

THE WALL STREET JOURNAL.

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2002 Pulitzer Prize
in the category of
Breaking News Reporting

At the Eye of the Storm
A New Day of Infamy Deals a Blow to America

Excerpts from the September 12th edition produced by
THE WALL STREET JOURNAL STAFF

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 Zwyhyun, 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. Zwyhyun 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 place is filling with smoke." Then the phone went dead.

Three hundred miles to the south, in Washington, D.C., a jet from the west and burrowed into the Pentagon building, exploded in a cloud of flame and smoke. Mark Felt, a senior vice manager in the building, said when the plane hit. People were screaming this way and that, trying to get out. It was chaotic," Mr. Thaggs said. "It was unbelievable. We could hardly believe what was happening."

The nation stood in stunned silence yesterday after three airplanes were hijacked and flown into the World Trade Center, in less than an hour, and made kamikaze-like crashes into the Pentagon, killing hundreds of people.

Please Turn to Page A1

The Eye of the Storm

One Journey Into Desperation

A Nightmare of Fear

Acrid Smoke and the Coming Day

By JOHN BUSSEY

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 unhelpable.

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 shrubs. 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

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.

(Article on Page A2)

Telecom systems were strained as the terrorist attacks on New York and

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)

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 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



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 shut down 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

Please Turn to Page A12, Column 5

chines so familiar at airport concourses are basically the only line of protection for U.S. airliners. With more than 10,000 commercial flights a day, airlines don't carry

BOSTON: American Airlines Flight 11, a Boeing 767, leaves Boston at 7:59 a.m. EDT for Los Angeles. This flight, with 92 people aboard, including 11 crew, becomes the first plane to hit the World Trade Center.

NEW YORK: At about 8:50 a.m., Flight 11 from Boston hits the North Tower of the World Trade Center. At about 9:03 a.m., a second plane hits the South Tower of the trade center. Both towers later collapse.

WASHINGTON: American Flight 77, a Boeing 757, departs Dulles Airport at 8:10 a.m., bound for Los Angeles with 64 people aboard, including six crew. This plane crashes into the Pentagon in Arlington, Va., just south of Washington, D.C.

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
June Kronholz in Washington,
Christina Binkley in Los Angeles and
Clare Ansberry in Pittsburgh.

At the end of the Las Vegas Strip, so was the Paris casino. The World Trade Center Tower. University of Wisconsin-Madison student threats and the schools—so his audience could go back to their lives. The violence outside. The night America was the safest. The Strauss, a 13-year-old at Pelham Middle School in suburban New York. His mother said as we know it isn't going to be normal for a long time." Terrorism darkened, never altered the way we live.

to have to learn what a

Page A6, Column 4

Recession

conomy. "I don't know what analogies," said Alan Greenspan, professor at Princeton University. "The confidence-shaking events of the 1930s and 1940s were negative effects on the economy. But we've never seen anything like this before."

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 con-

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... the terrorist attacks on New York and the Pentagon, killing hundreds of people.

Please Turn to Page A1

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 101,529, up 0.168.
Dollar: 119.16 yen, off 1.77; 1.0936 euros, off 0.0181; 2,1389 marks, off 0.0355.

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. Re-

acted nationwide effort to treat the thousands of injured taken to hospitals, identify the dead and supply tens of thousands of units of blood, A6.

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 is so important to our readers,

'Everything Possible'

"I'm sure that central bankers everywhere are

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“Nation Stands in Disbelief and Horror” A WALL STREET JOURNAL NEWS ROUNDUP	6
“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	9
“Hour of Horror Forever Alters American Lives” BY JUNE KRONHOLZ, CHRISTINA BINKLEY AND CLARE ANSBERRY	12
“U.S. Airport Security Screening Long Seen as Dangerously Lax” BY SCOTT MCCARTNEY, J. LYNN LUNSFORD AND DAVID ARMSTRONG	14
“The Eye of the Storm: One Journey Through Desperation and Chaos” BY JOHN BUSSEY	17
“Attacks Raise Fears of a Recession” BY GREG IP AND JOHN D. MCKINNON	19
“In New York’s Commuter Suburbs, It Is a Day of Worrying and Waiting” BY REBECCA BLUMENSTEIN, TIM LAYER AND ROBERT MCGOUGH	20
“I Saw It All. Then I Saw Nothing” BY DANIEL HENNINGER	22
“Attack Shuts Down U.S. Markets and Causes Global Declines” BY MICHAEL SCHROEDER, KATE KELLY AND ANTONIO REGALADO	24
“Trade Center Firms Fear For Friend and Colleagues” A WALL STREET JOURNAL NEWS ROUNDUP	26

January 26, 2002
The Pulitzer Prize Board
709 Journalism
2950 Broadway, Mail Code 3865
Columbia University
New York, NY 10027

To the Judges, Breaking News:

When the planes smashed into the World Trade Center, scores of Wall Street Journal reporters and editors couldn't help becoming part of the story: On their way into the office at the World Financial Center, or already at their desks, they faced harrowing escapes through smoke and rubble, as bodies fell and buildings disappeared. But it was as journalists, rather than as witnesses, that they made their mark that day. With their headquarters unusable and phone service mostly unavailable, they quickly found a way to regroup, relocate, communicate with each other and—without missing a single day—with their readers.

The key elements were put in place in the chaotic minutes before the World Financial Center was evacuated at 9:15 a.m. Assistant Managing Editor Jim Pensiero and others found their way to a Dow Jones facility 50 miles away in South Brunswick, New Jersey. There, Mr. Pensiero and the company's top technology officers fired up a backup publishing system and quickly established a 30-desk basement editing room. By 5 p.m., an editing and graphics force of 40—a small fraction of the usual afternoon crew—had found its way there and was preparing to produce the newspaper. With the bridges and tunnels to New Jersey closed as a security measure, most of the paper's top editors set up shop in the New York apartment of one of them.

Meanwhile, the entire New York-based corps of 100 reporters set to work amid the tumult of lower Manhattan, pursuing the stories that seemed most urgent. They reported the developing story from ground zero, from investment banks, from the stock exchange, from real-estate and insurance firms, from airports, fire departments and police stations, and from traumatized bedroom communities. Unclear where to deliver their copy, they launched their files from their home computers into the Journal e-mail system. National Editor Marcus Brauchli that day received more than 1,000 e-mail messages from the reporting staff; Bryan Gruley, the Washington-based editor who compiled the page-one story "Nation Stands in Disbelief and Horror" fielded 650 inches worth of memos from 50 reporters.

Notwithstanding difficult and, in some instances, dangerous working conditions, the Journal managed not only to publish that evening but to produce a richly reported, insightful newspaper that stands as a model of urgent but responsible breaking-news reporting. "Nation Stands in Disbelief and Horror" pulls together the work of those many reporters to

bring the reader an intimate, terrifying portrait of the day. A first-person account by Foreign Editor John Bussey, "The Eye of the Storm," grippingly captures the commotion and fear on the ground in The Journal's own community. "I Saw It All; Then I Saw Nothing," by Deputy Editorial Page Editor Daniel Henninger, bears eloquent witness to the attack. "Trade Center Firms Fear for Friends and Colleagues," accompanied by a complete list of World Trade Center tenants, focuses sharply on the impact on individual companies. "U.S. Airport Security Screening Long Seen as Dangerously Lax" draws on the Journal's airline-industry expertise to deliver insights into security that are extraordinarily sophisticated for a first-day story. "Hour of Horror Forever Alters American Lives" is remarkably prescient in describing the new America as a land of tight security, high anxiety, reduced civil liberties and heightened generosity. Other articles in the issue gauge the effects of the attacks on markets, the economy, banks, airlines, the phone system, the Internet, the news media and the psyche of the city and nation.

From the perspective of several months later, breaking-news stories in the September 12 Wall Street Journal are notable for the strength of their details, the clarity of their deadline writing and the discipline with which they confront uncertainty—by publishing no facts of which the reporters and editors aren't sure and reaching no conclusions that the known facts don't justify. It was this level of care and authority that worried readers had a right to expect on September 12. In hundreds of letters in the days that followed, readers thanked us not just for delivering a paper—but for delivering that paper—on September 12. This is why I am especially proud to nominate the staff of The Wall Street Journal for a Pulitzer Prize in Breaking News Reporting.

Sincerely,
Paul E. Steiger

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.

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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 place 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, 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 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 sec-

ond plane hovered into view and swerved into the other tower. Mr. Zwyhun, 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?”

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.

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 the 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 walk-

ing 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.”

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.

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 a 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—shuttered 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 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 aftershocks. 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.”

Underscoring that sentiment, American F-16 fighter jets were scrambled and two air-

craft 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 like-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, Sheik 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 Sheik 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 Sheik 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.

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.

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

The popular, needlelike Stratosphere 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 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

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.

Stepping up security isn’t always possible, though. Fairfax, Va., already posts police officers in its secondary schools;

‘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?’

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 Kehillath 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 plainclothes police inside.

“I think I now understand what it is like

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.

In the wake of the events yesterday, much

of the U.S. was closed down—the federal government, schools, airports, the Hoover Dam near Las Vegas and the 47-story Bank of America building in downtown Miami. Also shuttered were the International Monetary Fund and the World Bank; their fall meetings, scheduled for later this month and a planned target of antiglobalization protests, may be canceled, a bank official said. Other institutions and facilities also will reopen amid greater security, resulting in increased frustration and delays.

How to explain the day’s inexplicable events to their children will be a huge dilemma for parents. “You’re not going to be able to keep this one under wraps,” said Dr. Butterworth, the trauma psychologist. But he warned against using the tragedy as a teachable moment—a common response in the schools to huge national developments—and overwhelming children.

A further fear is the possibility of copycat incidents that often follow acts of highly publicized violence. Some people “deal with their fears by making other people afraid,” said University of 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 weeklong 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

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

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 pres-

ident, 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.

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 undoubtedly look at whether the attackers might have

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

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 machines

so familiar at airport concourses are basically the only line of protection for U.S. airliners. With more than 10,000 commercial flights a day, airliners don't carry security personnel, and airline crews are armed with little more than plastic handcuffs to corral unruly customers and an ax for pilots to escape in the event of a crash.

Pilots and airline officials believe it is likely the hijackers disabled or killed both pilots in each of the three planes that struck the twin towers of the World Trade Center and the Pentagon, and then flew the planes themselves into the structures. A fourth airline crashed near Pittsburgh. The two American Airlines flights and the two United Airlines flights involved were all large Boeing Co. two-pilot jets heavily loaded with fuel for transcontinental flights.

Pilots are able to lock their cockpit door, but the lightweight door, built with break-away panels so pilots can escape a 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 terroristic 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 vulnerability." 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

lines. 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

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

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 air-

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.

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—the 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 unhelpable.

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 lampposts 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, 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 streets 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 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 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

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?"

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

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 them to coughing, spitting emergency workers in the street. The mask would be my life saver.

Because as I walked down the street, getting my bearings, and moving closer to Liberty Street, which opened out onto the Trade Center compound, the second tower was weakening. I heard a pressing metallic roar, like the Chicago El rumbling overhead. And then the fireman next to me shouted: “It’s coming down! Run!”

Run where? I had no idea, so I did the best thing at the moment: I ran after the fireman.

Four of his colleagues joined us, plus another civilian or two on the street. We sprinted behind the wall of a nearby apartment building as the North Tower collapsed two blocks away. “Stay away from glass windows” he shouted as we ran, but what he said next was drowned out by the roar passing right through us. We flattened ourselves against a metal doorway, this small group, trying to be one with the building, as chunks 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 breath. 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 breath 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.

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,” 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.

In New York’s Commuter Suburbs, It Is a Day of Worrying and Waiting

Many of the people who work in downtown Manhattan live in New Jersey, located just across the Hudson River. Yesterday, an anxious waiting had taken hold in many of the towns that dot the train lines usually carrying tens of thousands of commuters a day.

Word of who was still missing filled neighborhoods in Maplewood, about 35 minutes west of New York, as residents gathered in small groups along the town’s tree-lined streets.

By Wall Street Journal staff reporters
Rebecca Blumenstein, Tim Layer and
Robert McGough

Among those waiting were the teachers of the South Mountain YMCA, a day-care center located right along the tracks. About 250 babies and children were dropped off at the center Tuesday morning. More than half of the children have one or both parents who work in the city.

Parents started calling almost as soon as the first plane collided with the World Trade Center. After local schools nearby started closing, teachers began the task of trying to contact parents to pick up their children—and determining which children had parents who were unaccounted for.

As of 12:30, director Marie Papageorgis couldn’t reach the parents of about 50 children. She separated the files of parents who worked in the city. By 4 p.m., the number of children with missing parents had dropped to about 10. But in her hand, she held three files of children whose parents she knew worked at the World Trade Center.

Sylvia Achee and her son Nico are among the lucky ones. Her husband, David, works at 4 World Trade Center. He called her right after the first blast, but she lost contact with him after the second blast and the collapse of the towers.

“I turned on the news,” Ms. Achee said, and when she saw the collapse, “my heart fell.” Another wave of calls poured into her house from people asking whether he had called again, and she almost sank in relief when he did, about an hour later. Mr. Achee had tried to help some of the injured and took a ferry across the river with a badly burned fire fighter. Ms. Achee said her husband was bruised, but otherwise all right. He was still not home as of 5 p.m.

It was only two months ago that Ms. Achee removed her son from the day-care center at the World Trade Center because,

she feared lax security and that he could be a target. She also repeatedly asked her husband, a locksmith, to stop working there. “We have talked about this a lot.”

Ms. Papageoris said that her staff will wait for parents—or guardians—as long as it takes. Other parents have volunteered to take care of any children whose parents are unaccounted for. “We are just waiting it out and hoping that somehow, everyone shows up,” Ms. Papageoris said. Teachers took heart in the funny stories—one man who was late to work at the Trade Center because his three-year-old daughter had been especially difficult. He watched the explosion from a ferry instead of being at his desk.

The task of finding parents was made considerably easier by an e-mail list the center has compiled over the last year. Many parents wrote back from Internet cafes in the city after they had evacuated or from their own computers, because the phone lines weren’t working.

Virginia Brown, who has two sons at the center, already went to try to donate blood, though she found a five-hour wait. She said that many families have moved to communities such as Maplewood and South Orange in recent years because of escalating real-estate prices in Manhattan. But, she said, a tragedy like this shows how closely the suburbs and city are linked.

Selma Zupnik sat waiting at the Maplewood train station last night for her daughter, Susan, who had escaped from the 64th floor of the second tower. “The last message I got was to bring clothes,” Ms. Zupnik said. She said her daughter, an analyst for the Port Authority, is scared and chilled from the showers she had to walk through when she arrived from the ferry in Hoboken. Fire officials had all the victims shower because they feared they were covered with asbestos.

Ms. Zupnik has been communicating with her daughter, who is deaf, through a wireless paging device. “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 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, a 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.

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,

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.

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 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, irresistably, 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 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 sil-

ver 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 evap-

orated 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.

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 is

By Wall Street Journal staff reporters Michael Schroeder in Washington, and Kate Kelly and Antonio Regalado in New York

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 markets to reopen in a climate of calm, once the ini-

tial 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 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 say 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 a 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 announcement 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 up 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

How the World’s Markets Reacted

Europe

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

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

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 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. government 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 OppenheimerFunds 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."

Full List of World Trade Center Tenants

TENANTS (INDUSTRY)FLOOR(s)/SUITE(s)

South Tower

CINDE Continental Co. (insurance)	
Xerox Document Co. (manufacturing)	. . . BSMT
Johnston & Murphy	. . . . . concord
NicholsFoundation (government/schools)	. GRND
Verizon commun. (telecom)	. . . . . 9-12
Colortek Kodak Imaging (services)	. . . . . 1
EuroBrokers (investments)	. . . . . 12
Charna Chemicals (manufacturing)	. . . . . 14
Paging Network, New York (telecom)	. . . . . 14
Patinka intl. Inc. Business (services)	. . . . . 14
Union Bank of California Intl.	. . . . . 14
Candia Shipping (wholesalers)	. . . . . 15
James T. Ratner, law (law)	. . . . . 15
John J. McMullen Assoc. (engineers)	. . . . . 15
John W. Loofbourrow Assoc.(investments)	. . . 15
Orient Intl.	. . . . . 15
Mancini Duffy (architects)	. . . . . 15, 21, 22
National Develop & (research)	. . . . . 16
N.Y. Inst. of Finance (consulting)	. . . . . 17
Alliance consulting (consulting)	. . . . . 18
Caserta & Co.	. . . . . 18
Chen, Lin, Li, & Jiang, LLP (investments)	. . . 18
Intera Group Inc. (employ agencies)	. . . . . 18
Abad, Castilla & Mallonga (law)	. . . . . 18
Pines Investment	. . . . . 18
Professional Assist. & Consulng	. . . . . 18
Weiland intl. (investments)	. . . . . 18
Showtime Pictures	. . . . . 18, 107
Waterfront Commission of New York Harbor	. . 19
N.Y. Shipping Assoc. (transp./util.)	. . . . . 19, 20
Thacher, Proffitt & Wood (law)	. . . . . 20, 38-40
Adecco SA (employ agencies)	. . . . . 21
Career Engine (research)	. . . . . 21
Charoen Pokphand USA (trans./util.)	. . . . . 21
Antal intl. (employ agencies)	. . . . . 22
Sinochem American Holdings (investments)	. . 22
Washington Mutual	. . . . . 22
Unistrat Corp. of America (consulting)	. . . . . 23
SCOR U.S. Corp. Agencies (insurance)	. . . 23, 24
Allstate Co. (insurance) Agencies	. . . . . 24
China Chamber of Commerce Organizations	. . 24
December First Productions,LLC	. . . . . 24
Globe Tour & Travel Tours	. . . . . 24
Sinolion (USA)	. . . . . 24
TD Waterhouse Group (investments)	. . . . . 24
Sun Microsystems Comp. (services)	. . . . . 25, 26
Big A Travel (Travel)	. . . . . 28
Hua Nan Commercial Bank (financial)	. . . . . 28
law Office of Joseph Bellard (law)	. . . . . 28
New York Stock Exchange	. . . . . 28-30
Weatherly Securities Corp. (investments)	. . . . . 29
Hartford Steam Boiler Agencies (insurance)	. . 30
Oppenheimer Funds (investments)	. . . . . 31-34
Commerzbank Capital Markets (investments)	. 32
ABN-AMRO Mortgage Brokers	. . . . . 35
Frenkel & Co. (insurance) Agencies	. . . . . 35, 36
Sitalong Intl. USA	. . . . . 40
Morgan Stanley (investments)	. . . 43-46, 56, 59-74
Guy Carpenter Agencies (insurance)	. . . . . 47-54

Fireman's Fund Co. (insurance)	. . . . . 48
Seabury & Smith (insurance)	. . . . . 49
Garban Intercapital	. . . . . 55
First Commercial Bank (financial)	. . . . . 78
Fuji Bank (Banks)	. . . . . 79-82
bepaid.com	. . . . . 84
Harris Beach & Wilcox, LLP (law)	. . . . . 85
Keeffe, Bruyette,Woods (investments)	. . 85, 88, 89
NY State Dept. of Taxation & Finance	. . . . 86, 87
Corp. Service Co.	. . . . . 87
Fiduciary Trust Co. Intl. Banks	. . . 90,94,95,96,97
Gibbs & Hill (engineers)	. . . . . 91
Raytheon Co. (manufacturing)	. . . . . 91
AON corp. Agenc.(insurance)	. . . . . 92, 99, 100
Regus Business Centres Employment Agenc.	. 93
Sandler O'Neill & Partners (investments)	. . . 104
Atlantic Bank of New York Banks	. . . . . 106

North Tower

Alan Anthony (consulting)	. . . . .
Cedel Bank (investments)	. . . . .
LG (insurance) Co.	. . . . .
Northern Trust Intl. Banking Corp. financial inst.	
Royal Thai Embassy Office (government/schools)	
Tes USA (investments)	. . . . .
United Hercules Inc. Travel Agencies/Tours	. . . .
NY Coffee Station	. . . . .
Ann Taylor Loft	. . . . . CNCR
Strawberry Retailers	. . . . . CNCR
Avis	. . . . . LBBY
Delta Airlines	. . . . . LBBY
Olympia Airport Express	. . . . . LBBY
Lehman Bros.	. . . . . suites 4047, 3841, 3941
Port Authority of New York & New Jersey	. . . . .
	. . . . . 3, 14, 19, 24, 28, 31
Gayer, Shyu & Wiesel Accountants	. . . . . 5
Thai Farmers Bank	. . . . .
Banks/financial inst.	. . . . . 7
Amerson Group Co. Organizations	. . . . . 8
Bank of America	. . . . .
Banks/financial inst.	. . . . . 9-11, 81
Porcella Vicini & Co.	. . . . .
Primarch Decision Economics (consulting).	. . 11
Instinet (investments)	. . . . . 13, 14
Dun & Bradstreet (Research)	. . . . . 14
Landmark Education corp. (government/schools)	. . . . . 15
California Bank & Trust Banks/financial inst.	. 16
Zim-American Israeli Shipping Co.	. . . . . 16, 17
Empire Health Choice Agencies(insurance)	. . . .
	. . . . . 17, 19, 20, 23, 24, 27-31
Avesta Computer (services),	
Ltd. Data Processing	. . . . . 21
Continental Logistics Business (services)	. . . 21
Dongwon Securities Co. Ltd. (investments)	. . . 21
Dr. Tadasu Tokumaru, M.D. Doctors	. . . . . 21
Friends Ivory & Sime (investments)	. . . . . 21
Friends Villas Fischer Trust (investments)	. . . 21
Infotech	. . . . . 21
law Offices of Roman V. Popik (law)	. . . . . 21
Lief Intl. USA (manufacturing)	. . . . . 21

Tower Computer Service Retailers	. . . . . 21
United Seamen's Service AMMLA (Social services)	. . . . . 21
Cheng Xiang Trading USA Inc.(Computer services)	. . . . . 22
Chicago Options Exchange Corp. (investments)	22
G.C. Collection Agencies (services)	. . . . . 22
Gold Sky Inc. (manufacturing)	. . . . . 22
Kaiser Overseas Inc. (manufacturing)	. . . . . 22
Karoon Capital Management (investments)	. . 22
MLU Investment	. . . . . 22
P. Wolfe Consult. (consulting).	. . . . . 22
The SCPIE Companies	. . . . . 22
Tai Fook Securities (investments)	. . . . . 22, 39
Unicom Capital Advisors LLP (investments)	22, 84
R.H. Wrightson & Assoc. (investments)	. . . . 25
Garban-Intercapital (investments)	. . . . . 25-26
China Patent & Trademark USA (law)	. . . . . 29
World Travel Travel Agencies/Tours	. . . . . 29
Banco LatinoAmericano de Exportaciones	. . 32
Chang HWA Commercial Bank	. . . . . 32
Rohde & Liesenfeld	. . . . . 32
Berel & Mullen (law)	. . . . . 33
China Daily Distribution Corp. (services)	. . . 33
Data Transmission Network Corp.	. . . . . 33
Golden King (USA) Limited	. . . . . 33
Hu Tong Intl. (USA) Co., Ltd. (wholesalers)	. . 33
Koudis Intl. Inc.	. . . . . 33
MANAA Trading Group (investments)	. . . . . 33
MIS Service Co.	. . . . . 33
Rachel & assoc. (manufacturing)	. . . . . 33
Serko & Simon (law)	. . . . . 33
Anne Pope, law Offices of (law)	. . . . . 35
Kemper insurance Companies (insurance)	. 35, 36
Commodity Futures Trading Comm	
(investments)	. . . . . 37
government of Thailand	. . . . . 37
Regional Alliance Small Contractors Construction	. . . . . 38
Turner Construction Co. Construction	. . . . . 38
Lehman bros.	. . . . . 38-40
Overseas Union Bank, Ltd. Banks/financial inst.	. . . . . 39
The Cultural Inst. Retirement Systems Trusts	39
Xcel Federal Credit UnionBanks/financial Inst.	39
Mechanical Floor	. . . . . 41-43
N.Y. Society of Security Analysts	. . . . . 44
American Lota Intl.	. . . . . 45
China Construction America Construction	. . . 45
Dunavant Commodity Corp (investments)	. . . 45
Employee Merit (Employ Agencies)	. . . . . 45
Fertiitta Enterprises	. . . . . 45
M.A. Katz, CPA Accountants	. . . . . 45
Sassoons Inc.	. . . . . 45
Security Traders Assoc. Organizations	. . . . . 45
SRA	. . . . . 45
Streamline Capital, LLC	. . . . . 45
The Co. Store Retailers	. . . . . 45
Pure Energy Corp. (wholesalers)	. . . . . 45, 53
ASTDC Organizations	. . . . . 46
Auto Imperial Co. (wholesalers)	. . . . . 46

Blue Sky Technologies Computer (services)	. . 46
Can-Achieve (consulting).	. . . . . 46
Consolidated Steelix Corp. (manufacturing)	. 46
Dahao USA Corp (wholesalers)	. . . . . 46
J & X Tans Intl.	. . . . . 46
Kanebo Information Systems Corp., U Computers	. . . . . 46
Meganet Management consult., Inc Computers	46
Prospect Intl.	. . . . . 46
Sinopec USA (wholesalers)	. . . . . 46
Suggested Open Systems Computer (services)	46
Suntendy America (wholesalers)	. . . . . 46
T&T Enterprises Intl. Inc Miscellaneous	. . . 46
Yong Ren America	. . . . . 46
G. Z. Stephens (Employ Agencies)	. . . . . 47
NFA/GGG	. . . . . 47
Pacific American Co. (wholesalers)	. . . . . 47
Quint Amasis, L.L.C. Business (services)	. . . 47
W.J. Export-Import (wholesalers)	. . . . . 47
American TCC Int'l Group (investments)	. 47, 90
Dai-Ichi Kangyo Trust Co. Trusts	. . . . . 48-50
AT&T Corp. (telecom)	. . . . . 51
C & P Press Business (services)	. . . . . 51
Bramax (USA) Corp. (manufacturing)	. . . . . 52
Gayer Shyu & Wiesel (investments)	. . . . . 52
Hill Betts & Nash, LLP (law)	. . . . . 52
Howly (US) corp.	. . . . . 52
Leeds & Morrelli (law)	. . . . . 52
Okasan Intl. (American) Inc. (investments)	. . 52
RGL Gallagher PC Accountants	. . . . . 52
Richard A. Zimmerman, Esq. (law)	. . . . . 52
The Williams Capital Group	. . . . . 52
Temenos USA (wholesalers)	. . . . . 52, 84
A I G Aviation Brokerage (insurance) Agencies	53
Bank of Taiwan	. . . . . 53
China Resource Products USA Ltd.	. . . . . 53
Keenan Powers & Andrews (law)	. . . . . 53
LoCurto & Funk (investments)	. . . . . 53
Natural Nydegger Transport Corp.	. . . . . 53
Pacrim Trading & Shipping	. . . . . 53, 78

Brown & Wood, L.L.P. (law)	. . . . . 54, 56-59
Pace University (government/schools)	. . . . . 55
World Trade Inst.	. . . . . 55
Asahi Bank, Ltd.	. . . . . 60
Airport Access Program	. . . . . 63
Hal Roth Agncy (insurance) Agencies	. . . . . 77
Jun He law Office, LLC (law)	. . . . . 77
Martin Progressive LLC Computer (services)	. 77
New-ey Intl. Corp. Business (services)	. . . . . 77
World Trade Centers Assoc. Organizations	. . 77
Avenir Computer (services)	. . . . . 78
Baltic Oil Corp.	. . . . . 78
Cedar Capital Management Assoc.	. . . . . 78
Cheng Cheng Enterprises Holding Inc Retailers	78
Geiger & Geiger (law)	. . . . . 78
Hyundai Securities Co., Ltd. (investments)	. . 78
Intl. Trade Center Public Relations Agencies	. 78
Korea Local Authorities Foundation	. . . . . 78
Meridian Ventures Holding	. . . . . 78
Phink Path (Employ Agencies)	. . . . . 78
Traders Access Center (investments)	. . . . . 78
Daynard & Van Thunen Co. (insurance) Agencies	. . . . . 79
First Liberty Investment Group (investments)	79
intl. Office Centers corp. Business (services)	. 79
Nikko Securities	. . . . . 79
Okato Shoji Co., Ltd. Computer (services)	. . . 79
Securant Technologies Computer (services)	. . 79
Agricor Commodities Corp. (investments)	. . . 80
Intrust Investment Realty	. . . . . 80
Noga Commodities Overseas (investments)	. . 80
RLI (insurance) Co. (insurance) Agencies	. . . 80
Shizuoka Bank Ltd.	. . . . . 80
The Beast.Comm Computer (services)	. . . . . 80
Network Plus (telecom)	. . . . . 81
New Continental Enterprises	. . . . . 81
NY Metro Transp. Council (government/schools)	. . . . . 82
eMeritus Commun. (telecom)	. . . . . 83
General (telecom)	. . . . . 83

Global Crossings Holdings Ltd. Computer	
(services)	. . . . . 83
Lava Trading, LLC	. . . . . 83
Taipei Bank	. . . . . 83
Bright China Capital, Ltd. (investments)	. . . . 84
David Peterson (law)	. . . . . 84
KITC (investments)	. . . . . 84
LG Securities America (investments)	. . . . . 84
San-In Godo Bank Ltd.	. . . . . 84
SMW Trading Corp. (investments)	. . . . . 85
Thermo Electron	. . . . . 85
Julien J. Studley Real Estate	. . . . . 86
May Davis Group (investments)	. . . . . 87
Barcley Dwyer	. . . . . 89
Broad USA (wholesalers)	. . . . . 89
CHC Group (USA), Ltd. (investments)	. . . . . 89
Daehan Intl. (investments)	. . . . . 89
Drinker Biddle & Reath (law)	. . . . . 89
Metropolitan Life Co. (insurance)	. . . . . 89
Mutual Intl. Forwarding	. . . . . 89
Strategic Commun. (telecom)	. . . . . 89
Wai Gao Qiao USA (consulting).	. . . . . 89
Wall Street Planning assoc.	. . . . . 89
The Chugoku Bank, Ltd.	. . . . . 90
American Bureau of Shipping (engineers)	. . . 91
Fred Alger Management (investments)	. . . . . 93
Marsh USA (insurance) Agencies	. . . . . 93-100
Kidder Peabody & Co.	. . . . . 101
Cantor Fitzgerald Securities (investments)	101-105
The Nishi-Nippon Bank, Ltd.	. . . . . 102
Channel 4 (NBC) (television)	. . . . . 104
Windows on the World Retailers	. . . . . 106
Greatest Bar on Earth	. . . . . 107
World Trade Club	. . . . . 107
Channel 11 (WPIX) (television)	. . . . . 110
Channel 2 (WCBS) (television)	. . . . . 110
Channel 31 (WBIS) (television)	. . . . . 110
Channel 47 (WNJU) (television) 110
Channel 5 (WNYW) (television) 110
CNN 110

Dow Jones Roster of
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