501	Foothills Plaza	Maryville	TN	102,596	10.34
1300	Almaville Road	Smyrna	TN	67,872	6.47
804 E	Highway 82	Gainesville	TX	88,909	29.19
3178	Lavan Drive	Garland	TX	125,844	15.30
5206	4th Street	Lubbock	TX	82,233	8.08
2400	South IH-35	Round Rock	TX	92,574	8.36
20810	Gulf Freeway	Webster	TX	112,846	10.27
4107	Portsmouth Blvd.	Chesapeake	VA	114,548	9.70
7011 W.	Canal Drive	Kennewick	WA	122,077	17.68
555	West Grand Avenue	Wisconsin Rapids	WI	84,754	2.62

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MULTI-FAMILY

- 192 Units, Atlanta, GA, 8.8 CAP
Price: \$4,600,000 Listing Office: Atlanta
Rental upside, 1970s brick constr., well maintained
- 405 Units, Lauderdale, FL, 6.3 GRM
Price: \$22,500,000 Listing Office: Ft. Lauderdale
'89 constr., 75% 2 & 3 BR units, 15% down, 9% CAP
- 176 Units, Corpus Christi, TX, 5.9 GRM
Price: \$10,300,000 Listing Office: Houston
New, fully stabilized, 9.6% CAP, 11.4% return
- 78 Units + Commercial, Bellevue, WA
Price: \$22,000,000 Listing Office: Seattle
Brand new constr., downtown loc., great floorplans
- 100 Units, Fort Thomas, KY, 6.8 GRM
Price: \$4,200,000 Listing Office: Cincinnati
1 & 2 bedroom units, 4 buildings, built 1972
- 232 Units, Pleasant Hill, CA
Price: \$32,500,000 Listing Office: Palo Alto
Near class A office space & new apartment units
- 161 Units, Naples, FL, 7.8 GRM
Price: \$8,750,000 Listing Office: Tampa
9.4 CAP, rent upside, value add. opportunity
- 72 Units, Los Angeles, CA, 6.9 GRM
Price: \$3,555,000 Listing Office: Long Beach
1 & 2 BRs, woodframe, rent upside, 100% occupancy
- 240 Units, Las Vegas, NV, 5.36 GRM
Price: \$10,200,000 Listing Office: Las Vegas
Luxury garden style apartment
- 110 Units, Davison, MI, 5.3 GRM
Price: \$3,200,000 Listing Office: Detroit
Nr. maj. expwy's, exclud. schools, land for 33 more units
- 42 Units, Placentia, CA, 8.7 GRM
Price: \$4,350,000 Listing Office: Newport Beach
2 bedroom/2 bath units, gated complex, built 1987
- 143 Units, Phoenix, AZ, 5.0 GRM
Price: \$4,500,000 Listing Office: Phoenix
Infill location, add value opportunity
- 45 Units, Santa Ana, CA
Price: \$5,250,000 Listing Office: Newport Beach
1986 construction, large units, secured parking
- 150 Units, Tacoma, WA
Price: \$6,300,000 Listing Office: Seattle
Project based Sec. 8, elderly, less than 1% econ. vacancy
- 52 Units, Pinole, CA, 8.4 GRM
Price: \$4,600,000 Listing Office: San Francisco
Inner Bay Area complex on quiet st., tremendous upside
- 100 Units, Oregon Coast, OR, 9.4 CAP
Price: \$3,300,000 Listing Office: Portland
Beautiful waterfront setting, upside
- 314 Units, Fort Wayne, IN
Price: \$4,895,000 Listing Office: Indianapolis
Strong rental market, add value opp., \$15K per unit
- 72 Units, Oceanside, CA, 7.7 GRM
Price: \$6,450,000 Listing Office: San Diego
Mostly 2 bed/2 bath townhomes, exclud. views & loc.
- 320 Units, Stockton, CA, 6.8 GRM
Price: \$19,500,000 Listing Office: Sacramento
Renovated, 9.3% CAP upside
- 100 Units, Denver, CO, 8.1 GRM
Price: \$6,750,000 Listing Office: Denver
Totally renovated

- 478 Units, Dunedin, FL
Price: \$47,300,000 Listing Office: Ft. Lauderdale
AAA quality, new constr., infill loc., 10 acre park
- 186 Units, San Leandro, CA, 7.86 GRM
Price: \$21,000,000 Listing Office: San Francisco
Exclud. loc., good amenity pkg., underground parking
- 95 Units, Gardena, CA, 5.81 GRM
Price: \$3,425,000 Listing Office: Long Beach
South Bay location, stable occupancy history
- 42 Units, Kent, WA
Price: \$3,595,000 Listing Office: Seattle
Good unit mix, with upside, strong market
- 39 Units, Los Angeles, CA
Price: \$7,500,000 Listing Office: Encino
Artist lofts, no rent control, substantial rental upside
- 16 Units, San Francisco, CA
Price: \$5,395,000 Listing Office: San Francisco
Nob Hill loc., all 2 BR, 1000-1250 SF, 40% upside
- 19 Units, Brooklyn, NY, 9.1 GRM
Price: \$5,800,000 Listing Office: Manhattan
Rec. renov., 100% occ., near Ft. Green Park
- 200 Units, Sacramento, CA, 8.00 GRM
Price: \$16,500,000 Listing Office: Sacramento
Trophy Sacramento location



RETAIL

- Shopping Center, St. Petersburg, FL, 9.7 CAP
Price: \$23,610,000 Listing Office: Tampa
Publix, Bealls, Kmart, SteinMart, Eckerd's & others
- Shopping Center, Wilmington, DE, 10 CAP
Price: \$4,500,000 Listing Office: Philadelphia
Grocery/drug anch. ctr., 94% occ., 60% natl. tenants
- Shopping Center, Los Angeles, CA, 8.7 CAP
Price: \$10,000,000 Listing Office: Los Angeles
100% leased, prime location, all NNN leases
- Shopping Center, Las Vegas, NV
Price: \$16,500,000 Listing Office: Las Vegas
230,000 SF, redevelopment opp., Las Vegas Blvd. loc.
- Shopping Center, Covina, CA, 9.0 CAP
Price: \$3,550,000 Listing Office: Ontario
41,000 SF, value added, maj. corridor, DD cash flow
- Shopping Center, Gilbert, AZ, 10.15 CAP
Price: \$4,285,000 Listing Office: Phoenix
100% leased, 1999 construction, exclud. tenant mix
- Shopping Center, Montclair, CA, 9.7 CAP
Price: \$7,575,000 Listing Office: Encino
Approx. 51,373 SF retail shopping center
- Shopping Center, Seffner, FL, 9.45 CAP
Price: \$3,675,000 Listing Office: Ft. Lauderdale
Grocery anch. w/25 yr. lease, exp'd & renv. 2001
- Shopping Strip, West Hollywood, CA
Price: \$6,100,000 Listing Office: Los Angeles
20,450 SF, prime location, upside potential
- Shopping Center, Las Vegas, NV, 9.21 CAP
Price: \$9,350,000 Listing Office: Las Vegas
Vons anchored center, excellent location

- Shopping Community, Barberton, OH, 10.5 CAP
Price: \$7,500,000 Listing Office: Manhattan
Kmart anchor, assum. financing, 14.2% return

- Shopping Community, Houston, TX, 9.0 CAP
Price: \$12,000,000 Listing Office: Houston
165,997 SF, lender owned, strong demas, 57% occ.



SINGLE-TENANT NET-LEASE

- Single-Tenant, Carbondale, IL, 9.6 CAP
Price: \$2,385,000 Listing Office: Indianapolis
Out parcel of regional mall, Office Max 15-yr. lease
- Single-Tenant, Jacksonville, FL
Price: \$3,639,000 Listing Office: Encino
Walgreens is ranked #1 in drug store sales nationwide
- Single-Tenant, Jackson, MI, 9.37 CAP
Price: \$7,250,000 Listing Office: Detroit
Investment grade tenant, exclud. loc. & demographics
- Single-Tenant, Dubuque, IA, 8.9 CAP
Price: \$9,600,000 Listing Office: Fort Lee
Cigna, AA rated, 9.6% 1-5, 13.4% 6-10, assum. fin.
- Single-Tenant, Los Angeles, CA, 9.5 CAP
Price: \$1,600,000 Listing Office: San Diego
3 parcels, signalized intersection
- Single-Tenant, Gilbert, AZ, 8.5 CAP
Price: \$3,480,000 Listing Office: Phoenix
25 year NNN lease, 2001 construction
- Burger King, Lodi, CA
Price: \$1,625,000 Listing Office: Palo Alto
9 yrs. remaining on NNN lease, proven track record
- Single-Tenant, Atlanta, GA, 8.75 CAP
Price: \$2,582,500 Listing Office: Atlanta
Eckerd's in Decatur, GA rent inc's favorable financing
- Industrial, Flint, MI, 9.9 CAP
Price: \$15,500,000 Listing Office: Detroit
Leased to GM, new indust. park, 4.4 miles from GM



OFFICE and INDUSTRIAL

- Office, Warrenville, IL, 9.5 CAP
Price: \$6,900,000 Listing Office: Chicago
Single-tenant, credit LT lease, below rplmnt. costs
- Industrial, South Bend, IN, 9.25 CAP
Price: \$6,295,000 Office: Chicago
A credit parent co., absolute NNN, 200,000 SF
- Office, Denver, CO, 8.61 CAP
Price: \$4,150,000 Listing Office: Denver
\$65.53/SF, high density suburban loc., 18+% vacancy
- Medical Office, San Bernardino, CA, 11.0 CAP
Price: \$2,925,000 Listing Office: San Diego
Estate liquidation, nr. hospital, 40% blw. rplmnt. value
- Office, Tampa, FL, 8.73 CAP
Price: \$7,500,000 Listing Office: Atlanta
Inv. grade tenant, 5% inc's, 9 yrs. remaining
- Office, Hollywood, CA, 11.4 CAP
Price: \$4,495,000 Listing Office: Los Angeles
Owner/user, adjacent to the Hollywood (101) freeway

- Office, Chicago, IL, 9.2 CAP
Price: \$10,750,000 Listing Office: Chicago
Located next to Chicago Board of Trade, 157,000 SF

- Office, Redwood City, CA, 9.56 CAP
Price: \$34,000,000 Listing Office: Palo Alto
New bldg., 10-yr. NNN, lease to A rated company

- Office/Warehouse, Cincinnati, OH, 9.98 CAP
Price: \$3,000,000 Listing Office: Cincinnati
38,000 SF, multi-tenant, 2 buildings

- Office, Sacramento, CA, 10.02 CAP
Price: \$4,315,000 Listing Office: Sacramento
Tenant is Sacramento County



HOSPITALITY

- 171 Room Hotel, Lawton, OK, 13.5 CAP
Price: \$5,000,000 Listing Office: Ontario
12% down, assum. loan, 53% COC, price reduced
- 65 Room Hotel, Barstow, CA
Price: \$4,800,000 Listing Office: Ontario
Price rdd., 13.6 CAP on actual, 25% rtrun., high occ.
- 122 Room Hotel, Owensboro, KY
Price: \$3,200,000 Listing Office: Tampa
\$1M Rehab. compl., upside thru management
- RV Park, Dayton, OR, 9.0 CAP
Price: \$4,250,000 Listing Office: Portland
5 star, \$1,000,000 down, seller finan., 8% interest
- Mobile Home Park, Groveland, FL
Price: \$5,100,000 Listing Office: Tampa
304 spaces, 110 leased, major market upside
- RV Park, Groveland, CA, 8.7 CAP
Price: \$3,600,000 Listing Office: San Francisco
Near Yosemite National Park entrance, \$18,090/space
- Self Storage, Albany, OR, 9.0 CAP
Price: \$1,365,000 Listing Office: Portland
Freeway exposure, assumable financing, 25-yr. term
- Senior Living Community, Cleveland, OH
Price: \$5,500,000 Listing Office: Columbus
Located next to metro park, stable, mature community



OTHER INVESTMENTS

- 417-Unit Apartment Building, Los Angeles, CA
Loan Amount: \$12,194,000 Office: Los Angeles
- 200-Unit Apartment Building, Glendale, AZ
Loan Amount: \$5,860,000 Office: Phoenix
- 45,568 sq. ft. Retail Center, San Dimas, CA
Loan Amount: \$3,900,000 Office: Newport Beach
- Winn-Dixie, Mobile, AL
Loan Amount: \$2,575,000 Office: Encino
- 63-Unit Apartment Building, Corona, CA
Loan Amount: \$3,746,000 Office: Ontario

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Loan Amount: \$12,194,000 Office: Los Angeles
- 200-Unit Apartment Building, Glendale, AZ
Loan Amount: \$5,860,000 Office: Phoenix
- 45,568 sq. ft. Retail Center, San Dimas, CA
Loan Amount: \$3,900,000 Office: Newport Beach
- Winn-Dixie, Mobile, AL
Loan Amount: \$2,575,000 Office: Encino
- 63-Unit Apartment Building, Corona, CA
Loan Amount: \$3,746,000 Office: Ontario

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MEDICAL OFFICE INVESTMENT
\$6.75M 10% Cap Rate
46,463 sq ft \$145/sq ft
Adjacent to Major Regional Hospital
Contact: Chris Bonbright
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Burger King, Carl's Jr., Taco Bell
Great locations
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• 20 Year Lease
• New Construction
• Great Location
• \$3,900,000 & \$3,150,000
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CREDIT TENANT NNN
• \$12,025,000
• 96,918 s.f. high-end manufacturing property in Fremont
• 9 years remaining on strong international tenant's NNN lease
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PREMIER CBD OFFICE BLDG
• \$11,500,000
• 29,973 s.f. downtown office property in San Jose
• 10 year lease to credit tenants at below market rate
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Are You Interested In Selling And Leasing Back Your So. CA. Industrial Property?
We will buy for cash and lease back the property to your company at a rental which is based on a 7½% return of the sale price.
We are a privately held forty year old company specializing in industrial property in Southern California.
Crown Associates Realty, Inc.
Please call us at
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El Monte, CA
Exciting Opportunity
Flair Park Area
137,904 sq. ft.
Multi-Tenant Office Buildings
On 8.51 Acres
9.37% Cap Rate
Excellent Financing in Place
Great Credit and Annual Increases in Rent
\$17,000,000
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(626) 564-4800 x110
Smartin@naicapital.com
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LA COUNTY OFFICE INVESTMENTS
Well located West LA 49,812 SF 7 story multi-tenant office building. Citibank is ground floor tenant. 100% leased.
\$11,995,000
2 story Van Nuys 9,350 SF single tenant office building directly across from San Fernando Valley Civic Center. 100% leased to City of Los Angeles.
\$1,395,000

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LOS ANGELES, CA. 90067
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Hesperia, California, SWC
I-15/Main + 133 Acres Discounted for Quick Sale • Traffic Counts, 25 Million Annually • Zoned Comm. or Industrial • New \$14 Million Interchange (2003) • 4000 Linear Ft. of Freeway Frontage
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Tracy - Northern California
1 - 205, 140 acres, can be subdivided into 15 acres three hotel sites, 15 acres assisted living care, 50 acres high tech business park, 60 acres commercial business. Located next to Home Depot, Walmart, Car dealerships, lots of restaurants & future Costco - coming soon. For sale or joint venture. Price \$24.39 million. Call Shyam - Chetal 510-657-6603, C.P. 510-714-3668, ucjfi@aol.com.

Safeway, Inc.
NNN Lease; Expires 1-31-2012
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8.41% Cap @ \$7,300,000
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Great locations
20 Yr. Leases, \$775K - \$9.5M
NetInvest
Principals Only
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Marcus & Millichap
52 Units Pinole
Quiet side street
Great upside
\$4,600,000
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FOR SALE
OAKLAND AIRPORT OFFICE BUILDING
13,880 Sq. Ft. / 1.2 Acres
Price: \$1,350,000
M.R. Notaro
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Palm Springs Area
Approved 192 Unit senior assisted living facility on 7+ acres fully entitled-ready to build. Downtown location adjacent to regional hospital. \$2,300,000
Contact Philip Yeakel
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California Walgreens Drugstores
National "A" rated tenant
Prime Locations & Demographics
20 Yrs. - 10% Rental Increases
Ideal for 1031 Exchange Buyers
High Return
\$3.7 to \$4.6 Million
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SUPERMARKET CHAIN WITH EXISTING FINANCING
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4 blocks from new downtown stadium.
30,000 sq. ft. office/warehouse with 24,000 sq. ft. parking lot.
\$500,000 FIRM
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Owner/Agent, \$1.5M
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\$6,300,000
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Prime San Diego
Retail/Office buildings to be built sale or JV, 5000 and 8000 feet, \$1.3m and \$2.1m, less for JV Absolutely great location within Sorrento Valley -- UTC area
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NNN PROPERTIES
CO Springs leased retail center 11 1/2% cap rate \$1,990,000
Troyer Downtown Denver Office Bldg. 75,000 sq. ft. multi-tenant office bldg. \$4,200,000 and \$2,900,000
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Thursday, September 27 - Beginning 9:00 A.M.
LIVE OAK & JASPER, FLORIDA
4 Convenience Stores
Upgraded & ready to open!
- **Great Profit Outlets** -
ALSO: 2 Excellent Commercial Properties with Leases & Rental Income
Interstate Location & Other Great Locations!
- **Sales to be held on individual properties** -
20% down, balance 30 days, 10% buyer's premium

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Absolute Auction By:
ROSE PREMIER AUCTION GROUP, LLC
Motor Mall USA
6355 Blue Rd., Lake City, MI (near Cadillac, MI)
This gorgeous L Shaped brick building is situated on 10+/- acres. 5 of the acres are developed w/ paved asphalt & are lighted. The building was built in 1996 & offers 7170 sqft, which 5400 sqft is office space, 1770 is warehouse space. Building has a Covered Entrance & 3 car bays, perfect for Car Dealership, RV Sales, Banks, Banquet Hall or Funeral Homes. Sells to last and highest bidder regardless of price.
Thurs. Sept. 27th at 4:00pm / Open at 2:30pm
Beth Rose & Nick Pinotti, Auctioneers
call **1-877-696-7653**
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COLORADO

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NOVEMBER 4
OWNER DIRECTS IMMEDIATE SALE
SUGGESTED OPENING BID: \$495,000
HISTORIC ST. CLOUD HOTEL
631 MAIN STREET
CANON CITY, COLORADO

BEAUTIFULLY RENOVATED HISTORIC HOTEL w/35 ROOMS AND 31 FIVES + LEASED RESTAURANT
• Year 2000 Room Revenue \$290,000 - Projected 2001 \$40,000
• Renowned as the "Hotel of the West"
• 4000 sq. ft. of office space, 10 miles from Denver
• Stable Financial Environment & Strong Local Market
• Quality Site (Historical Preservation)
• Call for more information or to schedule a viewing
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COLORADO
Silent partner in Mtn. property investment. Your share 48% \$410,000.
Details at 303-449-7741

FLORIDA
AUCTION THURSDAY
SEPT 20th - 11 a.m.
Fort Pierce
Industrial/Commercial Real Estate
• 1.69 acres total
• Light Industrial Zoning
• Water, sewer, gas utilities
• Near Port of Ft. Pierce
Selling in 2 parcels:
PARCEL 1: 6000 sf metal bldg w/ 1500 sf office space
PARCEL 2: 3750 sf CBS bldg w/ 1200 sf cold storage, 5 ofcs.
• Sells **REGARDLESS OF PRICE!**
• Call for Bidder Information Package
Cash to Bid 10% B.P.
Lic. RE Broker AR978 AU1257

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South Beach - 52 Units (\$3,000,000) 1 block to the ocean, apartment or hotel. Zoning. Assumable financing. Mia/Ft. Laud. (954) 463-2400
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Marcus & Millichap
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Delray Beach - IWH (\$2,500,000) Unique Multi-Tenant Cold Storage. Strong Current Income w/ Upside Port. Frontage on I-95. Mia/Ft. Laud. 954/463-2400
RE Investment Brokerage Co.

Marcus & Millichap
Sunrise Shopping Center (\$10,250,000) XIn't Retail Sawgrass Mills Area. Credit Tenants. Mia/Ft. Laud. (954) 463-2400
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Marcus & Millichap
Historic Downtown Stuart, FL (\$2,050,000) High End Retail Strip Center. 100% Occupied. Seller Financing. Mia/Ft. Laud. 954/463-2400
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MISSOURI

Eureka, Missouri Southwest St. Louis County PRIME DEVELOPMENT OPPORTUNITY
• 460 acres along I-44, near Six Flags St. Louis, en route to Branson
• City ownership of large portion of Development Area.
• City prepared to provide assistance with site assembly and financial incentives in support of needed public infrastructure
• Planned mixed-use development sought with opportunities for:
- corporate headquarters campus, office park
- retail shopping and entertainment
- range of types of residential development
- hotel, conference, facilities
Two Phase Developer Section — RFQ/RFP
• Phase 1 - Statement of Qualifications and Concept (RFQ)
Due Monday, November 5, 2001 at 2:00 p.m. CST at City Hall
• Phase 2 — Development Proposal (RFP)
Not more than 3 firms to be selected in Phase 1 and asked to submit full Development Proposals
Contact for copy of Request for Qualifications & Proposals
Craig E. Sabo, City Administrator
City of Eureka
100 City Hall
P.O. Box 125
Eureka, MO 63025
Phone: (636) 938-5233 E-mail: cesabo@eureka.mo.us

FLORIDA

Florida High Rise Water Front Opportunity
1.86 Acres — 138 Unit Site on Bayshore Blvd., Tampa, FL
bruce_erhardt@cushwake.com
Cushman & Wakefield of Florida, Inc.
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Homestead, FL - 104 Units (\$2,800,000) Strong Rental Markets. \$26,923 per unit with 9.8% Cap. Double Digit C/C Return \$43.00 per SF.
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1300 Acres, Hunting, Timber, Investment Tract. Located just minutes form Tallahassee. \$525 per acre. #318-SFCR, INC. Will sell all or half. Financing available.
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\$433,800 N.O.I.
All Cash or Financing Available
9.5% Cash/Cash After Debt
AW Properties
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OUTSTANDING OFFICE BUILDING
Miami - 11098 Biscayne Blvd. 43,200 SF! Grosses \$699,000! 10.3% Cash Return to Investor! User Occupies 4,500-7,800 SF at no cost!
Call Louis J. Gallo, CCIM
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The Allen Morris Co.
FL's Comm RE Leader

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Historic Downtown Stuart, FL (\$2,050,000) High End Retail Strip Center. 100% Occupied. Seller Financing. Mia/Ft. Laud. 954/463-2400
RE Investment Brokerage Co.

Marcus & Millichap
Sunrise Shopping Center (\$10,250,000) XIn't Retail Sawgrass Mills Area. Credit Tenants. Mia/Ft. Laud. (954) 463-2400
RE Investment Brokerage Co.

Marcus & Millichap
Delray Beach - IWH (\$2,500,000) Unique Multi-Tenant Cold Storage. Strong Current Income w/ Upside Port. Frontage on I-95. Mia/Ft. Laud. 954/463-2400
RE Investment Brokerage Co.

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Pinnacle Sports Complex
313 Medina Road • Hwy. 18 • Medina, Ohio
71,960 Square Foot Building
Only 3 Years New!
Two Full Soccer Fields • One Practice Field
31.08 Acres • Two "C-2" Out Lots
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FLORIDA

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(\$3,280,000) Renovated with below market rents. Large units with a desirable unit mix. Attractive assumable financing.
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Marcus & Millichap
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(\$22,500,000) 1989 Construction 75% 2 & 3-bed units 15% Down, 9% Cap Rate
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Seffner - SS (\$3,675,000)
Investment Grade Anchor w/25 Yr. Lease
Mia/Ft. Laud. 954/463-2400
RE Investment Brokerage Co.

Marcus & Millichap
Tamarac, FL, SS
High Visibility Location Newly Renovated, Upside Potential, Stabilized Occupancy
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Marcus & Millichap
Jacksonville, FL
212 Units \$5,000,000 Huge Rental Upside, Excl't Rental Loc. 17% Cash on Cash Return, 2-5ly C/S C/S
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Marcus & Millichap
Titusville, FL - NNR
(\$2,540,000)
New 20 Year Lease. National Tenant.
Mia/Ft. Laud. (954) 463-2400
RE Investment Brokerage Co.

Marcus & Millichap
Titusville, FL - NNR
(\$3,285,000)
New 15 Year Lease, National Credit Tenant, Near I-95
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MAUI - HANA - BEACH
HEAVENLY HANA - 7 ACRES
OR MORE - LEVEL - FEE - OCEAN-SIDE OF HWY. ALL UTILITIES.
\$75K PER ACRE - TERMS OK.
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CANADA

Manitoulin Island, Province of ONTARIO, CANADA
OFFERED FOR SALE - WORLD CLASS OPPORTUNITY
Private Development on 2400 hectares/6000 acres, 17 km private shoreline, 368 lots under development, 73 stunning waterfront lots 1 to 2+ hectares in size, 23 large estate lots each 45 hectares/100 acres in size, private sand dunes and sand beaches, 5 private creeks with brook trout, heavy salmon runs in fall, 18 km of roads built, hydro presently in property. UNDER CONSTRUCTION: 930 sq. m/10000 sq. ft. Savannah plantation style owners mansion, 6 car garage, 10 stable horse barn, indoor swimming pool on 50 hectares; 27 hole world class golf course resort, 211 seat log style restaurant/clubhouse, 60 luxury cottages, log style managers home, first 9 holes of 27 ready by mid 2002, large private guesthouse on 45 hectares, private electric power company to service the new town. ALSO PLANNED: world class health spa, polo club, golf academy. INFRASTRUCTURE SUPPORT: 300 hectares/750 acres top soil and gravel and sand reserves (approx. 15 million ton). Present owner willing to stay on for 5 years to manage project.
Asking \$20,000,000 US
ph. 705-377-4955 fax 705-377-4165
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AUCTION

September 13, 2001 2:00 P.M.
Westchase Hilton and Towers
24 Properties
Featuring:
• Texana Plantation, 70 acres - Historical Homesite-Warrenton, TX
• 120 - Bed Healthcare Facility - 5815 Airline Drive - Houston, TX
• 28-unit Apartment Complex - Lake Conroe, Montgomery, TX
• 16-unit and 32-unit Apartment Complex - Willis, TX
• 15-unit Apartment Complex - Palacios, TX

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Financing Available
1% Buyers Premium

REAL ESTATE AUCTION

Outstanding Development Opportunity
42 INDUSTRIAL DEVELOPMENT LOTS TOTALING 47± ACRES
Located at North Valley Industrial Center 45400(4) N. Kover Avenue • Lancaster, California
Sale to be held at The Desert Inn Hotel 44219 N. Sierra Highway • Lancaster, California
THURSDAY, OCTOBER 4 AT 11:00 AM
Broker Participation Invited
To Be Offered As An Entirety & Individually!
Property Highlights include: Heavy Industrial Zoning, attractive location in State Enterprise Zone, Numerous Redevelopment & Tax Benefits available, Fast Track City Approval, Heavy Industrial utilities available, rail access available to some lots, easy access to Freeway 14, I-5 & I-15, In State Recycle Area & MUCH MORE!
TERMS: Deposit of \$20,000 per lot or \$200,000 as an entirety in certified funds at time of sale. 8% Buyer's Premium applies.
For full color brochure & complete due diligence package including tented sale, description of property, inspection info. & MORE, contact Auctioneer or visit our Web site at www.michaelfox.com.
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Investment Grade Credit Long-term lease w/options \$2,375,000, 8.84% cap \$1,450,000
financing in place @ 7.1% Home of renamed and expanded BYU - Idaho
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Tim.McClean@colliers.com

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62,000sf Office Building 22,000sf Parking Lot Nearly 1/2 block in Downtown Rockford, IL \$1,000,000
Principals Only-Booklet Available
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\$33,000,000
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IRG/Allen Maresh
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MICHIGAN

195 SEAT DATA CENTER FOR LEASE
Titusville, FL - NNR (\$2,540,000)
New 20 Year Lease. National Tenant.
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Platted and approved 433 lot residential/resort on 1,135 acres. Project to include golf course, ski hill, equestrian center, fishing, riding and hiking trails, resort and convention facilities. Well below appraisal @ \$5M.
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Las Vegas based +/- 9,500 SF Office/Lab/Warehouse new 7 year lease at \$125,000 net annual rent offered at \$1,277,000
Call: Mike @ (702) 836-3736 or mdelew@ivcolliers.com
PRINCIPALS ONLY

LAND - RENO, NV
35 Ac. - 41 Ac. & 133 Ac.
Zoned Commercial
Sale or Ground Lease
Located at Major Intersection Highway frontage - Great Traffic Counts
Contact: Bill Fleiner
775-826-7000

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Casino - Las Vegas, NV
Locals market, opened in 2000. 13,000 ± SF w/expansion potential, non-restricted gaming, restaurant, bar. Priced well below replacement cost.
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Harry Pfeuger at 949.437.6602

LAS VEGAS, NV
SINGLE TENANT MEDICAL OFFICE BUILDING
18,000 Sq. Ft.
\$5,747,490
Call for details: 702-869-9000 or 916-780-5505, ext. 12

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****FOR LEASE/FOR SALE****
New 96,000-sq. ft. of class A office building being built for Spring 2002 occupancy in Nashua NH right off exit 8 next to Crowne Plaza Hotel.
Jon Tamposi/Phil Kennedy
Korsak Realty
(603) 882-9700 Ext. 19

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10.4 acres, cleared land; zoned commercial, with frontage on major street on north side of Keene, 1 mile from hospital, next to small commercial strip, bank, convenience store. Public sewer/water; good soil conditions for development. Asking \$1,250,000;
Call 603-352-2253;
Email: rskells@hesservices.org.

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Rest/Lounge, Banquet Room, Managers Quarters, Pool, Separate 2160 Sq. Ft. Owners Residence. Minutes to Waterville Valley/Owls Nest Golf Resort. Located off I-93, Exit 28.
\$1,150,000.00
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Use or investment, state of the art bldg. inc. 8 apts. on mo. to mo. leases. Currently used as sewing factory. 10 secured parking spaces. Total 18,000 SF. \$799,000. Call for additional info.
Burgdorff ERA
Realtors
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NNN DENNY'S
\$600,000 price for \$60,000 NNN rent with full percentage rent clause. New lease on 20 year + location with very strong 65+ units franchise.
Great highway location
Call owner 805-565-3283

NEW YORK

SYRACUSE, NY
Days Inn, Quality Inn, Bob Evans Restaurant
GREAT LOCATION
(First Thruway Exit from Airport)
Fully remodeled, 10 year contracts in place 265 kap. \$ 0K. NOI. Price \$8.0M-seller financed w/52 OM cash. Call Ted Sannella, 914-684-6070
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Dutchess Co, NY - Escape to a Cleaner Life. 3 bldgs to include 2 restaurants + pub. All turnkey w/liquor, 2 apts & office space on commercial 1/2 ac. Active money-making businesses/ steady tenant income. Fantastic location for Mexican/Thai/Asian cuisine. Multiple bus. opp's on single site. Priced for quick sale. \$420K. (includes businesses.) Owner 845-877-6483

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2 BUILDINGS FOR SALE
Flex Space/Office Space
114,000/135,000 Sq. Ft.
Durham, NC
Class A
Call Jon Jayson
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Fully equipped Resort + Golf. 55 Units + 116 Ac + Stream, Pool, Tennis, Pond. \$1,600,000
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30 minutes from Pinehurst, N.C.
Principals Only.
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23 RETAIL BIG BOXES

Retail Investment Properties

Sold Individually • Size range 50,000 - 135,000 SF

City	Building	Site	City	Building	Site
FLORIDA			MARYLAND		
Lakeland	111,322 SF	94 AC	Hagerstown	114,513 SF	12.9 AC
Marianna**	93,501 SF	8.2 AC	MISSOURI		
Melbourne	106,368 SF	10.7 AC	Bridgeton*	134,683 SF	12.8 AC
Orlando	114,585 SF	10.5 AC	Fenton	86,800 SF	8.3 AC
Orlando	104,254 SF	9.0 AC	MISSISSIPPI		
Pensacola*	100,700 SF	6.2 AC	Magee	50,568 SF	6.9 AC
Pine/Cas Park	118,781 SF	13.7 AC	Meridian	87,423 SF	10.7 AC
Sarasota**	118,849 SF	20.0 AC	NORTH CAROLINA		
St. Cloud*	65,930 SF	8.4 AC	Charlotte**	125,867 SF	13.8 AC
KANSAS			OHIO		
Bonner Springs**	50,252 SF	5.9 AC	Elyria**	104,56 SF	10.5 AC
Ottawa*	70,734 SF	6.3 AC	OKLAHOMA		
LOUISIANA			Sand Springs**	90,892 SF	6.5 AC
Shreveport	91,580 SF	5.7 AC	Warr Acres	121,267 SF	9.0 AC
Thibodaux	97,647 SF	9.2 AC	VIRGINIA		
			Danville	112,238 SF	14.5 AC

* tenant occupied **short term Wal-Mart leaseback applies

1031 Exchange and Broker Participation Welcome
Sealed Bid Deadline: **OCTOBER 24, 2001**
www.thepropertywatch.com
1 800 527 2553 ext. 10

NORTH CAROLINA

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Excellent auto repair shop. Great reputation, good location near downtown Raleigh, N.C. 10,000 SF bldg. & 1 acre lot included. Sales of \$1.4 million/year.
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email: wwgrealty@aol.com

OHIO

GREAT LAKES MARINAS FOR SALE
280 Slips \$2,000,000
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REDEVELOPMENT OPPORTUNITY Downtown Des Moines, Iowa. Includes an aerial photograph of the site and contact information for The Property Watch.

GE Capital Seeking to Invest in Single Tenant Sale Leaseback Properties. Lists property types, lease terms, and contact information for Gregg Fields, Pat Pearson, and James Bach.

PRIME DEVELOPMENT OPPORTUNITY 50+ ACRES Orlando, Florida. Includes an aerial photograph of the property and contact information for Jones Lang LaSalle Hotels.

Bonanza Land Auction MESQUITE, NEVADA - OCTOBER 12, 2001. Details three parcels for sale and provides contact information for Karen Hoover and Charlene Larson.

THE WALL STREET JOURNAL. Adventures in Capitalism. Includes a stylized city skyline logo and the Dow Jones logo.



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