

Victor seeks coalition

Tzipi Livni, likely the next premier of Israel, works to form government. — International, 4A



Haint we got fun

Wit, casting chemistry give *Ghost Town* comedic substance. — MovieStyle, 1E



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In the news

■ **Sen. Edward Kennedy**, 76, the Massachusetts Democrat recovering at home in Hyannis Port from treatment for a malignant brain tumor, met via videoconference with nine colleagues on Capitol Hill and discussed a plan to push for national health-care legislation.

■ **Elizabeth Edwards**, 59, the wife of failed Democratic presidential candidate John Edwards, told the *Detroit Free Press* that her husband's extramarital affair has allowed her to focus on the importance of her children and health-care initiatives as she goes through "an ongoing process of finding your feet again."

■ **Thomas Scantling**, 26, a man accused of attacking a Philadelphia subway passenger with a hammer earlier this month, has been declared too mentally ill to go to trial and will remain at a state hospital for two months before a status hearing will be scheduled to see if he is competent.

■ **Pope Benedict XVI**, 81, will not attend World Family Day in Mexico City next year because the city sits too high above sea level for someone his age, a cardinal said.

■ **Kwame Kilpatrick**, the Detroit mayor whose resignation took effect Thursday after his earlier guilty plea to obstruction of justice for lying at a trial involving former officers who had sued the city, vacated the city-owned Manoogian Mansion with his wife, Carlita.

■ **Kirsten Christensen**, one of the Danish archaeologists who excavated a fir Viking shield believed to date from the late 10th century near castles 60 miles west of Copenhagen, said the moist soil in the area is "ideal to preserve wood."

■ **Eligio "Kika" de la Garza**, 80, a former Democratic congressman from Texas who served 32 years in Congress after he was elected in 1964, was being treated in a hospital for injuries he and his wife, Lucille, suffered when the SUV they were riding in was hit head-on in Texas.

■ **Diane Cockrell**, 52, a Michigan woman whose bulldogs mauled two people to death, including a 91-year-old man, was sentenced to up to 15 years in prison and ordered to pay more than \$30,000 in restitution.

■ **Tomoji Tanabe**, the world's oldest man, celebrated his 113th birthday in his hometown of Miyakonojo, Japan, saying he wants to live "another five years or so," a downgrade from last year, when he said he wanted to live "for infinity."

■ **William Cosby**, a fired police officer in Mount Juliet, Tenn., has pleaded innocent to aggravated assault over allegations he used a chokehold on a man suspected of hiding marijuana in his mouth during a videotaped traffic stop in April.

WEATHER

LITTLE ROCK Today Mostly cloudy with scattered showers and thunderstorms. **High** 78 with east-northeast winds at 10 mph or less. **Tonight** Showers possible. **Low** 63.

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Ike's other victims



Ernest Coronel of the Society for the Prevention of Cruelty to Animals of Los Angeles searches for pets Thursday amid Hurricane Ike's ruin in Galveston, Texas. Officials say the city "isn't ready" for residents to return and pleaded that people stay away at least another week while repairs are made. *Article, 3A*

IRS to survey how universities decide pay, benefits for execs

BY DEBRA HALE-SHELTON
ARKANSAS DEMOCRAT-GAZETTE

The Internal Revenue Service plans to begin surveying about 400 colleges and universities late this month to obtain information that includes how they determine executive compensation.

The IRS will survey public and private schools, said Jean M. Carl, an IRS spokesman in Denver. The effort will begin late this month and is expected to take about two years.

The list of colleges to be questioned will be "created

from a statistical sampling. Some states may have several, and some states none," Carl wrote in an e-mail.

The study comes as state and federal governments are taking a closer look at how higher-education institutions spend money.

Nationally, Congress is questioning how colleges and universities are using large endowments that they have built while students' tuition has risen.

In Arkansas, the state requested details about compensation packages of presidents

and chancellors of public colleges and universities. Some lawmakers said those packages will probably come under greater scrutiny during forthcoming legislative budget hearings.

A survey by the *Arkansas Democrat-Gazette* found that the universities' chief executives do not always agree on what's taxable income. The IRS says the issue can be complex.

David Stell, the IRS spokesman for Arkansas and Oklahoma, called the IRS survey a "research/compliance initiative

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Afghan war strategy under review by U.S.

No action similar to surge in Iraq seen

BY ROBERT BURNS
THE ASSOCIATED PRESS

LONDON — Defense Secretary Robert Gates said Thursday that the Bush administration is reviewing its war strategy in Afghanistan amid spreading insurgent violence and rising U.S. and allied military deaths.

Any changes in strategy now being contemplated would not be as substantial as Bush's decision in January 2007 to adopt a fundamentally different approach in Iraq, Pentagon press secretary Geoff Morrell said. Bush added more than 21,000 combat troops in Iraq, in what he called a surge, and endorsed an overhaul of military strategy.

"Nothing of that magnitude" is being considered for the war in Afghanistan, Morrell cautioned.

Bush launched the war in Afghanistan in October 2001 in re-

sponse to the terrorist attacks of Sept. 11, 2001, by al-Qaida, the extremist network that enjoyed protection there by the country's Taliban rulers. Al-Qaida has since been mostly removed from Afghanistan but remains in sanctuaries in parts of Pakistan. Osama bin Laden, the al-Qaida leader, remains at large and is thought to be hiding in Pakistan.

Gates did not say the current U.S. approach in Afghanistan is failing. Nor did he explicitly call for a change of direction. He alluded, instead, to the 2007 makeover of U.S. strategy in Iraq and suggested in an interview with a group of reporters

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Gates

Yemen arrests 25 in U.S. Embassy attack



U.S. Embassy employees inspect damaged vehicles Thursday in front of the main entrance to the U.S. Embassy in Sana, Yemen. The death toll from Wednesday's attack on the embassy rose to 17 as Yemeni security officials reported that one of the seven civilians wounded in the dramatic assault had died. Officials said at least 25 militants with suspected links to al-Qaida have been arrested in the attack.

Retailers sign on to proposal for sales-tax holiday in Arkansas

BY MICHAEL R. WICKLINE
ARKANSAS DEMOCRAT-GAZETTE

Eyeing dollars flowing to businesses in neighboring states, Arkansas retailers — great and small — urged legislators Thursday to allow the sale of clothing, computers and school supplies to be sales-tax-free in Arkansas for three days each year.

Five of the six states adja-

cent to Arkansas have tax-free sales periods, often called tax holidays. They last two or three days, usually around back-to-school time.

It's time for Arkansas to join the practice, legislators heard from lobbyists for small stores and Dillard's Inc.

Wal-Mart Stores Inc., the world's largest retailer, favors

the tax holiday as well, a spokesman said later Thursday.

Similar legislation has been introduced in Arkansas every regular legislative session since 1997. It has never gone far, but it has not had the sort of backing the proposal is getting this year.

Some Arkansas legislators have said they've seen many

Arkansas license plates at retailers in Missouri, Texas and Tennessee during those states' tax holidays. That hurts businesses in Arkansas and cuts into the state's revenue, they said, and they're lining up behind the idea of enacting an Arkansas holiday during the 2009 legislative session, which starts in January.

It could become a "beans

or jeans" fight. Or going with "beans and jeans."

State Rep. Donna Hutchinson, R-Bella Vista, said her colleagues could view the holiday as an alternative to eliminating more of the state sales tax on groceries.

But Gov. Mike Beebe remains committed to trying to lower the

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Central banks furnish billions to thaw lending

Also, U.S. government plan in works to buy up bad debts

DEMOCRAT-GAZETTE PRESS SERVICES

The Federal Reserve and the world's other major central banks escalated their assistance to global markets Thursday, making almost \$200 billion available after bank lending slowed to a near halt and threatened the global economy.

The stock market found reason to rally Thursday, and Congress promised quick action as the Bush administration prepared a plan to rescue banks from the bad debt at the heart of the worst crisis on Wall Street since the Great Depression.

Details of the plan were still being worked out, but Treasury Secretary Henry Paulson emerged from a nighttime meeting on Capitol Hill to say he hoped to have a solution "aimed right at the heart of this problem."

BIG TAX-BREAK package stalls in Senate. Page 2A.

MORGAN STANLEY said to be talking to Chinese firm. Page 6A.

RUSSIA TO PROP up stocks, cut oil taxes. Page 1D.

As word of a government plan began to reach Wall Street earlier in the day, the Dow Jones industrial average jumped 410.03, or 3.86 percent, to 11,019.69, its biggest percentage gain in nearly six years.

The rebound also came after an infusion of billions of dollars by the Federal Reserve and world governments aimed at getting nervous banks to stop hoarding money and lend again.

After the discussions Thursday

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SEC chief deserves firing, McCain says

Obama's retort: Purge Washington

DEMOCRAT-GAZETTE PRESS SERVICES

Republican presidential candidate John McCain said Thursday that if he were president, he would fire Securities and Exchange Chairman Christopher Cox, accusing the former Republican congressman of betraying the public's trust.

McCain criticized President Bush's choice to lead the federal agency that regulates U.S. stocks and securities as McCain and Democratic rival Barack Obama explained how they would prevent the tremors that have shaken the financial industry this week.

At a campaign stop Thursday in Espanola, N.M., Obama

HAGEL SAYS Palin not qualified to be president. Page 7A.

promised new ideas to cool America's financial meltdown and help struggling families avoid mortgage foreclosure.

"This is not a time for fear, and it's not a time for panic," Obama said, as he criticized McCain and mocked his call to fire Cox.

"In the next 47 days you can fire the whole trickle-down, on-your-own, look-the-other-way crowd in Washington who has led us down this disastrous path," Obama said. "Don't just

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