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Leaders at the G-20 summit meeting on Thursday in London. "Our message

Austria holds bank scion in fraud case

PARIS

BY NELSON D. SCHWARTZ
AND JULIA WERDIGIER

Julius Meisl V, the scion of a Viennese business dynasty whose name has been synonymous since the days of the Hapsburgs with luxuries like exotic coffee, handmade tortes and discreet private banking, has been jailed on suspicion of fraud at a family-linked company.

Prosecutors allege that Mr. Meisl artificially bolstered shares of the real estate company Meisl European Land on the Vienna stock exchange, even as its investments in real estate across Eastern and Central Europe cratered.

Mr. Meisl was able to raise bail of €100 million, or \$135 million, and is expected to be released Friday morning. Although formal charges have not yet been brought, prosecutors feared Mr. Meisl might flee because he holds dual Austrian and British citizenship — and owns a Falcon jet that flies himself.

A lawyer for Mr. Meisl, Herbert Eichenfelder, said his client "rejects all the accusations."

"The news sent a shiver through the top management of Vienna's biggest companies, already on edge over rising losses at subsidiaries in Hungary, Slovakia, the Czech Republic and other former outposts of the Austro-Hungarian Empire.

Like such far larger, publicly traded

MEISL PAGE 16

Russia

TBILISI, GEORGIA

Territory that it plans to vacate as part of a deal remains in military control

BY C.J. CHIVERS

Nearly eight months after Russia and Georgia continue to hold Georgia that the Kremlin agreed to as part of a formal cease-fire condition of that agreement.

The Russian military forces of South Ossetia two separatist regions stationed forces in two territories that were under control before the war, and helicopters and tanks in none were before the war.

The sustained Russian presence on land captured provides a backdrop of agreement between the two sides as President Barack Obama's visit to Georgia on Wednesday at the Group summit meeting in London.

It also underscores the Russian military position in the Caucasus and its defense in undermining Mikhail Saakashvili of standing up to the West.

Mr. Obama and Mr. Medvedev at the Group summit meeting in London.

RUSSIA PAGE 16

BRIEFLY Asia-Pacific



JAKARTA Islamist groups infiltrating many areas, report says

Islamist groups originating from Saudi Arabia and Egypt are systematically infiltrating Indonesian mosques, institutes, universities and government, posing an even greater threat to the country than regional terrorist groups, according to a report by the LibforAll Foundation, a nongovernmental organization promoting religious tolerance.

The 200-page report says foreign fundamentalist groups have penetrated nearly all facets of Indonesian society. This includes, it says, the country's largest mass Islamic organizations, Muhammadiyah and the Nahdlatul Ulama, which have a combined membership of about 70 million Indonesian Muslims.

In the case of Muhammadiyah, the report says fundamentalists have taken almost total control of its leadership, which could have dire results for Indonesia's moderate version of Islam. Fundamentalist groups have long considered Muhammadiyah and the Nahdlatul Ulama, with their moderate views, to be major obstacles to their goal of establishing a pan-national Islamic state.

Leaders reach trillion deal

Record focuses and poor, not stimulus

BY ANDREW
SANGER

Deep divides over the economic and financial leaders of nearly two dozen of the world's largest economies agreed in a series of steps, in a frantic effort to avert a global economic collapse.

Mr. Brown cited that example before this meeting, which took place in a hangar-like conference center in London's Docklands, once a stretch of abandoned warehouses on the Thames.

Mr. Obama predicted the meeting would be a "turning point" in the rescue effort. Mr. Obama was effusive in his praise of fellow leaders and said "the patient is stabilized. There are still wounds that need to be healed."

He said the meeting was an example of the power of rising nations, which will inevitably have growing influence. "If it's just Roosevelt and Churchill sitting in a living room with a brandy that's an easier negotiation," he said.

The most concrete result was a \$750 billion reinforcement of the resources of the world's major economies.

TURNAROUND HOPES GIVE STOCKS A LIFT

World stock markets surged Thursday, helped by growing confidence that the swooning global economy might be bottoming out, even though a rate cut in Europe was less than hoped for.

CHINKS IN BRAZILIAN LEADER'S ARMOR

As Luiz Inácio Lula da Silva takes the world stage in London, his popularity is declining a bit at home.

HIGH MARKS FOR GORDON BROWN

The British prime minister appears to have pulled off a successful Group of 20 gathering.

AFGHANISTAN PRESENTS NATO

Choice of fusion or fracture

But his tipping of American troops in Afghanistan to some 68,000 by the end of the year, from 38,000 today, is also likely to Americanize significantly an operation that has been divided equally between U.S. and allied forces.

Mr. Obama's NATO allies are giving him considerable vocal support. But the Europeans, who have about 30,000 troops in Afghanistan, are giving him very few new forces on the ground, undermining the fundamental strains in the alliance.

Defense Secretary Robert M. Gates and his British counterpart, John Hutton, have publicly warned that the performance of some European troops already demonstrates that NATO risks slipping toward a two-tier alliance, divided between those that can and will fight, like Britain, Canada, France and Poland, and those that cannot or will not because of public opinion at home.

America's allies will offer more funds but no more than several thousand new NATO troops.



WORLD NEWS

Another Mideast tragedy

Jewish settlers swept Thursday after two teenagers were attacked, one of whom was killed. Meanwhile, the new Israeli foreign minister was quizzed by a national fraud squad.

Ports in U.S. economic storm

As the economic crisis has deepened and social services have been cut, America's libraries have come to fill a void for more people, as gathering spots for the homeless, the jobless and the desperate. Many librarians say they are ill-equipped for these new demands.

BUSINESS

Foreigners lose bet

Analysts say that foreign investors including some of the world's largest financial institutions, lost much as \$10 billion on the market huddle over the possibility of snap up office buildings and stakes in companies in the country.

French turn to 'boss'

After two incidents when company executives hinted labor policy experts say actions are likely as job losses contribute to a growing despair and anxiety among workers.

Funds linked to Madoff

Financial regulators in London received court approval to liquidate two investments to Bernard Madoff. And for the funds were given possible powers to recover investors.

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