

▲ DOW 9,387.61 +936.42 +11.08%	▲ NASDAQ 1,844.25 +194.74 +11.81%	▲ S&P 1,003.35 +104.13 +11.58%	INSIDE No more cheap cheeseburgers? Restaurants are bracing for hefty increases in food costs ■ D2
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BUSINESS DIGEST

AUTOMAKERS

GM to close one plant and stop SUV production at another

DETROIT — The U.S. automotive sales slump worked its way to two Midwestern automaking towns Monday when General Motors Corp. announced it would close a Michigan metal stamping plant and stop making sport utility vehicles in Wisconsin by the end of the year.

Workers at the Grand Rapids Metal Center in the suburban city of Wyoming were told that it will close by the end of 2009. The plant employs about 1,340 hourly and 180 salaried workers.

Earlier in Janesville, Wis., workers got the news that SUV production at the plant there, with 1,200 employees represented by the United Auto Workers, will end Dec. 23.

Chrysler chief says company hasn't reached deals with rivals

NEW YORK — The chief executive of Chrysler LLC said that his company hasn't reached any new deals with other automakers but has spoken with outside parties interested in working with the Dodge and Jeep maker.



Bob Nardelli

In a memo to employees obtained by The Associated Press, Bob Nardelli said Chrysler doesn't comment on speculation or its private meetings, but he said the automaker has spoken with interested outsiders.

The memo comes after news surfaced over the weekend that Cerberus Capital Management LP, Chrysler's privately held majority owner, and General Motors Corp. have held preliminary talks about an acquisition or other combination of the two automakers.

PETROLEUM

Oil rises from 13-month low to \$81 a barrel as dollar weakens

NEW YORK — Oil prices rebounded from a 13-month low, pushing above \$81 a barrel after the dollar weakened and investors trickled back into financial markets on hopes that a globally coordinated rescue plan will stave off an economic crisis.

Prices were also supported by expectations that OPEC countries might tighten production in a bid to slow crude's precipitous decline; prices have fallen about 45 percent since shooting to a record \$147.27 on July 11. Last week, crude tumbled more than \$16 to levels not seen since September 2007, with more than half the decline coming Friday.

PHARMACEUTICALS

Risks of Vioxx linger after use is halted, analysis shows

TRENTON, N.J. — A doubled risk of heart attack, stroke and death persisted at least a year after people stopped taking withdrawn painkiller Vioxx, according to an analysis.

The analysis, published online today by the British medical journal The Lancet, also appears to show the higher risk started soon after patients began taking Vioxx, though the study notes a small sample size precludes a definitive finding on that issue.

Merck continues to insist cardiac risks didn't increase until people took Vioxx for about 18 months, a cornerstone of its strategy to fight tens of thousands of lawsuits by people claiming harm from Vioxx.

BUSINESS SERVICES

United Technologies drops its effort to acquire Diebold

CLEVELAND — United Technologies Corp. dropped its unsolicited \$2.6 billion bid to buy ATM manufacturer Diebold Inc.

United Technologies made its offer in February. Diebold rejected the offer immediately.

"In light of your extended refusals of UTC's requests for management discussions and due diligence, we are withdrawing our offer," George David, chairman of United Technologies, told Diebold Chairman John Lauer in a letter Monday.

MOVIE STUDIOS

DreamWorks, Universal sign film distribution agreement

LOS ANGELES — Steven Spielberg's DreamWorks studio has signed on with Universal Pictures to distribute its films as his company parts ways with Paramount.



Steven Spielberg

Under the seven-year deal, Universal will distribute up to six DreamWorks movies a year domestically and overseas, except for India.

"Universal has always been my home base, so this agreement starts a new chapter in what has been a long and successful association," Spielberg said in a news release.

Compiled from wire reports

AWARDS

Professor wins Nobel for economics

Paul Krugman, also known for political writing, is honored for theories on world trade patterns



Mel Evans ASSOCIATED PRESS

Paul Krugman regularly criticizes President Bush in his New York Times columns.

By Simon Kennedy and Rich Miller

BLOOMBERG NEWS

Princeton University professor Paul Krugman, known as much for his criticism of President Bush's policies as for his academic work, won the Nobel Memorial Prize in economics Monday for his theories on world trade.

Krugman, 55, was honored "for his analysis of trade patterns and

location of economic activity," said the Royal Swedish Academy of Sciences, which selects the winners.

Though Krugman has found broader fame with his New York Times columns attacking Bush, he gained his reputation in economics by arguing that countries could reap a competitive advantage through subsidies to key industries. His research helped explain how the development of large-scale pro-

duction for the world market has attracted more people to cities and led to higher wages.

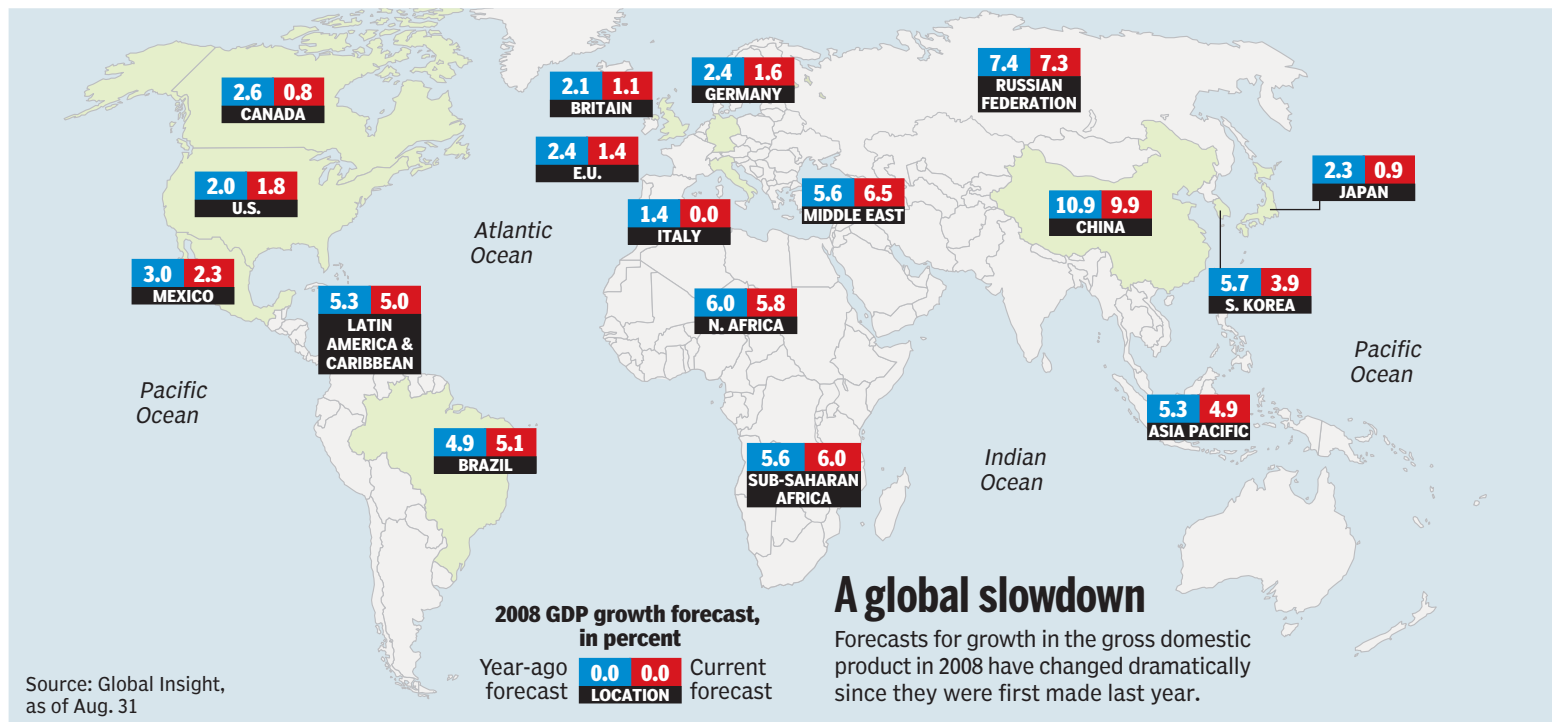
"This award is clearly for Paul Krugman the economist, not for Paul Krugman the journalist or political critic," said Robert Solow, a 1987 Nobel laureate who once taught Krugman. "What's remarkable about Paul is he manages to do everything. He's a contributor to fundamental economic theory and a top-ranked journalist."

After the award was announced,

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GLOBAL ECONOMY ■ FORECASTS

Lean times for a long time?



G.W. Babb AMERICAN-STATESMAN

Economists increasingly predict worldwide slump that won't end quickly

By Rich Miller

BLOOMBERG NEWS

The world may be heading for its worst recession in a quarter of a century — if it's lucky.

A steep slump looks likely as the credit squeeze crunches economies from the U.S. to Singapore and panic engulfs global financial markets. Though the Dow index shot up 936 points Monday, it remains down 28 percent from its high for the year.

"It's certainly going to be the worst since

the 1980s," said Bradford DeLong, an economics professor at the University of California at Berkeley. "The hope is that it won't become the worst unemployment business cycle since the Great Depression."

Of special concern: The two big bulwarks of the global economy in recent years — U.S. consumer spending and the rapid growth of emerging markets — may finally be giving way in the face of the 14-month-old financial turmoil.

That raises the odds that the coming economic decline will be long and deep, despite

Treasury Secretary Henry Paulson's \$700 billion financial rescue plan, similar efforts by European leaders and the coordinated interest rate cuts engineered by Federal Reserve Chairman Ben Bernanke and other central bankers last week.

"This is the worst crisis I've seen in my 50-year career," William Rhodes, senior vice chairman of Citigroup Inc. in New York, told fellow bankers in Washington on Sunday. "We

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WALL STREET ■ DOW JONES INDUSTRIAL AVERAGE

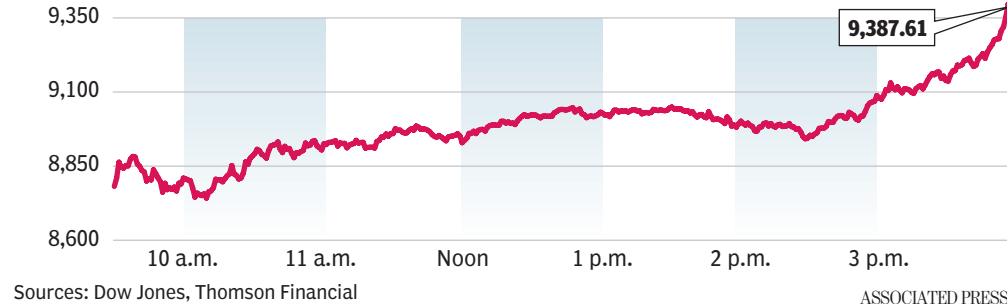
Dow Jones breaks another record

The Dow Jones shot up 11.1 percent Monday, the largest point gain ever and one of the largest percentage increases.

Greatest percentage gains

March 15, 1933	8.26 points	15.34%
Oct. 6, 1931	12.86	14.87%
Oct. 30, 1929	28.40	12.34%
Sept. 21, 1932	7.67	11.36%
Oct. 13, 2008	936.42	11.08%

Dow Jones industrial average, Monday



How now, Dow? Understanding index sheds light on its daily fluctuations

By Joe Bel Bruno

ASSOCIATED PRESS

NEW YORK — Amid weeks of stock market turmoil, many worried investors have been tracking the daily trajectory of the Dow Jones industrial average like never before.

But few understand how the index of 30 of the biggest U.S. companies is calculated — or what the closely watched measure of stock market performance really means.

Some questions and answers about the world's most famous stock index:

Q: What is the Dow Jones industrial average?

A: The Dow, the oldest continuing U.S. market index, is a way of measuring the combined

stock values of 30 big U.S. companies.

It started out with 12 components, including now-defunct companies such as U.S. Leather Co. and Tennessee Coal, Iron and Railroad Co. The only original component still around is General Electric Co.

These days, the index has expanded to reflect the U.S. economy's move away from big industrial companies. Staples of the modern Dow include big financial companies such as Citigroup Inc., technology bellwether IBM Corp. and drug manufacturer Pfizer Inc.

One recent move included Kraft Foods Inc. replacing AIG as a component in September. And

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WALL STREET ■ HISTORY

Stock market will need time to regain glory

Crashes of 1929 and 1987 were followed by gradual rebounds

ASSOCIATED PRESS

NEW YORK — It has taken Wall Street considerable time to recover from crashes and for investors to decide that it was safe to put their money into stocks again. Here's a look at how the market recovered from its two best-known crashes and how much it needs to recover from its latest plunge.

■ When the market crashed Oct. 19, 1987, sending the Dow Jones industrial average down 508 points to 1,738.34, the index had lost 984 points, or 36.1 percent, since reaching a then-record close of 2,722.42 on Aug. 25, 1987. It took just over 15 months for the Dow to get back to its pre-crash level and almost two years to the day — Aug. 24, 1989 — to reach a new closing high, 2,734.64.

■ The recovery from the 1929 crash was more difficult — and spanned a quarter century. The Dow had reached a high of 381.17 on Sept. 1 and then began drifting downward. Although the date of Oct. 29, 1929, Black Tuesday, is probably best-known by the public, many market historians say the crash began on Thursday, Oct. 24, and accelerated the following Monday and Tuesday.

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