

TESTS OF BANKS MAY BRING HOPE MORE THAN FEAR

LOSSES ARE 'MANAGEABLE'

Washington's Report Is Intended to Influence Investor Attitudes

By DAVID LEONHARDT

The results of the bank stress tests to be released by the Obama administration this week are expected to include more detailed information about individual banks — assessing specific parts of their loan portfolios — than many analysts have been expecting.

Using these results, the administration seems prepared to argue that, while a few banks may need additional money, the broad financial system is healthier than many investors fear.

At the core of the test will be a judgment about whether each of the country's 19 biggest banks has enough money to withstand a deep recession and, if not, how much more capital it needs to be able to lend at a healthy pace, according to regulators. Unless regulators change course this week, the tests are also likely to forecast potential losses in individual slices of the credit markets, like residential mortgages, credit card loans and commercial loans, for each bank over the next two years.

The administration is expected to make the case that the needs of the troubled banks can be met with the bailout funds that Congress has already approved. That would be a departure from what administration officials were saying as recently as March and evidently reflects the recent improvement in banks' conditions.

"None of these banks are insolvent," said a senior government official, who did not want to be identified before the public release of the test results.

The official added: "These are Continued on Page A14



ZACKARY CANEPARI FOR THE NEW YORK TIMES

Pakistani boys read the Koran in a madrasa in Multan, in south Punjab. The school houses and feeds 73 boys from poor villages.

Islamic Schools in Pakistan Fill a Void, While Fueling Militancy

By SABRINA TAVERNISE

MOHRI PUR, Pakistan — The elementary school in this poor village is easy to mistake for a barn. It has a dirt floor and no lights, and crows swoop through its glassless windows. Class size recently hit 140, spilling students into the courtyard.

But if the state has forgotten the children here, the mullahs have not. With public education in a shambles, Pakistan's poorest families have turned to madrasas, or Islamic schools, that feed and house the children while pushing a more militant brand of Islam than was traditional here.

The concentration of madrasas here in southern Punjab has become an urgent concern in the face of Pakistan's expanding insurgency. The schools offer almost no instruction beyond the memorizing of the Koran, creat-

ing a widening pool of young minds that are sympathetic to militancy.

In an analysis of the profiles of suicide bombers who have struck in Punjab, the Punjab police said more than two-thirds had attended madrasas.

"We are at the beginning of a great storm that is about to sweep the country," said Ibn Abduh Rehman, who directs the Human Rights Commission of Pakistan, an independent organization. "It's red alert for Pakistan."

President Obama said in a

news conference last week that he was "gravely concerned" about the situation in Pakistan, not least because the government did not "seem to have the capacity to deliver basic services: schools, health care, rule of law, a judicial system that works for the majority of the people."

He has asked Congress to more than triple assistance to Pakistan for nonmilitary purposes, including education. Since the Sept. 11 attacks, the United States has given Pakistan a total of \$680 million in nonmilitary aid, according to the State Department, far low-

er than the \$1 billion a year for the military.

But education has never been a priority here, and even Pakistan's current plan to double education spending next year might collapse as have past efforts, which were thwarted by sluggish bureaucracies, unstable governments and a lack of commitment by Pakistan's governing elite to the poor.

"This is a state that never took education seriously," said Stephen P. Cohen, a Pakistan expert at the Brookings Institution. "I'm Continued on Page A8

Predicting Flu With the Aid Of Washington (Well, George)

By DONALD G. McNEIL Jr.

The best way to track the spread of swine flu across the United States in the coming weeks may be to imagine it riding a dollar bill.

The routes taken by millions of them are at the core of a computer model at Northwestern University that is predicting the epidemic's future. Reassuringly, it foresees only about 2,000 cases by the end of this month, mostly in New York, Los Angeles, Miami and Houston.

In the past decade, the Internet has allowed health agencies to spot emerging viruses much sooner: local public health reports posted on the Web along with items from newspapers and radio stations are harvested by keyword-scanning programs. Now, in tandem with that, supercomputers are being enlisted to predict their spread.

Such models are too new to have established a track record, but last week two separate teams — the one at Northwestern and a friendly rival at Indiana University, using different algorithms — both made predictions that matched almost exactly: flu from Mexico, if left utterly unchecked,

would infect only 2,000 to 2,500 people in the United States in four weeks.

Although the number of cases appears to be rising faster than the two models predicted, the Northwestern projection was "still in the ballpark" as of Sunday, said Dirk Brockmann, the engineering professor who leads the epidemic-modeling team at the Northwestern Institute on Complex Systems. The model projected 150 to 170 cases by Sunday, compared with the 226 confirmed by the Centers for Disease Control and Prevention.

"If it was an order of magnitude off, like 1,000 cases instead of 10,000, I'd be worried," Dr. Brockmann said.

At the heart of his simulation are two immense sets of data: air traffic and commuter traffic patterns for the entire country, and the yield of a whimsical Web site, Where's George?

Where's George? was started more than 10 years ago by Hank Eskin, a programmer who marked each dollar bill he received with a note asking its next

Continued on Page A10



PHOTOGRAPHS BY NICOLE BENGIVENG/THE NEW YORK TIMES

Bob Arnold, whose family has sold Pontiacs in Western Pennsylvania since their debut in 1926.

After Lifetimes Selling Pontiacs, Feeling Sold Out

HOUSTON, Pa.

The Arnold Pontiac dealership is not one of those glass-encased bazaars winking from the main drag, with a showroom the size of a parking lot and a name that sounds like a law firm with too many partners: "Acme Chevrolet Buick Jeep Hyundai Volkswagen Kia Saab. How may I direct your call?"

No, Arnold Pontiac pretty much says it all. The dealership sits exactly where the Arnold family began a car business back in 1916: on the corner of North Main and East



Early Pontiac hood ornament.

Pike in the pit-stop Western Pennsylvania town of Houston, right next to the First Presbyterian Church, where Arnolds are baptized. Small showroom downstairs, service and parts upstairs, free Pontiac calendars every-

where.

Until a few days ago, the Arnolds had a plan. In the tradition of his father and grandfather, Bob the white-haired elder, 74, would be turning the dealership over to his son, Bob the dark-haired younger, 44. The handoff would have happened sooner if not for the embezzlement of \$400,000 a couple of years ago by a longtime employee who was like family and who, it turned out, liked to gamble.

But a far deeper betrayal came last week, the Arnolds say, when another family member and poor gambler, General Motors, announced that by 2010 it would clo-

Continued on Page A14

INTERNATIONAL A4-10

Israel Rethinks Foreign Policy

The new government of Israel is seeking to reorient its foreign policy to address the threat of Iran and Muslim rejection of a Jewish state. PAGE A4

NATIONAL A12-16

At Home in the White House

President Obama's mother-in-law, Marian Robinson, is unexpectedly and decidedly savoring her new life in Washington. PAGE A12

NEW YORK A17-21

Sick, and Facing Deportation

A Chinese woman remains in a Florida jail facing deportation as her two sisters try to have her freed. Her mental illness has complicated the process. PAGE A17

ARTS C1-8

The Blockbusters Begin

The spring-summer movie season kicked off with "X-Men Origins: Wolverine," which sold \$87 million of tickets this weekend in the United States. PAGE C1

EDITORIAL, OP-ED A22-23

Paul Krugman

PAGE A23



ONLY CBS.

No medium reaches more people than network television. Only CBS reaches more people than any other network. Only CBS is up over last year. Only CBS launched this season's #1 new show. CBS, the only choice for smart advertisers.



CBS. AMERICA'S MOST WATCHED NETWORK.

THE FLU OUTBREAK: The Nation, Testing, and Working the Numbers

Predicting Flu With Aid Of (George) Washington

From Page A1

owner to enter its serial number and a ZIP code into the Web site, just for the fun of seeing how far and fast bills traveled. By 2006, the site had the histories of 100 million bills.

Dr. Brockmann, visiting from Germany, heard about it in idle chatter and realized that it was just what he needed: a map of face-to-face transactions, exactly the kind that spread influenza.

He was nervous about using it, he said, until another study, tracking millions of cellphones to show how people moved around the country, produced a similar map.

His projection is remarkably detailed — by clicking on a map one can see how many cases a rural county in North Dakota can expect in two weeks versus how many Queens County in New York City can expect.

Dr. Brockmann can put out a simulation in two days, since each update needs 10 hours of computing time after data is updated. Indiana's model takes about the same on its supercomputer, Big Red, said its team leader, Alessandro Vespignani, an informatics professor.

His model covers the globe, and it is based on air and land travel records for nearly the

A computer model takes a cue from a whimsical Web site.

whole world. "In Africa, predictions are less accurate, but we have truck traffic," he said.

Like Dr. Brockmann's, Dr. Vespignani's domestic model also names New York, California and Texas as future hot spots, followed by Illinois and Florida.

"We were stunned that our maps were very, very similar," Dr. Vespignani said. "It's encouraging about the robustness of our methods."

They do make some similar assumptions. For example, the typical flu has a reproductive number of 1.7 to 2.8 — that is, the number of people each victim infects. Both chose low reproductive numbers, consistent with early data from Mexico. Both generate worst-case scenarios, knowing they are unrealistic.

"My wife just went to gymnastics with our daughter, and people were flipping out because a kid was coughing," Dr. Brockmann said. Widespread fear "shapes the data," he said, because it slows flu transmission, as do deliberate interventions like school closings and treat-



Dirk Brockmann, center, and his team created a computer model that is predicting the future of the swine flu epidemic.

LOOKING AT ONLINE CHATTER

Online chatter can gauge talk on flu but can also pose a problem for Google. Business Day, Page B3.

ment with the antiviral drug Tamiflu.

Both models can be adjusted for those factors. Both team leaders declined to prophesy beyond four weeks, because the flu and politicians are unpredictable.

Indeed, the models are not so reassuring if one multiplies the four-week projection by the typical so-called doubling time for a flu pandemic, in which the number of cases doubles every 2.3 days. Do that, and every person in the United States is infected by mid-July. "But we don't do that," Dr. Brockmann said, "because that would be completely unscientific."

A C.D.C. spokesman declined to comment on the two models, but he said he knew that school closings had an effect and cited a 2008 study of French school vacations by researchers at Imperial College London.

The study predicted that prolonged closures could cut flu cases by about 15 percent, which in the peak of a pandemic could cut emergency room admissions by 40 percent. But it only worked if the schoolchildren were kept apart, not seeing each other in day care or at the mall.

On Saturday, the New York City Department of Health released the results of a computer survey it gave to 1,996 students and 210 staff members at St. Francis Preparatory School in Queens. It showed a spike of cases from April 19, the day six students came back from Mexico feeling sick, and April 23, when 259 students and staff members reported flu symptoms.

Perusing the results, Dr. Brockmann sounded excited. "This looks like an epidemic curve," he said. "I can use this."

Yes, he agreed, that spike could include students who merely panicked. But it could also mean that in a closed setting like a school, the new flu could be transmitted surprisingly quickly.

"Averages don't tell you very much," he said of reproductive numbers. "You could have a student transmitting to 15 others, while the average in Queens is 0.1. It's like putting Bill Gates down in Ethiopia and saying the country has a pretty high average income."

But one thing remains true: "People have a very weird perception of large numbers," he said. "If you have 2,000 cases of flu in a country of 300 million, most people think they're going to be one of the 2,000, not one of the 299,998,000."



Mariachis in Mexico City took precautions against the flu over the weekend. Officials there said cases were leveling off.

Flu, Mostly Mild, Has Spread Across U.S., Officials Say

By DENISE GRADY

Swine flu has become widespread in the United States, with 226 cases in 30 states and more expected to turn up in additional states in the next few days, federal health officials said Sunday.

"I think it's circulating all over the U.S.," Dr. Anne Schuchat, the interim deputy director for science and public health at the Centers for Disease Control and Prevention, said in a news conference. "The virus has arrived, I would say, in most of the country now."

The good news, Dr. Schuchat said, is that most cases in the United States have been mild, and health officials in Mexico said that cases there seemed to be leveling off.

But Dr. Schuchat said, "I don't think we're out of the woods yet." She said the virus, called H1N1 by scientists, had a number of unusual features that were cause for concern. It has flared up at a time of year when the flu season is normally ending. It is new, so people probably have little or no resistance to it.

And unlike the common types of seasonal flu, it appears to infect an unusually high percentage of young people. The median age of patients is 17.

"Very few confirmed are over 50," Dr. Schuchat said. "They tend to be younger. Whether it will pan out in the weeks ahead we don't know, but it is a pattern that looks different from seasonal influenza."

Of 30 people hospitalized in this country, she continued, a high proportion are older children and younger adults, a big change from the age groups that generally have the highest risk of needing hospital care for flu: the elderly and the very young.

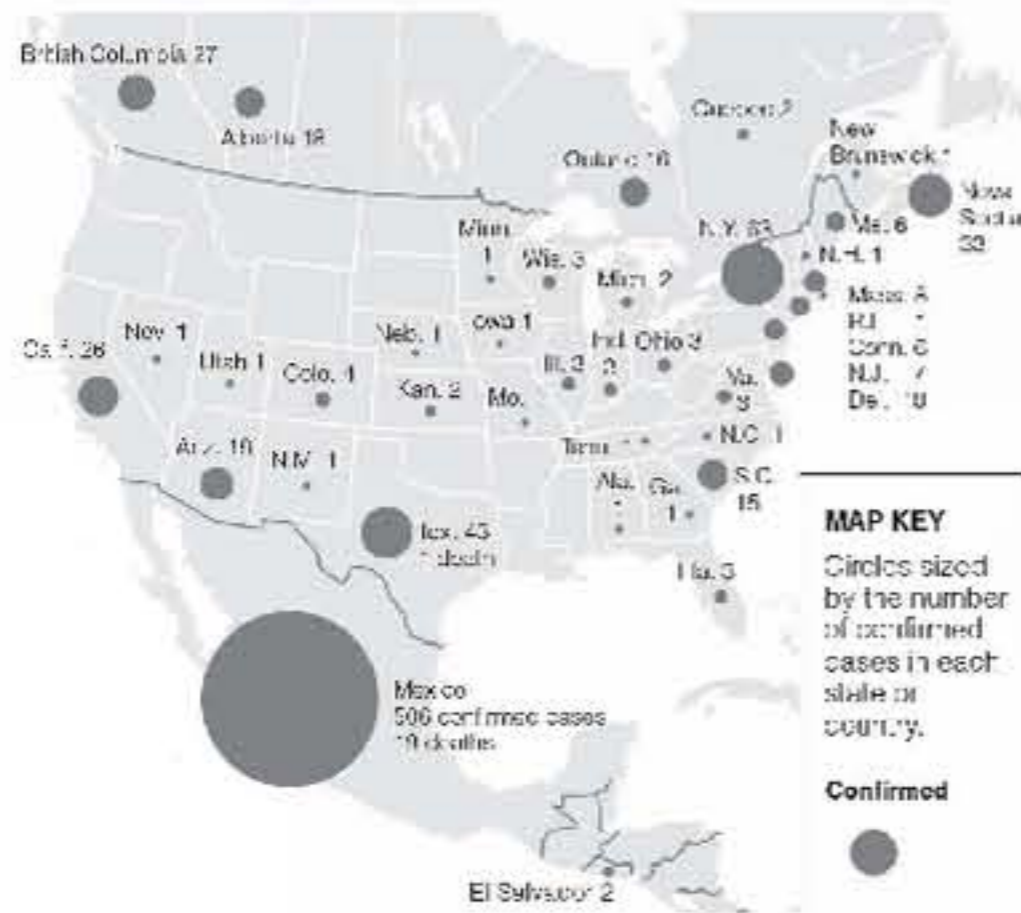
She said scientists at the C.D.C. were preparing a "seed stock" from virus samples that could be used for a vaccine.

Similar work began several weeks ago to make a vaccine to protect pigs from the H1N1 virus, said Dr. John R. Clifford, the chief veterinary officer for animal

Victoria Burnett contributed reporting from Madrid, Ian Austen from Ottawa and Anemona Hartocollis from New York.

Confirming Cases

Officials continued to report mild cases of swine flu on Sunday, with the vast majority in North America. The Centers for Disease Control and Prevention confirmed 226 cases in the United States and states noted several more. Mexico and Canada confirmed new cases, and Colombia and El Salvador confirmed infections for the first time. More details at nytimes.com/world.



Sources: Centers for Disease Control and Prevention; World Health Organization; Pan American Health Organization; local health departments

THE NEW YORK TIMES

health for the Department of Agriculture. He said the new virus had never been found in pigs in this country. But pigs in Canada have contracted it from a human, indicating that the animals are susceptible.

Worldwide, laboratories have now confirmed 898 human cases of the new swine flu in 18 countries, according to the World Health Organization.

Outside the Americas, the country with the most cases is Spain, with 44. All but four involved people who had recently traveled to Mexico, and all are recovering, the Spanish Health Ministry said.

The ministry said it would tighten controls at airports on Monday, but did not say how. Passengers arriving from affected areas have been filling out health questionnaires, and cabin crews have been supplied with gloves and masks.

The possibility that H1N1 might be passed back and forth

Concern about a virus passing between people and pigs.

between humans and pigs was discussed at a World Health Organization news teleconference from Geneva on Sunday. Canadian officials reported on Saturday that an infected farm worker had spread the virus to pigs in Alberta.

Peter K. Ben Embarek, a food safety scientist with the health organization, said there was also a risk that the disease could go the other way: that people who worked closely with sick animals on farms or in slaughterhouses could catch it from the pigs. In the past, he said, people have caught other types of swine flu from contact with infected pigs.

"Of course that could happen

again here," Dr. Ben Embarek said, adding that it was important to avoid exposing people to sick animals — and also to avoid exposing pigs to sick people.

Dr. Ben Embarek and other health officials reiterated that it was safe to eat properly cooked pork and also cured pork products like ham.

"You can continue to eat safely your prosciutto," he said.

The cases in the pigs in Canada were detected because of a policy introduced months ago in Alberta, which requires farmers and veterinarians to report all cases of flu in pigs to the government. But Jurgen Preugschas, the chairman of the Canadian Pork Council, said the country's decision on April 24 to increase oversight of the pork industry, in response to the H1N1 outbreak, probably led health officials to react quickly to the report from the Alberta farm.

In the United States, farmers are not required to report flu in pigs to the government. Dr. Clifford said that influenza was endemic in pigs in this country. Every year, he added, some pigs sick with the flu are tested and the virus is analyzed, and the new strain of H1N1 has never been found in pigs in this country.

"Just like people have flu seasons, so do pigs, normally in fall and winter," Dr. Clifford said, adding that vaccine is widely used, and that some 58 million doses were produced last year for pigs in the United States. If a new vaccine is produced to prevent H1N1, it will be up to individual hog producers to decide whether to use it.

In New York, researchers are still trying to figure out why so many students at St. Francis Preparatory School in Queens became infected; 59 cases, all of them mild, have been linked to the school.

Nancy Clark, assistant commissioner for environmental disease prevention at the New York City Health Department, said one suspect, a new ventilation system at the school, did not appear to be a cause.

"We inspected many components of it, and generally found it to be in good condition and clean," Ms. Clark said.

New York's Lab (Don't Ask Where It Is) Readies Its Own Tests for the New Strain

By ANEMONA HARTOCOLLIS

Masked lab technicians peered sideways out of door windows. Every few feet in the corridor there was a bright yellow pipe and a shower head, with a triangular pull like an old-fashioned commuter handle on a bus, labeled "Emergency Shower."

This is swine flu central, the real-life, top-secret laboratory where New York City technicians have been working almost around the clock tracking the progression of the virus, now officially influenza A(H1N1), through the populace.

Before a tour of the biothreat response testing laboratory on Sunday, visitors had to promise not to reveal its location. "We don't want somebody to put it in Google Maps," said Sara T. Beatrice, the lab's director and an assistant commissioner for the city's health department.

Unspoken was the thought that such a "somebody" might turn out to be a mischief-maker or worse, a terrorist. Dr. Beatrice conceded that the existence of the lab is something of an open

TAKING CLOSINGS IN STRIDE

Parents with special-needs children face challenges when flu closes a school. Big City, Page A17.

secret to many people who live in its Manhattan neighborhood, since the health department keeps in close contact with the local community board about goings-on there.

The city's public health lab took on heightened importance this weekend as the federal government shipped New York City and other selected health departments across the country the ingredients needed to conclusively test for the new strain of swine flu, which has spread to at least 18 countries, without having to send samples to the Centers for Disease Control and Prevention in Atlanta.

By early this week, after a few dry runs to validate the city's system, New York will be able to determine whether someone has swine flu within five and a half hours of getting a cell sample in the lab, instead of having to first

fly the sample to Atlanta by courier.

The expedited process will allow health officials to react to outbreaks more efficiently. It will also, they hope, allow them to avoid mix-ups like the episode last week when the city's health commissioner, Dr. Thomas R. Frieden, trying to keep the public informed, announced that students at Ascension School, a Roman Catholic school on the Upper West Side, appeared to be sick with swine flu when further testing showed they had only a more common strain of flu.

"In five and a half hours, we'll have all those answers," Dr. Beatrice said, happily.

Even before now, New York City's lab was a bit more sophisticated than the average hospital or doctor's office with a lab, when it came to identifying a specific kind of flu. It was a two-step process. The first step was to use a rapid test, which takes about half an hour, to see if someone had flu A, which could be swine flu, or flu B, which could not.

The second step was to use RNA testing to determine whether



The lab has used "surge" teams of testers who have stayed until 3:30 a.m. Flu samples will no longer have to be sent to Atlanta.

er the Type A flu was the circulating human strain. If it could be swine flu, it would be sent on to the C.D.C. Soon, the final determination will be made in New York.

Although the lab handles contagious diseases, officials insist

no one working there has ever gotten sick. In fact, they have not even had to use the showers, except for practice. To prevent germs from escaping, the technicians work in "negative pressure," officials said, so that if a door is opened, the outside air

will be sucked into the lab.

The lab is normally open Monday through Friday from 7 a.m. to 6 p.m. But because of the urgency of the testing, the city has employed "surge" teams of testers who stayed until 3:30 a.m. most days last week, and were hard at work on Sunday.

"This is similar to what happened during 1999 when the first cases of West Nile occurred," Dr. Beatrice said as she led the tour through the mustard-brown hallways.

The lab was under more stress, she said, during the anthrax scare after the 2001 terrorist attacks.

People touring the lab have to wear white paper coats when they go into the testing room, but officials said that was to protect the rooms from outside contamination rather than the other way around.

In spite of the precautions, some lab technicians said that working there can get creepy. John Kornblum, a lab chief, admitted that the job had given him a special fondness for "Invasion of the Body Snatchers."