

BRISK
A cool start to a bright day,
with highs in the mid-60s;
increasing clouds tonight.
Forecast, D6

The Providence Journal

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THE ECONOMIC CRISIS

Officials express alarm in drop in R.I. tax revenue

The state budget is tens of millions of dollars in deficit after just one quarter of the budget year.

BY KATHERINE GREGG
JOURNAL STAFF WRITER

PROVIDENCE — State revenue collections lagged expectations by as much as \$33.1 million during the quarter that ended on Sept. 30, compounding a growing financial problem for the state in a budget year that began with an unprecedented deficit.

Between the revenue decline and the leftover deficit from last year, the state is now operating with a potential \$66.8-million shortfall only three months into its new budget year, amid deep concern that both the state and national economy may not have bottomed out yet.

In a series of interviews yesterday, state officials from the governor to the House Finance chairman to the chief lobbyist for the AFL-CIO sounded varying degrees of concern and alarm about the downturn, what it says about the state of the state

SEE REVENUE, B6

Slumping auto sales drive down sales-tax receipts

BY PAUL EDWARD PARKER
JOURNAL STAFF WRITER

Car sales in Rhode Island declined precipitously in the three months that ended Oct. 1, based on data from the state Department of Revenue, which collects a tax on the sale of new and used cars, trucks and other vehicles.

In July through September last year, the state received \$25.5 million. In the same period this year, the state's take was \$20.8 million, a decline of 18 percent. A closer look at the

Economic snapshot

The Dow Jones Industrial Average drops 508.39 points, or 5.11 percent. Federal Reserve Chairman Ben S. Bernanke hints that he is prepared to lower interest rates. **F1**

In London, shares in the Royal Bank of Scotland, the parent company of Providence-based Citizens Financial Group, plunge 39 percent amid growing concerns about the banking industry in that country. Britain is preparing a bank bailout package. **F1**

Americans' retirement plans have lost as much as \$2 trillion in the past 15 months, or about 20 percent of their value, according to Congress' top budget analyst. **A6**

Borrowing by American consumers fell in August for the first time in more than a decade as households, battered by rising job layoffs and the decaying economy, cut back sharply on their use of credit.

numbers reveals a downward trend. July was off 15 percent from the previous year; August, 17 percent; and September, 23 percent.

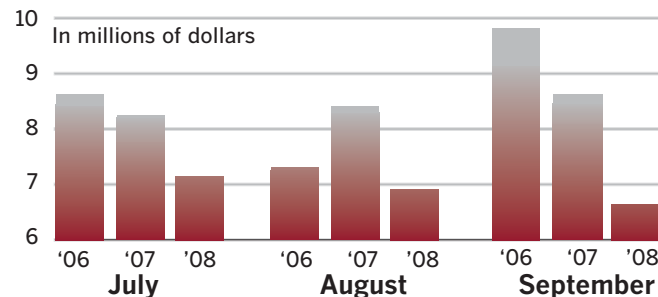
Two economic forces have driven vehicle sales down: consumers have less money to spend and more trouble borrowing.

"If your credit is less than great, you may have a little bit more of an issue than you had in the past," said Barbara Saccuc-

SEE CARS, B6

Sales tax slump

Rhode Island sales tax collections from registered vehicles in July, August and September fell 18 percent to \$20.8 million from the comparable three month period a year ago.



SOURCE: Registry of Motor Vehicles

THE PROVIDENCE JOURNAL

CAMPAIGN 2008

McCain, Obama clash over nation's financial distress



AP / GERALD HERBERT

The Republican presidential candidate, Sen. John McCain, and the Democratic candidate, Sen. Barack Obama, on stage during their debate at Belmont University in Nashville, Tenn., last night.

Republican Sen. John McCain promises aid for struggling homeowners. Democratic Sen. Barack Obama advocates tax cuts for households making less than \$250,000 a year.

BY JOHN M. BRODER
and MICHAEL COOPER
THE NEW YORK TIMES

With public anxiety mounting over financial markets and the economy, Senators Barack Obama and John McCain engaged in a muted debate last night over who was to blame and whose plan would successfully address the problems.

In the second presidential debate, at Belmont University in Nashville, Tenn., Obama faulted the Bush administration and by extension McCain for a deregulatory environment that he said had led to the economic meltdown. And McCain, pledging to aid struggling homeowners, offered a proposal to direct the federal government to save families from foreclosure by buying mortgages they could no longer afford.

"As president of the United States," McCain said in response to an audience member's question, "I would order the secretary of the Treasury to immediately buy up the bad home loan mortgages in America and renegotiate at the new value of those homes, at the diminished value of those homes and let people make those payments

SEE DEBATE, A7

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Your turn: Who do you think won the debate? Respond at projo.com

What the candidates had to say

On the economic crisis

MCCAIN: "I would order the secretary of the Treasury to immediately buy up the bad home loan mortgages in America and renegotiate at the new value of those homes — at the diminished value of those homes and let people be able to make those — be able to make those payments and stay in their homes"

OBAMA: "This is not the end of the process; this is the beginning of the process. And that's why it's going to be so important for us to work with homeowners to make sure that they can stay in their homes. The secretary already has the power to do that in the rescue package, but it hasn't been exercised yet."

SEE XXXX, A7



Audience member Teresa Finch, left, asks a question of Democratic presidential candidate Sen. Barack Obama, D-Ill., during a townhall-style presidential debate at Belmont University in Nashville, Tenn., Tuesday, Oct. 7, 2008. (AP

AP J. SCOTT APPLEWHITE

Highway stretch needs replacing

Years of neglect have left the concrete deck carrying Route 95 over the viaduct in Providence in a poor, but not unsafe, condition, a state highway official says.

BY BRUCE LANDIS
JOURNAL STAFF WRITER

PROVIDENCE — The state Department of Transportation said yesterday that it will have to replace the concrete deck on the entire Providence Viaduct, the elevated structure that carries Route 95 past the city's downtown.

It is one of the most heavily traveled sections of highway in the state, and the DOT's chief engineer, Kazem Farhoumand, said that the traffic disruptions that would result

from removing even one lane could prove unacceptable. That could force the construction of a temporary bridge while the work is going on, he said.

However, he said, "It's safe. I don't want to give the wrong impression."

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Extra: Read the report on the condition and funding of Rhode Island's roads at projo.com

SEE VIADUCT, B6

Woman left dogs muzzled, police say

BY MARK REYNOLDS
JOURNAL STAFF WRITER

JOHNSTON — A pregnant 20-year-old woman muzzled two pit bulls with electrical tape and cooped them up in her apartment — without food or water — before she went to the hospital to give birth to her son, the police said yesterday.

Diana Tetrault, of 28 Osgood Ave., was charged with twin counts of animal cruelty — which are misdemeanors. She is scheduled to appear for arraignment in District Court, Warwick, this morning, according to Johnston police Maj. Ralph Bubar III.

Other residents heard the dogs whimpering and crying. On Sept. 26, they told an animal control officer that they hadn't seen anyone visit the woman's second-floor apartment since the morning of



THE PROVIDENCE JOURNAL / MARY MURPHY

This is one of two pit bulls, a male, that a Johnston woman has been charged with leaving.

SEE CRUELTY, B6



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AN ACE EMERGES

Jon Lester's performances in Games One and Four of the ALDS show that he has blossomed into one of the true stars of the Red Sox pitching staff. **D1**

JUDGE ORDERS DETAINEES FREED

A federal judge orders the Bush administration to immediately free 17 Chinese Muslims from Guantanamo Bay into the United States, a dramatic ruling that could set the course for releasing dozens of other prisoners at the Navy facility in Cuba. **A2**

PRIMARY DISPUTE

Several West Warwick residents who were listed as Republicans, yet were allowed to vote last month in a Democratic primary for state Senate, explain what happened. **B1**

HOPE SPRINGS ETERNAL

Despite the current economic slowdown, new restaurants continue to sprout up across the area while others expand or switch locations. We take a taste of some of the newest entries. **F1**