



## In Videogames, An Unlikely Kingmaker

MARKETPLACE | B1



## Are the Secrets Of Leadership All in the Brain?

MARKETPLACE | B1



## The Day I Was Detained By Kmart

PERSONAL JOURNAL | D1

# THE WALL STREET JOURNAL.

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DJIA 13815.56 ▲76.17 0.6% NASDAQ 2666.48 ▲0.6% NIKKEI 16381.54 ▲3.7% DJ STOXX 50 3831.76 ▲2.7% 10-YR TREAS ▼12/32, yield 4.522% OIL \$81.93 ▲\$0.42 GOLD \$722.00 ▲\$6.20 EURO \$1.3962 YEN 116.08

## What's News—

Business and Finance

World-Wide

**The Fed's rate-cut medicine** revived corporate debt markets, and the Bush administration sought to give the nation's weakened housing market a boost by backing modest expansions of Fannie Mae's and Freddie Mac's powers. A rush of companies issued bonds. **A1**

**The weakening dollar** is putting upward pressure on oil prices, which closed at another record of \$81.93 a barrel. **C1**  
**The Dow industrials rose** 76.17 points to 13815.56 as bonds fell. Stock markets around the world soared, with Europe's gains the strongest in four years. **C1, C6**

**The consumer-price index** fell 0.1% in August from a month earlier, the first decline since October 2006. Housing starts and permits tumbled. **A4**  
**Many analysts now expect** the ECB to hold interest rates steady the rest of the year. Japan's central bank kept rates flat. **C2**

**Melvyn Weiss is expected** to be indicted today on charges of helping to steer secret payments to clients who served as lead plaintiffs in class actions. **A4**

**Morgan Stanley's net fell** 17%, hurt by markdowns on buyout financing and losses from trading stocks with its own money. **C3, C14**

**Borse Dubai emerged** as the front-runner to win Nasdaq's stake in the London exchange, in a move that is likely to give Nasdaq control of OMX. **C1, C14**

**Auto makers and the UAW** are haggling over details of a labor deal and have set aside the issue of a health-care trust. **A10**

**The House passed** a bill that would expand the FDA's authority to restrict medications that raise safety concerns. **A6**

**The EU proposed** to limit foreign energy suppliers from controlling supply networks, a move that may slow expansion plans by Russia's Gazprom. **A6**

**The U.S. is expected** to file civil charges against current or former employees at several brokerage firms over a probe into abusive stock lending. **C3**

**Wal-Mart plans** to unveil its own line of energy-saving, compact-fluorescent light bulbs. **D3**

**ABC and AOL agreed** to make the network's primetime shows available free on the portal. **B5**

**Dan Rather filed** a \$70 million lawsuit against CBS executives over their role in removing him from his anchor job in 2005. **B4**

**The Senate blocked** a bill promising U.S. troops more time at home.

The 56-44 roll call ended with Democrats four votes short of the 60 needed to limit debate, and killed what was seen as the best shot for antiwar lawmakers to make a dent in the president's Iraq policy. In Iraq, Prime Minister al-Maliki disputed Blackwater's account of a weekend shooting that left at least 11 people dead and said U.S. officials should use another security firm. **A8**  
*The White House intends to sharply increase the number of Iraqi refugees it will admit into the U.S., a State Department official said.*

**A car bomb killed** an anti-Syrian lawmaker and at least six other people in Beirut, less than a week before Lebanon's parliament was due to elect a new president. The government blamed Syria and asked for help in an investigation; Damascus denied involvement.

**Israel declared** the Gaza Strip an "enemy entity" and said it would cut utilities to the territory. The move came just hours before Secretary of State Rice arrived for talks to set up a U.S.-sponsored Mideast peace conference this fall.

**An Iranian air force commander** said plans have been drawn up to bomb Israel if the Jewish state attacks Iran. Some analysts speculate Israel could launch a pre-emptive strike against Iran's nuclear facilities.

**Cambodian police arrested** the most senior surviving Khmer Rouge leader, three decades after his regime left an estimated 1.7 million people dead. Nuon Chea, the top aide to Pol Pot, was charged by a U.N. tribunal with crimes against humanity.

**A fund manager filed** a suit seeking about \$40 million he invested with Democratic fund-raiser Norman Hsu, crimping efforts by politicians to rid themselves of Hsu's money. More questions are arising about the practice of bundling donations. **A8, A3**

**The Senate narrowly rejected** legislation that would have given military detainees the right to protest their detention in federal court.

**Agriculture Secretary Johanns** is expected to resign his post to clear the way to campaign for a Senate seat from Nebraska in 2008.

**Buddhist monks in Myanmar** staged more protests against the military government in the most sustained challenge in over a decade.

**Turkey's prime minister called** for lifting the ban on women wearing head scarves in universities.

**Taliban fighters used** children as human shields during a battle in Afghanistan, the U.S.-led coalition said.

**A U.N. panel rejected** Taiwan's bid for membership in the world body for the 15th consecutive year.

## A Developer Finds New Porpoise in Life: A Very Big Aquarium

James Jacoby Built Malls, Now Owns Marineland; Nellie the Dolphin Grows Old

By PAULO PRADA

MARINELAND, Fla.—Nellie the dolphin has seen a lot in the 54 years she has spent in the concrete sea-water tanks of Marineland park, where she was born in 1953.

Said to be the oldest dolphin living in captivity, she has reached twice the normal life span of her Atlantic bottlenose species. Marineland, itself, hasn't fared that well.

A once-booming movie studio and tourist attraction on Florida's northeast coast, it was bypassed by the Interstate. Eclipsed by Walt Disney World and Orlando's other megaparks, it fell on hard times.

By the 1990s, after a succession of owners, Marineland was trading in the down-market kitsch of a fifth-rate attraction: One highlight featured Nellie towing a little dog named Killer on a boogie-board.

Now, Nellie has a new lease on life, thanks to her new owner, a 64-year-old shopping-center developer named James Jacoby. He believes he can restore Marineland's former glory.

Mr. Jacoby, by his own account, made more than \$100 million over several decades clearing land to build supermarkets, strip malls, and nearly 40 Wal-Mart stores throughout the South.

He has since become a convert to "green" development and wants to

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James Jacoby

## World Economy in Flux As America Downshifts

Huge Trade Gap Narrows As Dollar, Housing Slide; Exporting Lobster Traps

By MICHAEL M. PHILLIPS

For years, economists have warned that the U.S. can't run up endless charges on the national credit card to cover its huge appetite for imported cars, oil, electronics and other goods. Someday, they said, the bill will come due.

It looks like someday may be finally arrived.

After 16 years during which the U.S. mainly borrowed and bought while much of the rest of the world lent and sold, the global economy appears to be undergoing a fundamental shift. American exporters are finding eager overseas markets for their products. U.S. consumers are beginning to temper their free-spending ways as the housing boom turns to bust. China, the Middle East, central Europe and Africa are absorbing more of the world's imports. The result: Instead of depending as heavily on the U.S. for demand, the world economy could become more evenly balanced.

In the background is a U.S. dollar that has grown weaker against the euro, British pound, and many other currencies. The euro hit \$1.39 this month, the strongest it has been since its birth in 1999. A J.P. Morgan index comparing the dollar to a basket of 16 currencies weighted by their importance to U.S. trade is now hovering around a low not seen in more than 10 years, a decline given a shove by this week's Federal Reserve move to cut interest rates.

All of this could well add up to a major readjustment of the U.S. trade deficit, which began in 1991 and has ballooned to a level that would have seemed unimaginable not long ago. The broadest measure of the trade gap, known as the current-account deficit,

### Shrinking Deficit

U.S. current-account balance



Source: U.S. Commerce Department

at the end of 2005 hit an all-time record of 6.8% of the gross domestic product, the value of all goods and services produced in the U.S. During the second quarter of this year it was down to 5.5%. That might just be the start.

"We're definitely poised to have some significant rebalancing" of trade, says Harvard University economist Kenneth Rogoff, a former chief economist for the International Monetary Fund. He had been expecting the account deficit to shrink "by maybe half a percentage point of GDP over the next twelve months. Now it seems likely it will go down by 1.5 percentage points." And, he adds, "We could see

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## Credit Markets Show Revival After Rate Cut

By DAMIAN PALETTA AND SERENA NG

The Federal Reserve's rate-cut medicine revived corporate debt markets yesterday, as the Bush administration sought to give the nation's weakened housing market a boost by backing modest expansions in the powers of mortgage giants Fannie Mae and Freddie Mac.

Tuesday's half-percentage-point interest-rate cut continued to have a salubrious effect on the markets, with corporate borrowers suddenly getting access to capital. A rush of companies issued bonds. Lehman Brothers Holdings Inc. and General Electric Capital Corp. each sold about \$3 billion in investment-grade bonds, while R.H. Donnelley Corp. brought the junk-bond market back to life by selling \$1 billion in bonds, significantly more than the \$650 million it earlier said it would sell.

The Donnelley sale marked the first significant junk-bond sale since the summer drought, which was marked by more than 50 postponements of junk-debt offerings.

The stock market also got a lift, with the Dow Jones Industrial Average rising 76.17 to 13815.56, continuing the robust rally started by the Fed's interest rate cut and putting it up 11% for the year.

The most significant moves continued to emanate from Washington, where rising default and foreclosure rates are putting pressure on the government to act. A critical issue is whether Fannie Mae and Freddie Mac, government-sponsored enterprises, should be allowed to purchase mortgages above the current \$417,000 conforming loan limit. Currently, the two mortgage-finance companies can only acquire home loans below this limit, while Wall Street firms have traditionally played a more active role buying and securitizing large, or jumbo, mortgages.

This issue is crucial because the market for jumbo mortgages has seized up, and a lack of funding for these more expensive loans could have a major impact on housing values in large U.S. cities. There is strong pressure in Congress to loosen the reins on Fannie and Freddie even more in the current housing downturn.

The Bush administration, which has tried to rein in Fannie and Freddie,

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### DIVIDED FLOCK

## Episcopal Church Dissidents Seek Authority Overseas

Amid Rift Over Gays, Conservatives Go Global; Bishops Made in Africa

By ANDREW HIGGINS

MBARARA, Uganda—The Rev. John Guernsey, rector of a church in a middle-class Virginia suburb, stood early this month before thousands of Africans here on a rickety, ribbon-beaded podium. Clutching a wooden staff in his left hand, he shouted in Runyankole, a local tribal language: "Mukama Asimwe!"—Praise the Lord!

Mr. Guernsey, 54 years old, had reason to rejoice. A defector from America's Episcopal Church, he had just been made a bishop—by the Church of Uganda.

"I had no idea that this is what God had in store for me," said the bespectacled Virginia priest after a five-hour consecration ceremony in Mbarara, a Ugandan district best known for its long-horned cattle.

Mr. Guernsey represents a religious byproduct of globalization: A small but growing number of Christians in North America are turning to developing countries in Africa and elsewhere for spiritual direction. Some priests call the phenomenon "theological offshoring." They are looking to Africa and other poor lands not just for inspiration but, in a very literal way, they are moving their theological base offshore.

Three days before Mr. Guernsey's

### Faiths Around the World

Largest of the world's 37,000 Christian denominations, 2005 membership, in millions

Roman Catholics	1,120
Orthodox	220
Anglicans	80
Lutheran World Federation	80
World Methodist Council	70
Presbyterians*	60

\*World Alliance of Reform Churches  
Source: Center for the Study of Global Christianity, Gordon-Conwell Theological Seminary

consecration in southwestern Uganda, the Anglican Church in neighboring Kenya minted two other U.S. bishops—one from Massachusetts, the other from Texas. Rwanda, another of Uganda's neighbors, has said that it will elevate three more Americans to the rank of bishop by January.

None of these new bishops will work in Africa. Their new missions call for them to return home and combat what they see as growing disregard for traditional interpretations of the Bible, especially pertaining to homosexuality. The Episcopal Church, the American branch of a global Anglican movement with more than 80 million members, outraged conservatives in its own ranks and abroad when it appointed a gay Bishop of New Hampshire in 2003.

The rift will be the focus of a gathering of Episcopal Church bishops in New Orleans that begins today and runs to Sept. 25. The conclave follows a February request by Anglican lead

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### TODAY'S AGENDA

#### Bernanke, Paulson to Testify On Credit-Market Turmoil



Fed Chairman Ben Bernanke and Treasury Secretary Henry Paulson (shown) will testify before the House Financial Services Committee about recent turmoil in the mortgage and credit markets.

#### Bear Stearns, Goldman To Issue Earnings Reports

Bear Stearns Cos. and Goldman Sachs Group Inc. will issue eagerly awaited earnings reports chronicling a turbulent summer. Bear Stearns was the only major brokerage firm to miss second-quarter forecasts, and third-quarter results are seen below a year earlier.

FedEx, ConAgra Foods, Nike and Oracle also will release results.

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