The Street: Business and Finance

**World Wide**

**What’s News**

**Business and Finance**

- **Schiff's Offered the U.S. Iraq War Help, with or without the U.S.,** the German leader said that, as commander of the U.S.-led coalition, he would help secure Iraq’s security and prepare its forces for freedom. Mr. Schroeder, whose country is the eighth largest economy, is visiting Washington for talks with Secretary of State Condoleezza Rice and Defense Secretary Donald Rumsfeld. (Page A10)

- **Merrill Accepted Responsibility for Firms’ Sales of Financial Services Group:** Merrill Lynch & Co. this year faced a controversy over whether it should get excess fees paid by Baystate Medical Center for services that included $1.8 million in grants to fund research. The center’s chief M.D. has now stated he knows the firm’s consulting fees and isn’t aware of it. (Page C11)

- **Amid Inflation Fears, U.S. Retail Inventories Rise:** The Commerce Department said retail stocks rose at a 1.5% annual rate in August, the most since February 2002. (Page B4)

**Global Business Briefs**

- **Japan: Boeing, Airbus Sign Pacifik Agreement:** Boeing Co. and Airbus Industrie signed an agreement Monday to develop the next generation of subsonic 777X and A350X aircraft, which will be used for transpacific routes. The aircraft will be produced for airlines in the Asian-Pacific region and delivered in 2020 and beyond. (Page B1)

- **Global Financial Markets:** The Asian stock markets closed mostly higher Monday, with most of the gains coming on the back of U.S. and Eurozone economic data. (Page D1)

**Deals & Deal Makers**

- **Fannie Mae, Freddie Mac: New York Stock Exchange Asks for Corporate-Action Plans:** The New York Stock Exchange is asking Fannie Mae and Freddie Mac for plans for corporate consolidation, which would likely result in a merged, larger-scale company. The exchange, after an emergency NYSE board meeting yesterday, followed calls by the SEC for a merger to raise capital, improve market liquidity, and cut costs. The SEC is to review the NYSE’s proposal. (Page A4)

**Technology**

- **Microsoft’s Drifting:** Microsoft Corp. saw its shares fall 10% in premarket trading Monday after it said it is cutting 10% of its workforce, or about 5,500 people. The technology giant is the latest in a vast wave of layoffs among U.S. companies this month as the economy slows. (Page B9)

**Abreast of the Market**

- **Stocks Tumble:** U.S. stocks fell Monday, with the Dow Jones Industrial Average losing 125 points. The decline was led by energy stocks, which tumbled on news of a rise in oil prices. (Page C3)

- **Fed’s Layton: No Rate Hike Tilt:** Federal Reserve Bank of Philadelphia President Charles P. Mandel said the central bank’s decision to raise its key lending rate on Aug. 23 was appropriate, but he added that the funds rate may need to be raised again this year. (Page B3)

**Directory of Services**

- **Health Care**
  - **Care Management**
    - Coordinating Care with Benefits:** Under a new plan, health benefit managers will coordinate care with insurance benefits. (Page D6)

**Arts, Page D6**

- **Cullen Explains What You’re Options Are Inland as Hurricane Isabel Gets Near:** Hurricane Isabel, the third major hurricane of the season, was expected to hit the eastern seaboard this week. Cullen explains what options are available for those inland as Hurricane Isabel gets near. (Page D6)

**RIWINDALE, Calif. — Things weren’t great when the New York Stock Exchange traded on July 23, 1997. Dick Grasso was reappointed chairman.** Since then, the index has risen 288% and the annual dividend yield on the 30-stock Dow Jones industrial average has fallen from 15.7% to 3.0%. (Page A4)

**Fiscally Fit:**

- **Filling the Savings:** Federal savings rates are still at relatively low levels, but the saving rate has been rising. (Page C3)

**Science & Technology**

- **IBM: 100-GHz Processor:** IBM said it has built the world’s fastest chip, a microprocessor that could crunch 100 billion operations per second. (Page B7)

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Some floor traders were hurt when Mr. Grasso's pay was disclosed because they felt they were being asked to pay too much. Critics have complained that the New York Stock Exchange's compensation practices have eroded over the years. The exchange has also been criticized for not being transparent enough.

Grasso, who is 59, has been a top executive of Morgan Stanley and has been expected to take over as CEO of the NYSE after Mr. Weill's retirement. He has been a leading candidate to be the new CEO of the NYSE, which has been under fire for its handling of the September 11 terrorist attacks.

Grasso, who is a former New York State Comptroller, was appointed to the board of the NYSE by Mr. Weill in 1986. Mr. Weill was the former CEO of the NYSE and is a former New York State Comptroller. Mr. Weill was also the former New York State Comptroller. Mr. Weill was also the former New York State Comptroller.

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