



## Stage looks set for a showdown over Liu Xiaobo's Nobel prize

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## Oil from BP spill is found settling on ocean floor

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### Cameron faces coalition test with school-fee vote



Getty Images

U.K. Prime Minister David Cameron pauses during a speech on higher education in London on Wednesday, the eve of a crucial vote in parliament on his coalition's plans to raise university tuition fees. The proposal has sparked weeks of student protests across England. **Article on page 7**

# Supporters of WikiLeaks hit websites

A growing list of organizations and individuals that have tangled with WikiLeaks and its detained founder, Julian Assange, have suffered online attacks, in what appears to be an effort by hackers bent on exacting revenge for the document-leaking website.

By Cassell Bryan-Low  
in London  
and Sven Grundberg  
in Stockholm

The attacks stepped up Wednesday, a day after Mr. Assange was arrested and denied bail in London in connection with sexual-misconduct accusations in Sweden. A range of organizations, including MasterCard Inc., and the Swedish prosecutor's office, reported technical difficulties with their websites that appear to stem from so-called denial of service attacks, in which computers flood a server to prevent it

from displaying a Web page.

The attacks in recent days have hit eBay Inc.'s PayPal as well as MasterCard, both of which have pulled services from WikiLeaks in recent days. Also affected: Swiss bank PostFinance. The unit of Swiss Post recently closed Mr. Assange's account, saying he provided a false address in Geneva, failing to meet the bank's requirement of Swiss residency for account holders. While the attacks caused some business disruption, they were mostly annoying rather than crippling. The Swedish Prosecution Service said Wednesday that its website had been flooded overnight by denial of service attacks. The prosecutors' office said it reported the incident to Swedish police. The website for Claes Borgstrom, the lawyer representing the two women making the accusations against Mr. Assange, also crashed.

A WikiLeaks spokesman

couldn't be reached for comment. In a television interview Wednesday, WikiLeaks spokesman Kristinn Hrafnsson said moves by companies that have cut off WikiLeaks are "causing an outrage among the general public that actually might hurt their own business."

By Wednesday morning in Europe, MasterCard, also was suffering attacks on its website that slowed its function. At the same time, several Twitter posts claimed that the credit-card company's site was suffering.

MasterCard confirmed its consumer website was experiencing heavy traffic, which appeared "to be the result of a concentrated effort to flood our corporate website with traffic and slow access." The company added that it was working to restore normal

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■ Libya cables cast doubt on Megrahi's prognosis..... 4

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Jordan JD 2 - Kuwait KD 1 - Oman OR 2  
Qatar QR 4 - Saudi Arabia SR 14

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### The Quirk



No bathroom humor, please. Loo of the Year Awards are far too serious. **Page 29**

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A comprehensive rundown of news from around the world. **Pages 30-31**

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Who's afraid of the Nobel Peace Prize? **Page 13**

## U.S. seeks \$15 billion from partial sale of AIG

BY SERENA NG

The U.S. government is aiming to sell at least \$15 billion of its shares in American International Group Inc. in the first of several stock offerings to investors starting in the first quarter of 2011, according to people familiar with the matter.

The insurer could sell \$2 billion to \$3 billion in new shares alongside the government in the first sale, which would bring the total size of the stock offering to at least \$17 billion, the people said.

The actual size of the offering will depend on investor demand for AIG's stock, which will be gauged in the coming

months after the company kicks off presentations to prepare for the sales, the people said.

The government, which has provided more than \$120 billion in aid to AIG, currently owns 79.8% of the company and is expected to increase its stake to 92.1% by converting preferred shares it owns into AIG common shares.

A \$15 billion share sale would represent roughly a quarter of the government's stake as implied by AIG's current stock price.

The U.S. is hoping to completely exit its ownership in AIG within two years and earn a profit on its investment in the insurer from the

share sales.

AIG shares were down 3.9% at \$42.22 in late trading Wednesday.

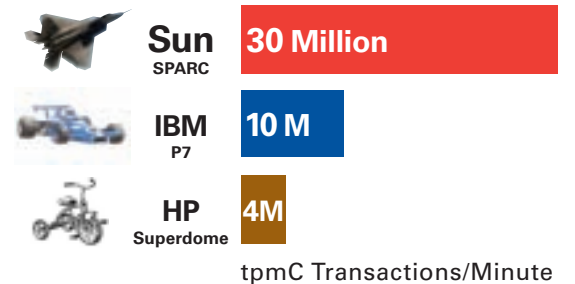
Before a sale, AIG and the government have to close an agreement that would see AIG pay down its secured debt to the Federal Reserve Bank of New York and transfer other obligations from the New York Fed to the U.S. Treasury.

Both sides are working to close that agreement in the coming weeks.

AIG recently issued its first bonds in more than two years as part of an effort to line up \$11 billion to \$12 billion in "actual and contingent" liquidity to support the

Please turn to page 24

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## PAGE TWO

# Small can be beautiful in job creation

## [ Agenda ]

BY PATIENCE WHEATCROFT



If every small and medium-size business within the European Union were to take on two new employees, that would create about 46 million jobs. That would significantly shorten Europe's unemployment queues. Although it is big companies that have been assiduously courted by governments, the fact is that it is firms with fewer than 250 employees that create the most jobs in the EU.

The same is true in the U.S., where small businesses generated 64% of net new jobs over the 15 years to 2009, according to the government's Small Business Administration. But in Europe, that figure has in recent years been as high as 80%, the European Commission reported in 2008.

Once EU governments have a chance to look beyond their current, and understandable, preoccupation with austerity budgets, public spending cuts, tax increases and the future of the single currency, they will need to focus on the other essential for steering a route out of the current economic malaise: growth.

Major corporates will get bigger but that will not necessarily drive growth in Europe. Whether their trade be in finance or food, textiles or technology, the majors will be investing in the world's growth markets. They want and need to be positioning themselves to enjoy the burgeoning wealth of Brazil, India, Russia and China. Uncertainty over the future of Europe inevitably influences their investment decisions. Why would a chief executive choose to invest millions of dollars in opening a new plant in Portugal, for instance, when there is such concern over the state of the country's economy? Why take a bet on the euro zone when there is swirling debate over whether that



Warren Buffett has publicly supported help for small firms.

zone can continue to exist in its current form?

Appetite for risk may have returned astonishingly speedily to some parts of the banking world but caution is the prevailing watchword in most corporate boardrooms. So it is to small businesses that governments must look to provide growth. The difficulty with this is that most small businesses stay very small. Many are and remain sole traders. True entrepreneurs, which breed thriving businesses and create jobs, remain relatively scarce.

Investment bank Goldman

**True entrepreneurs, which breed thriving businesses and create jobs, remain relatively scarce.**

Sachs analyzed employment growth in U.K. firms between 2002 and 2005, and 2005 and 2008, and found that more than two-thirds created no net jobs. The job creation came largely from firms with at least 10 employees. Once they had reached this level, those that grew averaged an impressive growth rate of an annualized 20% or more over a three-year period. Yet figures from Eurostat show that what the organization terms "micro-enterprises," those with fewer

than ten employees, represented 91.5% of businesses in Europe.

That statistic was reproduced, under the optimistic but wildly mistaken headline "Micro-businesses are the real giants of the European economy", when the EU launched its Small Business Act in 2008. That Act represented an attempt to improve the chances for small businesses in Europe. It rules that member states should lessen the regulatory burden on small firms, make it easier for them to win public sector work and help them to do business across the single market.

Reporting on the effect of the Act after its first full year on the European statute book, the EU registered a positive verdict about the way the administrative burden was being lessened but it remained concerned about a lack of funding for smaller firms. The European Investment Bank increased its lending to smaller firms in 2009 and member states have launched a variety of schemes to aid funding.

Various banks have pledged their support for small firms. Lloyds, for instance, a year ago unveiled its "2012 Charter," with an ambitious pledge that "We'll help encourage and support 300,000 new businesses to start up by 2012." It also promised "We will meet every reasonable request for competitive commercially-priced finance (whether short-term or long-term) from viable

business customers."

"Reasonable" and "viable" are terms which might allow scope for argument but no bank is going to want to lend money in response to unreasonable requests from unviable businesses.

Now Goldman Sachs, the investment bank used to dealing with corporate giants, has launched its own scheme to help small firms in Europe. It is based on an initiative the bank started in the U.S. in 2009 under the heading "10,000 Small Businesses." This was heralded as a \$500 million scheme to unlock the growth potential of 10,000 small firms across the U.S. and had the backing of Warren Buffett, a major shareholder in Goldman. "Our recovery is dependent on hard working small business owners across America who will create the jobs that America needs," said Mr. Buffett, the chief executive of **Berkshire Hathaway**.

The European program is not talking about 10,000 small firms or jobs. It is a small-scale pilot that got under way in October in Leeds in the north of England. It will work with just 25 small firms and five social enterprises, not-for-profit organizations that can be important job creators.

The project aims to provide high-level business education for the leaders of these firms, support for their operations and help in accessing capital. If the pilot proves successful, there is the potential to extend the program geographically. But the emphasis will remain on keeping it local. "It will be firmly rooted in local communities, with the clear goal of creating new opportunities for local people, inspired and led by local people," explains the bank.

Goldman, along with the other banks, will soon be revealing the scale of their bonus payouts and they will, undoubtedly, be met with raucous criticism. In Leeds, however, Goldman's arrival has been greeted enthusiastically. And if its initiative helps turn small firms into large ones that can afford its services, that should be a cause for double celebration.

## What's News

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2. Ireland Unveils Budget Cuts
3. Turkey Emerges as Auto Power
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'The industry and its regulators should be honest about the fact that oil and gas drilling will remain a risky business.'



### Continuing coverage



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### Question of the day

Would you use an Internet 'do-not-track' tool if it were included in your Web browser?

Vote online and discuss with other readers at [wsj.com/polls](http://wsj.com/polls)

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28%

No

72%

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## NEWS

# Private spacecraft passes key test

By ANDY PASZTOR

The first commercially developed space capsule was launched from Florida's Kennedy Space Center on Wednesday and successfully recovered hours later, marking a historic move toward an era of privately launched rockets and spacecraft.

Developed by closely held **Space Exploration Technologies Corp.**, the Dragon capsule's maiden flight tested the craft's guidance systems, heat shields, parachutes and other facets. The capsule circled the Earth nearly twice and then survived a fi-

ery re-entry after a mission lasting more than three hours.

After traveling roughly 80,000 kilometers, the spacecraft deployed its initial chutes to stabilize and slow its descent. Those so-called drogue chutes are designed to trigger release of the main parachutes, each about 35 meters in diameter.

Elon Musk, the founder of SpaceX, as the company is called, said "so many things can go wrong" in such a flight, but "it all went right." The reusable capsule was recovered about 800 kilometers off the coast of Mexico.

Mr. Musk has said that proper deployment of the parachutes may be the most technically challenging aspect of the flight.

Comparing the re-entry of Dragon to the flight of "a meteor" speeding through the atmosphere, the SpaceX chief two months ago said the capsule's chutes are particularly sensitive to heat.

At the time, Mr. Musk also said that in light of the technical challenges facing the test flight, he had "more dread than excitement" about the launch.

The capsule was shot into orbit

atop the nine-engine Falcon 9 rocket, also designed by SpaceX. In June, SpaceX launched the 18-story Falcon 9 and successfully flew it for more than nine minutes. It was the first privately funded U.S. rocket launch in decades.

In addition to the stakes for SpaceX, the flight amounted to a public test of U.S. President Barack Obama's controversial effort to spend government funds on commercial spacecraft.

The policy has faced opposition from many lawmakers, aerospace contractors and even some Air Force

officials worried about relying too heavily on untested private rockets and spacecraft to replace the National Aeronautics and Space Administration's retiring fleet of space shuttles. The plan envisions using private craft to take astronauts the International Space Station.

Mr. Musk has invested more than \$100 million of his own money in the start-up, which was launched in 2002. He made his fortune when he sold his Internet company, PayPal, to eBay Inc. Since then, he has invested heavily in two projects, SpaceX and electric-car maker **Tesla Motors Inc.**



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LOUIS VUITTON

## THE WIKILEAKS FALLOUT

# Libya bullied, coaxed to win bomber's release, cables show

By PAUL SONNE

LONDON—U.S. embassy cables published Wednesday by WikiLeaks cast further doubt on the medical prognosis that led to the release of Lockerbie bomber Abdel Baset Al-Megrahi from prison last year, and illustrate the pressure Libya exerted to set the convicted bomber free.

The release of the confidential cables from U.S. embassies in London and Tripoli comes more than 15 months after Scotland granted Mr. Megrahi “compassionate release” on the grounds that he was suffering from terminal prostate cancer and had roughly three months to live.

Mr. Megrahi, who remains alive in Libya more than two years after being diagnosed, is the only person convicted in the 1988 bombing of Pan Am Flight 103, which killed 270 people when it exploded over Lockerbie, Scotland.

The U.S. documents fill out a patchy picture of what happened before and after Mr. Megrahi's release. They indicate Libya offered Scotland “a parade of treats” in exchange for releasing him and threatened “enormous repercussions” to the U.K. if Scotland let Mr. Megrahi die in jail. Meanwhile, the U.S. pushed for him to serve out his full sentence.

A spokesman for the Libyan Embassy in Washington declined to comment. A spokeswoman for the State Department declined to comment on the specific information in the cables. The U.K. Foreign and Commonwealth Office didn't respond to specific allegations but condemned the unauthorized release of classified information.

The saga began in the fall of 2008 when Mr. Megrahi was diagnosed with advanced metastatic prostate cancer, a terminal disease.

“Megrahi could have as long as five years to live,” read a cable attributed to Richard LeBaron, the Charge d'Affaires at the U.S. Embassy in London. It was written in October 2008, just a few weeks after Mr. Megrahi was diagnosed, after what the cable said was a briefing by a U.K. Foreign and Commonwealth Office official. It continued: “The average life expectancy of someone his age with his condition is eighteen months to two years.”

But Mr. LeBaron warned that the rule covering compassionate release in Scotland—which says a prisoner should be released only when three months is a reasonable estimate for his remaining life—was a guideline, not law. Mr. LeBaron cautioned that Scottish First Minister Alex Salmond



(Left) Getty Images; (right) Bloomberg News

was likely to grant Mr. Megrahi's request for compassionate release when the prisoner applied.

A spokesman for Mr. Salmond rejected that notion and said the release decision fell to Scottish Justice Secretary Kenny MacAskill.

Scotland has maintained that the three-month prognosis delivered in a final medical report in August 2009, which paved the way for Mr. Megrahi's release, was the result of a proper medical analysis. The full medical records relating to Mr. Megrahi's cancer haven't been released.

In August, The Wall Street Journal reported that there was no evidence that any of the specialists involved in the care of Mr. Megrahi's cancer signed off on the three-month prognosis. The Journal also reported that Scotland released Mr. Megrahi as he was about to begin chemotherapy, a sign that he had more than three months to live, according to prostate-cancer experts.

The cables show a U.K. government worried about preserving future commercial contacts with

Libya. “The British Ambassador expressed relief that Megrahi likely would be returned to Libya under the compassionate release program,” read a cable to Washington attributed to Joan Polaschik, Charge d'Affaires at the U.S. Embassy in Tripoli, four days before Mr. Megrahi's release. “He noted that a refusal of Megrahi's request could have had disastrous implications for British interests in Libya.”

The U.K. had been preparing “dramatic pre-emptive measures” if Mr. Megrahi's request for release were denied. Those included closing the British School and British Council in Libya, reducing the U.K. Embassy in Libya to essential personnel and warning British nationals to exercise extreme caution or leave the country, according to a January 2009 cable attributed to Gene Cretz, the U.S. ambassador to Libya.

Mr. Cretz wrote that Libya had voiced “dire consequences” that would result from Mr. Megrahi dying in Scottish prison.

“Specific threats have included



Lockerbie bomber Mr. Megrahi, left, leaving Scotland last year on his way home to Libya. In a leaked cable, U.S. envoy to Libya Gene Cretz, above, cited Libya's ‘essentially thuggish’ approach to securing his release.

the immediate cessation of all U.K. commercial activity in Libya, a diminishment or severing of political ties and demonstrations against official U.K. facilities,” Mr. Cretz wrote.

Mr. Cretz's cable added that the Libyan government implied, but didn't directly state, “that the welfare of U.K. diplomats and citizens in Libya would be at stake.” Mr. Cretz called the Libyan government “essentially thuggish in its approach.”

In a statement last week on the website of the U.S. Embassy in Tripoli, Mr. Cretz condemned the release of confidential information and pointed to recent progress in “rebuilding a productive relationship” with Libya.

Scottish officials were also under pressure. Mr. Salmond told the U.S. that “the Libyan Government had offered the Scottish Government ‘a parade of treats,’ all of which were turned down,” when it was lobbying for Mr. Megrahi's release, according to an August 2009 cable under the name of Louis Susman, the U.S. ambassador to the U.K.

A Scottish government spokesman denied Mr. Salmond said this.

A spokesman for Mr. Salmond called the cables “diplomatic tittle-tattle from U.S. diplomats.” “[O]ur only interest was taking a justice decision based on Scots Law without fear or favour, which was exactly what was done,” he said.

The U.K.'s foreign office called the release of classified information damaging to U.S. and British national security but declined to comment further.

## Hackers aim to avenge WikiLeaks with attacks

Continued from first page service and that its “systems have not been compromised and there is no impact on our cardholders' ability to use their cards for secure transactions globally.”

The Purchase, N.Y., company had said on Monday that it was working to suspend payments to WikiLeaks “until the situation is resolved.”

Rival Visa Europe, which handles global payments to European companies, followed suit Tuesday by suspending payments to WikiLeaks “pending investigation into whether it contravenes Visa operating rules, including compliance with local laws in the markets where we operate.” Both companies facilitated contributions to WikiLeaks that donors charge on their credit cards.

A Visa spokesman on Wednesday said the company's website was “operating as normal” but declined to say whether it had been attacked.

Mr. Assange is in custody in London after being arrested on an international warrant issued by Sweden, where he is accused of rape, molestation and unlawful coercion by two women. The WikiLeaks founder, who for the past few months has hopped among countries, had sexual encounters with the women during a stint in Sweden last summer. Mr. Assange, who has confirmed the sexual encounters but denied the assault allegations, hasn't been charged in either case.

Mr. Assange's personal legal problems come against the backdrop of the site's shutdown with the U.S. government over WikiLeaks' release of classified documents. The U.S. considers the documents “stolen,” though no charges have been filed against WikiLeaks or Mr. Assange. But the situation has caused additional fallout for WikiLeaks, as an array of operators—including PayPal and Amazon.com Inc.—ceased providing services for WikiLeaks in recent days.

PayPal spokesman Anuj Nayar said the company did so because a review by the online-payment company determined the account collecting donations for WikiLeaks “to be in violation of our [acceptable use policy].”

Mr. Nayar added that PayPal had been the victim of attacks, which had at times slowed its website down, “but have not significantly impacted payments.” He added that the company's website “was fully operational” Wednesday.

Amazon, which has stopped hosting WikiLeaks from its Web servers, didn't report system outages for its Web services Wednesday.

While it isn't clear exactly which individuals are behind the attacks, some security specialists say they are being organized by a group of online activists calling themselves “Anonymous” as part of the so-called “Operation Payback” effort.

Sean-Paul Correll, a Los Angeles-based researcher, at software firm Panda Security, says the effort is a loose-knit group that uses servers hosted in Russia, but that there is no reason to believe that is where the individuals are based.

—Niclas Rolander, Geoffrey Fowler and Keith Johnson contributed to this article.

## Saudi official wanted to crush Hezbollah

Associated Press

CAIRO—Saudi Arabia proposed deploying an Arab military force backed by U.S. and NATO airpower to Lebanon two years ago to crush Hezbollah and prevent the militant group—and its patron Iran—from taking power in Beirut, leaked U.S. government documents show.

The proposal—made by Saudi Foreign Minister Saud al-Faisal during talks with U.S. diplomat David Satterfield in May 2008—was never

acted on, but it reflects concerns in Riyadh and other Sunni Arab capitals about the growing influence of Shiite Iran in the region.

In the meeting, Mr. Saud said a “security response” was needed to Hezbollah's challenge to the Lebanese government of then-Prime Minister Fuad Siniora, warning that a Hezbollah “victory in Beirut would mean the end of the Siniora government and the ‘Iranian takeover’ of Lebanon,” according to a U.S. diplomatic cable released by WikiLeaks.

The talks took place just days after Hezbollah, which is the strongest military force in Lebanon, briefly seized control of large parts of Beirut in fighting with pro-government supporters.

Hezbollah's success raised the prospect of the militant group staging a permanent takeover of the Lebanese capital.

To counter that, Mr. Saud proposed “an ‘Arab force’ to create and maintain order in and around Beirut.” The cable said Mr. Saud ar-

gued for the U.S. and the North Atlantic Treaty Organization to “provide movement and logistic support, as well as ‘naval and air cover.’”

The troops, he said, could be assisted and come under the cover of the current U.N. peacekeeping mission in south Lebanon, known as Unifil. Such a force would “keep out Hezbollah forever” in Lebanon, Mr. Saud was quoted as saying in the memo.

The U.S. response to the proposal appeared lukewarm.

## THE LEADER'S WATCH

No other watch is engineered quite like a Rolex. The Day-Date II, launched in 2008, enhances the legacy of the original Day-Date, which was the first watch to display the date, as well as the day in its entirety. Now in a larger, more commanding 41 mm size, the Day-Date II is a natural evolution of a classic. The Day-Date II can display the day in a wide choice of languages and is presented here in platinum.

### THE DAY-DATE II



## EUROPE NEWS

## Athens public-transport system is hit by strikes



Agence France-Presse/Getty Images

Riot police in Athens square off against a dog nicknamed Loukanikos, or Sausage, that has been photographed taking part in protests in the city over the past two years, turning into an Internet phenomenon. Public transport ground to a halt as unions staged a 24-hour strike against the government's austerity measures.

## Germany's exports fall, production shows rise

BY EMESE BARTHA  
AND PATRICK MCGROARTY

FRANKFURT—German exports declined in October from the previous month, signaling a weak start to the fourth quarter and underscoring the fragility of the global economic recovery. However, industrial production surged, led by a strong manufacturing-sector performance.

Federal data issued Wednesday showed the export dip was deeper than expected by some economists, though they remain confident that exports will contribute to gross domestic product growth in the months ahead.

"German businesses have a strong position and are profiting from the boom in Asia," said Ulrike Rondorf, economist at Commerzbank. She added that Commerzbank expects German exports to continue to increase significantly in the coming months, with the weaker euro contributing to this trend. Other analysts said trade will remain a growth driver in Germany even though Wednesday's data were disappointing.

"Although today's data don't represent a positive start for net trade in [the fourth quarter], we still expect external demand to remain supportive for German growth," said Annalisa Piazza, an economist at Newedge. "However, the positive contribution to GDP is set to moderate from the exceptional strong pace registered in [the first half]."

German exports fell 1.1% on a monthly basis in October to €83.3 billion (\$110.57 billion), according to seasonally adjusted data from the federal statistics office Destatis. In September, exports rose 3%. German adjusted imports rose 0.3% to €69.1 billion, it said.

Unadjusted data showed Germany's trade surplus dropping to €14.2 billion in October from €16.8 billion in September, while the current-account surplus narrowed to €11.7 billion from €14.5 billion.

Industrial output rose a seasonally adjusted 2.9% in October from September and by 11.7% year-to-year. The data suggest that Germany's economic recovery regained its footing in October after a 1% drop in September, revised downward from the previously reported 0.8% decline.

"While the upward trend has weakened as expected after the strong first half of this year, it nevertheless remains strongly intact," the ministry said, adding that the country's manufacturing sector deserved much of the credit for the continuing recovery. "While the construction sector has maintained its high level of production since last spring, the [major] impulses continue to come from manufacturers."

On Tuesday, the ministry said manufacturing orders climbed 1.6% in October, thanks mostly to domestic customers, a big turnaround from a 4% drop in September.

Germany's economy is expected to grow strongly this year, with the government's official forecast currently set at 3.4%. Production grew the most in the manufacturing sector, where output was up 3.2% on a monthly basis.

## EU targets commodity trade

BY MATTHEW DALTON

BRUSSELS—The European Commission said it wants to ensure that national regulators have the power to limit commodity traders' bets.

The proposal is aimed at preventing traders from manipulating commodities markets, a common accusation in the summer of 2008 when food and energy prices soared to record highs. The commission, the European Union's executive arm, said it wants to ensure that EU national regulators have the authority to set limits when they determine that commodity markets aren't functioning properly, with EU institutions having a coordinating role.

The EU is following in the footsteps of the U.S., which included such powers in a financial-regulation law passed earlier this year.

"I don't think there's any reason why we Europeans should be less rigorous than the Americans," Michel Barnier, the EU commissioner in charge of financial regulation, told reporters Wednesday.

The surge in trading of commodity futures, options and other derivatives over the past decade has

sparked fears that financial markets might be driving the price of foodstuffs and energy to artificially high levels. Economists, however, have found little evidence that derivatives trading itself has had an impact on the price of a barrel of oil or a bushel of wheat.

The commission's proposal is one of a number of measures being considered to tighten regulation of securities markets as part of a review of the Markets in Financial Instruments Directive, or MiFID, the EU's main securities trading law.

The review will examine "dark pools," the markets operated away from regulated exchanges where investors don't have to disclose information about trades before they are executed. Dark pools have proliferated in recent years, raising questions about whether they could be concealing large financial market risks. The commission said it wants to narrow the exemptions that dark pools receive from reporting pre-trade information.

The commission also outlined plans to strengthen penalties for financial-services firms that violate EU regulations.



European Pressphoto Agency

EU Commissioner Michel Barnier

These penalties were unevenly enforced by EU national governments during the crisis, with destabilizing effects that extend even to countries that vigorously enforced the rules, the commission said. A minimum standard for penalties across the EU may therefore be necessary, it said.

Meanwhile, the European Commission proposed Wednesday new rules to clamp down on illicit practices in wholesale energy trading. The rules would prohibit use of insider information and outlaw manipulation on the electricity and natural-gas markets where prices are pushed artificially high, the commission, the EU's executive body, said in a statement. Distributing false news or rumors that give misleading signals also would be banned.

The commission has been pushing for years to boost competition in the gas and electricity markets, both by proposing new legislation and by using its antitrust powers, in an effort to unite the 27 national markets and reduce prices for consumers.

"It is crucial to ensure EU level comprehensive rules which guarantee that citizens can be confident that prices are formed fairly and they can fully benefit from the internal energy market," EU Energy Commissioner Guenther Oettinger said.

—Alessandro Torello contributed to this article.

## LCD firms fined for alleged price fixing

BY CAROLYN HENSON

BRUSSELS—The European Commission on Wednesday fined six makers of liquid-crystal display screens a total of €649 million (\$861 million) for allegedly operating a cartel over five years.

The surge in trading of commodity futures, options and other derivatives over the past decade has

play Co. of South Korea and Taiwanese producers AU Optronics Corp., Chimei InnoLux Corp., Chunghwa Picture Tubes and HannStar Display Corp. met monthly in Taiwanese hotels from 2001 to 2006 to agree on prices and share commercially sensitive information.

The commission said LG Display was fined €215 million, AU Optronics €117 million, Chimei InnoLux €300

million, Chunghwa €9 million and HannStar €8 million. Samsung Electronics got full immunity from the fines for blowing the whistle on the cartel.

The fines took into account each company's share of the more than €7 billion in LCD sales in Europe over the cartel period, the commission said. But it reduced the fines of some of the companies to reward

their cooperation with the cartel investigation. The EU has the power to fine companies as much as 10% of their global revenue for breaking its antitrust rules.

Representatives of the companies weren't available to comment Wednesday.

LCD screens are used in televisions, computer monitors and laptops.

## EUROPE NEWS

# Fees rebellion to test U.K. coalition

By LAURENCE NORMAN  
AND JENNA VOIGT

LONDON—The U.K.'s coalition government faces its first real parliamentary test Thursday as it fights to contain a legislative rebellion over plans to triple a cap on university tuition fees.

The fees hike, put forward by Conservative Prime Minister David Cameron's government, has haunted the coalition's junior partner, the Liberal Democrats, whose lawmakers pledged before May's election to vote down a fees rise. It has sparked weeks of occasionally violent student protests across England.

The government is expected to win Thursday's two votes, which would mean the legislation would pass to the House of Lords. On Tuesday, Liberal Democrat leader and Deputy Prime Minister Nick Clegg, clinched backing for the bill from all 17 Liberal Democrat ministers. Even with some Conservative lawmakers threatening to oppose the bill, it is highly likely the government will collect the 323 votes it needs.

May's coalition agreement between the Tories and Liberal Democrats allowed members of Mr. Clegg's party to abstain on a fees hike. But in the first significant rebellion since the Britain's first coalition government in 65 years took office, some Liberal Democrats have pledged to vote it down.

If the number of rebels swells, it would embarrass Mr. Clegg and reopen doubts about the durability of a coalition government that might be facing years of political pressure as the U.K. ramps up austerity measures to tackle its massive budget deficit.

"If too many Liberal Democrats find their way to the 'no' lobbies, then why shouldn't they do it again and again and again," said Andrew Hawkins, president of polling firm ComRes. "Every time a difficult vote arises, you could have party discipline breaking down."



Prime Minister David Cameron, flanked by Liberal Democrat leader and Deputy Prime Minister Nick Clegg, left, and Chancellor of the Exchequer George Osborne, right, facing questions in parliament Wednesday on the government's controversial plan to raise university tuition fees to as much as £9,000.

plaine breaking down."

On Wednesday, Messrs. Cameron and Clegg launched a public-relations blitz to soothe voters' concerns and increase pressure on Liberal Democrat lawmakers ahead of the vote. The U.K. Business Department pushed through last-minute changes to the policy, making it easier for graduates to make repayments.

The issue has helped trigger a collapse in public support for Liberal Democrats since May's election. After winning 23% of votes in the national poll, a YouGov survey for the Sunday Times showed the party on 10% versus 39% for Labour and 41% for Cameron's Conservatives.

Labour has pledged to vote

against the plans despite launching the independent review that recommended scrapping the fees cap.

Under the government's plans—which affect only English universities—the cap on tuition fees will rise to £9,000 (\$14,192) for top universities from around £3,300. However upfront fees for full-time and many part-time students will be scrapped and graduates will start repaying the debt only once they earn more than £21,000 a year.

Ben Page, executive director of polling firm Ipsos Mori, said that if half the Liberal Democrats' 39 non-ministerial lawmakers oppose the fees, it would be a problem for the coalition. If 10 or fewer do, the government could consider that a suc-

cess.

On Tuesday, a political spokesman for Mr. Clegg said he sees less than 20 lawmakers voting "No" but acknowledged that the party will split three ways. However, a senior party official said the number of rebels could be around 20. She said the recent protests "have focused the minds."

One Liberal Democrat lawmaker pledged to oppose the bill is Julian Huppert, who represents Cambridge and who says he "will not change" years of opposition to tuition fees.

That hasn't dimmed the protests in the usually quiet university town. They included an 11-day university occupation that ended Monday.

On Wednesday, some 500 high

school and university students huddled in the bitter cold under the shadow of the 15th century King's College Cathedral. Cheered on by a scattering of local residents, the protesters held up traffic and started a march across town to denounce the government plans.

Law student Rahul Mansigani, who heads Cambridge's student union, praised Mr. Huppert for standing up for students. But he also thinks the Liberal Democrats could "suffer" here.

"I voted Liberal Democrat and encouraged others to do so. Now they're going back on their word," he said. "The student issues were their niche point, and now they've lost that."

## Honeymoon-murder suspect is denied bail

Associated Press

LONDON—A British man who allegedly arranged the killing of his wife during their South African honeymoon was in jail Wednesday following his first appearance in extradition proceedings.

A judge initially said Shrien Dewani, 30 years old, could be freed on bail of £250,000 (\$400,000) but that was revoked when South African authorities appealed the ruling. It was unclear how soon the High Court would hear arguments on the appeal.

Mr. Dewani spoke in court only to confirm his name, age and date of birth.

Mr. Dewani, who has been accused of arranging the killing of his 28-year-old wife Anni, surrendered to police Tuesday in the southwestern English city of Bristol.

Taxi driver Zola Tongo, who pleaded guilty to a role in the killing, has agreed in a plea bargain to testify against others allegedly involved in the plot.

Mr. Dewani, a British citizen, has said his Swedish wife was killed when their taxi was attacked during a risky late-night tour of the impoverished Gugulethu township in Cape Town on Nov. 13.



Shrien Dewani is led into a prison van in London after he was denied bail.

Mr. Tongo said he drove the couple from the airport to their hotel. Once the wife was out of earshot, the driver said Shrien Dewani asked if he could find someone to kill her.

Mr. Tongo said Mr. Dewani offered 50,000 rand (about \$7,000) for each person involved, but paid only 1,000 rand.

British media have been speculating for weeks about Mr. Dewani's possible role. He told authorities the couple was returning to their hotel from dinner and had detoured to visit the township when gunmen forced him and the taxi driver from the vehicle. Anni Dewani's body was found the next day in another town-

ship; she had been shot in the back of the neck.

Neither Mr. Dewani nor the driver was hurt. Suspicions were raised immediately because the vehicle wasn't stolen.

The family of Mr. Dewani, who has hired celebrity publicist Max Clifford to deal with the media onslaught, dismissed the allegations as "totally ludicrous."

Mr. Clifford said Mr. Dewani maintains his innocence and is struggling to cope with the loss of his wife.

"He's devastated, and now all this on top of everything," Mr. Clifford said. "He's in a dreadful state." Mr. Clifford said he doesn't know if his client will fight extradition.

District Judge Howard Riddle, presiding in City of Westminster Magistrates' Court, had ruled in favor of bail, citing Mr. Dewani's strong family ties in Britain. Bail conditions included wearing an electronic tag and observing a curfew.

Ben Watson, a lawyer representing South Africa, argued that Mr. Dewani had a strong motive to abscond, and that he had access to large amounts of money and was an experienced traveler.

Clare Montgomery, representing Mr. Dewani, said the accusations

came from men with "nothing to lose and everything to gain." She argued it was unlikely, as Mr. Tongo claimed, that a murder could be arranged in an hour-and-a-half taxi journey from the airport to a hotel.

"That is an unfeasibly short time even for an experienced criminal to recruit a taxi driver. It is improbable in the extreme given Mr. Dewani's background," Ms. Montgomery said.

**Shrien Dewani, a British citizen, is accused of arranging to have a taxi driver kill his wife while they were on honeymoon in South Africa.**

The case has drawn wide attention in Britain and in South Africa, where violent crime is high but attacks on foreign tourists are rare.

As a result of his plea bargain, Mr. Tongo was convicted and sentenced to 18 years in prison. He was expected to testify against the other suspects, including two South Africans who were arrested soon after Anni Dewani's body was discovered.

## U.S. NEWS



Republican Rep. Darrell Issa, in his Washington office, says he won't pursue doping allegations against Lance Armstrong.

## Republican targets use of costly medical devices

BY ALICIA MUNDY

Republicans should talk less about “death panels” and more about cutting the overuse of expensive medical procedures, said a powerful GOP lawmaker who has the health industry in his sights.

Darrell Issa, who won the nod Wednesday from House Republicans to become chairman of the House's chief investigative committee, had raised alarms among Democrats by suggesting he would swamp the White House with subpoenas and hold at least one hearing a week.

But in an interview this week, the California lawmaker said one of his top issues would be slicing medical costs, whose seemingly unstoppable rise worries both parties.

“If I can help every senior get the same care they're getting and still save tens of billions of dollars and have no doctors cheated out of what they're entitled to, what's not to like?” he said.

Mr. Issa, who made a fortune on car alarms before being elected to the House in 2000, expressed an interest in the medical-device industry, a big area of Medicare spending. Medicare paid more than \$100 billion in the six years through 2009 for 6.9 million procedures related to medical devices, according to Medicare data cited this week by the Senate Finance Committee.

The data came in a report suggesting cardiovascular and orthopedic implants are overused by doctors, sometimes after aggressive promotion by device makers.

Mr. Issa said his own doctor told him that surgeons have an incentive under Medicare to implant many joint and bone screws to support patients' spines, when fewer implants—or none at all—might be equally effective and safer.

“They have got to come up with a system that doesn't reward people for putting more metal in somebody's spine,” Mr. Issa said.

Under current rules, Medicare cannot consider cost-effectiveness in its coverage decisions. But Mr. Issa said it may be time to consider costs as well as efficacy, as long as medical decisions are made by doctors, not by “bureaucrats” in government.

Cost-effectiveness became the center of controversy during the debate leading up to the passage of the Democrats' health-care bill in March. Some critics of the bill claimed the Obama administration's plans could lead to government “death panels.”

“Republicans have to step back from the words ‘death panels,’” Mr. Issa said.

Bart Stupak, a Michigan Democrat who is retiring this year after leading a separate investigative panel in the House, praised Mr. Issa's ambitions but was skeptical

about the possible impact.

“It's easy to say you will cut costs by going after waste, fraud and abuse,” but that won't make a big dent in overall Medicare spending, Mr. Stupak said. He said it was unusual for Republicans to raise cost-effectiveness. In other instances, he said, “they called it rationing.”

On other health issues, Mr. Issa said the Food and Drug Administration has been overreacting to some outbreaks of foodborne illnesses linked to eggs and produce.

“We have nationalized recalls without any kind of data management and responsibility for the cost,” he said, naming the 2006 national recall of packaged spinach and this summer's recall of some 570 million eggs. The spinach crisis was ultimately linked to one producer in California, but the recall devastated the industry and its sales have still not recovered.

He said he wanted the FDA, which is set to win broader recall powers in a bill pending in Congress, to come up with more targeted recalls of tainted food. The FDA declined to comment.

There is one health area that Mr. Issa will not pursue—longstanding allegations of doping by champion cyclist Lance Armstrong. Mr. Armstrong is currently the subject of an FDA probe, which Mr. Issa said is “just too old.”

## GOP picks leaders for panels

BY NAFTALI BENDAVID AND STEPHEN POWER

WASHINGTON—Two longtime traditionalist Republicans are set to head powerful congressional committees over the objections of some conservative activists.

Rep. Hal Rogers (R., Ky.), who has sought earmarks throughout his

career, is set to become chairman of the Appropriations Committee, which oversees all federal spending. Rep. Fred Upton (R., Mich.), criticized by some conservatives for votes in support of Democratic initiatives, was chosen to lead the Energy and Commerce Committee.

Messrs. Rogers and Upton were backed Tuesday by the Republican

Steering Committee. The appointments were set to be finalized by all House Republicans on Wednesday.

The two committees wield enormous power in areas of interest to conservatives who energized the Republican surge in November's congressional elections—federal spending, health care, environmental regulation and energy policy.

## If saving starts to wane, growth could follow suit

[ Capital ]

BY DAVID WESSEL



The late 1990s were an aberration, we're told. Money flowed into emerging markets and then abruptly flowed out, a disruption that, at the time, seemed a big crisis.

The 2000s, we're told, were an aberration. First the tech-stock bubble burst. Then emerging-market governments, seared by the late 1990s, built huge war chests of U.S. dollars in what Federal Reserve Chairman Ben Bernanke dubbed “the global saving glut.” Along with easy money and short-sighted regulation in developed countries, that pool of capital fueled a borrowing binge and housing bubbles in the U.S. and elsewhere.

The last few years, we're told, were an aberration. The end of the credit and housing booms ended in a once-in-a-century bust. Governments rushed to the rescue, and central bankers pushed short-term interest rates very low. Investors stampeded to the safety of U.S. Treasuries, helping to keep long-term interest rates down even as the U.S. borrowed heavily and, now, the Fed is keeping them from rising.

What next? What will happen when the U.S. economy recovers, as it surely will some day? One likely outcome: a reversal of the global saving glut and an end to the abundance of cheap capital.

Looking beyond the next few years, McKinsey Globe Institute, the think-tank arm of the consultancy, foresees a surge in investment by emerging markets, particularly China and India, at the same time as those countries begin to save less. Business, banks, consumers, investors and governments “all will have to adapt to a world in which capital is more costly and less plentiful, and where over half the world's saving and investment occurs in emerging markets,” McKinsey says in a new report, “Farewell to Cheap Capital.”

As a whole, the world economy can invest only as much as it saves. A farmer in the old days divided his crop between corn that he'd eat or sell (consume) and corn that he set aside (save) to plant next year (invest). The same goes for the output of the global economy. Turning history on its head, much of the increased saving over 25 years has come from China and other poorer countries and flowed to richer countries, particularly the U.S.

Thrifty Chinese workers and peasants put money in the bank. The banks lent to the government which lent to the U.S. Treasury and mortgage giants Fannie Mae and Freddie Mac. And it ended up financing cheap mortgages in the U.S. before the crash and the big Obama fiscal stimulus after the crash. Government, companies and households in China accounted for a remarkable \$1 in

every \$4 of global saving in 2008.

McKinsey says all this is bound to wane in the next several years as China and India pick up the pace of investment. “China,” it says, “plans to build new subway systems, highways and high-speed trains in its top 170 cities.”

One hundred seventy! To keep pace with urban population growth, China needs to add one New York City's worth of residential and commercial space every two years; India, one Chicago's worth every year. With so many Asian factories producing close to capacity, predicts Hong Kong-based HSBC economist Frederic Neumann, a surge in business capital spending is likely. Based on the consensus forecasts for global growth, McKinsey projects global investment—which amounted to a bit more than 22% of world output before the financial crisis—could reach nearly 25% by the end of this decade, a level not seen since the early 1970s.

**What will happen when the U.S. economy recovers? One likely outcome: a reversal of the global saving glut and an end to the abundance of cheap capital.**

But China, and particularly its consumers, are likely to save less, if history and the Chinese five-year plan are any guide. The still-thrifty Japanese are likely to save less, too, as a growing number of retirees tap their savings—though a dearth of appealing investments in a country with a shrinking population means Japan will keep exporting savings.

So where will the saving come from? If all goes well, much of it will come from the U.S. Americans, chastened by the past few years, probably will save more. The federal government probably will shrink its deficit (which economists, who like to make up words, call “dissaving”) even while spending more on health care and pensions. If U.S. and U.K. households continue as they are today, the global saving rates would rise by one percentage point and partially offset the decline in Chinese savings as its consumers spend more of their incomes, McKinsey says.

But only partially. The global saving glut could easily become a global savings dearth. And that would mean substantially higher interest rates.

If long-term rates, adjusted for inflation, returned to the 40-year average, McKinsey estimates, they would be 1.5 percentage points higher, a big jump from the current 3% or so yield on 10-year Treasuries. And rates could go up more if emerging markets try to step up infrastructure and other investments faster than the U.S. and other rich countries increase overall saving, which could be an unwelcome brake on global growth.



## U.S. NEWS

# BP oil found settling on Gulf seafloor

BY JEFFREY BALL

A university scientist and the federal government say they have found persuasive evidence that oil from the massive Gulf of Mexico spill is settling on the ocean floor.

The findings, from scientists at the University of South Florida and from a broad government effort, mark the latest indication that environmental damage from the blowout of a BP PLC well could be significant where it's hardest to find: deep under the Gulf's waters.

The amount of oil that has settled in the sediment—and the extent of damage it has caused—remains unclear. But scientists who have been on research cruises in the Gulf in recent days report finding layers of residue up to several centimeters thick from what they suspect is BP oil. The material appears in spots across several thousand square kilometers of seafloor. In many of those spots, they said, worms and other marine life that crawl along the sediment appear dead, though many organisms that can swim appear healthy.

Tests to determine how much of the material on the seafloor matches the spilled oil are continuing. But the fact that tests now have started to link some oil in the sediment to the BP well could add to the amount of money BP ends up paying to compensate for the spill's damage.

Under federal law, companies found responsible for an oil spill have to pay compensation for the



Workers clean tarballs from the BP spill on a Waveland, Miss., beach on Monday, nearly eight months after the spill began.

resulting environmental harm.

The more BP's oil is found to have polluted the Gulf floor and killed marine life there, the more money the government is likely to press BP to pay. The test results also raise questions about the possible downsides of the government's use of chemical dispersants.

Under federal direction, close to seven million liters of dispersants were sprayed on the spilled oil in an effort to break it up into tiny droplets that natural ocean microbes could eat up. At the time, officials

said the dispersants shouldn't cause oil from the spill to sink to the seafloor. However, more recently, a federal report said dispersants may have helped some spilled oil sink to the sediment.

Scientific teams have reported in recent months finding a strange substance on the Gulf floor, in some cases as far as several dozen kilometers from BP's ill-fated Macondo well, which blew out in April and spilled an estimated 4.1 million barrels of oil into the Gulf before it was capped. They have speculated that

the substance was oil from the BP blowout. But, until now, they haven't had proof.

David Hollander, a professor of chemical oceanography at the University of South Florida, said in an interview that he and colleagues have just completed tests showing that the chemical profile of oil they found in Gulf sediment matches that from the blown-out BP well.

"The chemical signatures are identical," said Mr. Hollander, who found the contaminated samples in an area of the Gulf floor off the Flor-

ida Panhandle.

The federal government also has found oil matching Macondo oil in Gulf sediment, Steve Murawski, a top scientist from the National Oceanic and Atmospheric Administration, said in an interview. He declined to disclose how much sediment contamination the government found, or exactly where in the Gulf it was, saying experts still are analyzing the test results.

The government plans to publish details of its findings later this month.

BP, too, is testing Gulf sediment for oil contamination, and some of its results will figure into the coming federal report. Laura Folse, director of science and technology for BP's Gulf Coast restoration effort, declined to say whether BP found oil matching Macondo oil in the Gulf sediment.

She also said she couldn't comment on Mr. Hollander's findings because she hasn't seen them.

Samantha Joye, a University of Georgia oceanographer who also has found what she believes to be residue from BP oil in Gulf sediment, said she was awaiting lab results. On a research cruise in the Gulf that ended Friday, she saw worms that crawl along the Gulf floor "just decimated," she said. But eels and fish, which can swim away, sometimes appeared fine, she said.

The federal government made sure to test sediment in areas where Ms. Joye and Mr. Hollander said they found oil.

## Feisty campaigner drew sympathy amid tragedy

[ Remembrances:  
Elizabeth Edwards ]

By STEPHEN MILLER  
AND VALERIE BAUERLEIN

Elizabeth Edwards campaigned doggedly for her husband John Edwards's 2008 presidential bid, and her public struggles with cancer and the accidental death of a son led her to be among the most sympathetically received political figures in the country.

Ms. Edwards was hit by further catastrophe when, as the Edwards campaign flagged, reports emerged that Mr. Edwards had fathered a child outside their marriage. She died Tuesday at age 61 after declining further cancer treatments in recent days.

The Edwardses had officially separated in the wake of the affair, but Mr. Edwards was at his wife's bedside in recent days.

Ms. Edwards had first been diagnosed with breast cancer on Election Day of the 2004 campaign, when Mr. Edwards had run for vice president on the ticket with John Kerry.

In two memoirs about her travails, Ms. Edwards wrote of how she dealt with the accidental death of her firstborn son, Wade, and of how fighting cancer had given her a new sense of purpose.

Ms. Edwards did not always enjoy—or live up to—her squeaky-clean image. In the campaign book



Elizabeth Edwards

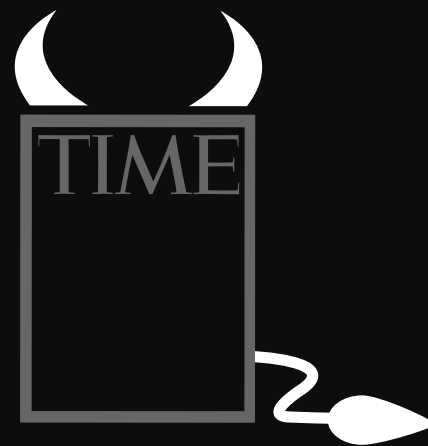
"Game Change," Ms. Edwards is depicted calling her husband a "hick" in front of others and abusing staff. "St. Elizabeth is too one-dimensional, and it's really not me," she told *The Wall Street Journal* in 2007.

Campaign staff and friends depicted a formidable campaigner and advocate for her husband.

Ms. Edwards met "Johnny" Edwards at law school at the University of North Carolina at Chapel Hill. They married in 1977.

In her 2009 memoir, "Resilience," she grappled directly with her husband's infidelity.

"I am imperfect in a million ways, but I always thought I was the kind of wife to whom a husband would be faithful."



Taking a nosedive, by TIME

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## WORLD NEWS

## Nobel stage set for China showdown

BY JEREMY PAGE

BEIJING—A ceremony Friday to mark the award of the Nobel Peace Prize to Liu Xiaobo, a jailed Chinese dissident, is turning into a global showdown.

China is preventing Mr. Liu, his family and friends from attending the ceremony in Oslo, the first time there will be no one at the ceremony to accept the award since 1936, when it went to Carl von Ossietzky, a German journalist held in a concentration camp.

A furious Chinese government has deployed its rapidly expanding global influence to challenge the Nobel Committee's legitimacy and to press other countries to boycott the ceremony, which will feature an empty chair with a photograph of Mr. Liu on it. A newly established Chinese organization has even introduced its own version of the award—the Confucius Peace Prize—which it says will be awarded on Thursday to Lien Chan, a politician from Taiwan who has promoted reconciliation with mainland China.

Nazi Germany and the Soviet Union also both established their own prizes to rival the Nobels.

A key question for the Communist Party is whether its efforts will backfire by drawing attention to Mr. Liu, who was little known in China until state media launched a campaign to demonize him.

Mr. Liu, a former literature professor who took part in the pro-democracy protests in Beijing in 1989,

**Activist laureates** | Nobel Peace Prize recipients include a number of advocates for political change in their countries. Among them:



**2010 Liu Xiaobo** The jailed Chinese dissident played a role in pro-democracy protests around Tiananmen Square.



**1983 Lech Walesa** The former shipyard electrician was awarded the prize for leading peaceful strikes that ultimately led to Solidarity—a nationwide movement for democracy in Poland. Mr. Walesa was elected Poland's president in 1990.



**1993 Nelson Mandela** The South African lawyer, who served more than 20 years in prison, shared the prize with President F.W. de Klerk for their battle against apartheid. In 1994 he was elected South Africa's first black president.



**2001 Aung San Suu Kyi** The Myanmar opposition leader, who won for her peaceful agitation for human rights and democracy was under house arrest intermittently since 1989. Ms. Suu Kyi was released on Nov. 13.



**2003 Shirin Ebadi** The Iranian human-rights lawyer was honored for her work on behalf of pro-democracy activists. She spent time in jail in 2000 for publicizing the murders of dissidents by the government.

was sentenced to 11 years in prison for "state subversion" over his role in organizing a dissident charter calling for multiparty elections.

For the Nobel Committee, the issue is whether this year's prize will promote democratic change in China, as it hopes, or reinforce the party's determination to stifle it.

The committee has, as usual, invited only the ambassadors of the 65 nations that have embassies in Oslo to attend the ceremony. But 20 have declined—double the number last year—including many that ei-

ther have warming relations with China, or share its resentment of being pushed on human rights and democracy by the West.

They are Afghanistan, Colombia, Cuba, Egypt, Iran, Iraq, Kazakhstan, Morocco, Pakistan, the Philippines, Russia, Saudi Arabia, Serbia, Sri Lanka, Sudan, Tunisia, Ukraine, Venezuela, Vietnam and China itself.

One diplomat from Sri Lanka initially said its embassy in Oslo would send someone, but later said no one would attend: "We are a small country and China is now our friend."

China provided economic aid, arms and diplomatic support to Sri Lanka during the final stages of the war against the Tamil Tiger rebel movement in 2009.

China also was outraged when the Dalai Lama, Tibet's exiled spiritual leader, won the prize in 1989, but made no effort to organize a boycott, isolated as it was after the military crackdown around Tiananmen Square earlier that year.

"Of course, China is much stronger now," Geir Lundestad, secretary of the Norwegian Nobel Committee,

said. "Even the Soviets did not mount a campaign like this."

When the Soviet dissident Andrei Sakharov won the prize in 1975, Moscow also declined to let him collect it, but did permit his wife, Yelena Bonner, to attend the ceremony.

The wife of Polish trade unionist Lech Walesa accepted his prize in 1983, while the son of Myanmar opposition leader Aung San Suu Kyi went to Oslo on her behalf in 1991.

■ Nobel fracas plays a role in silicon takeover ..... 21

Photos: Reuters (Liu); Agence France-Presse/Getty Images (Ebadi); Associated Press

When it was initially developed and immediately became functional, further development and adaptation was contemplated alongside its international rollout. Whereas a mobile phone application may takes hours to search for any new platform to be customized so it can learn and compensate for the information you need, and then operate on other platforms too. As far as starting a global marketing trend, the new platform has potential for wide adoption now that the business has evolved to post development. The immediate intention is to commence the rollout of the product offering, initially in the United States and South Africa to be followed in the medium term by a staged international rollout. But Mobile users who download the consumer-friendly application remain wary about hidden costs and ask is it really free?

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## India raids homes in telecom inquiry

NEW DELHI—India's top federal investigative agency Wednesday searched homes belonging to former telecommunications minister Andimuthu Raja and four other officials, as an inquiry into the 2008 allotment of telephone bandwidth proceeded.

By R. Jai Krishna,  
Nupur Acharya  
and Romit Guha

The Central Bureau of Investigation searched Mr. Raja's offices and homes in New Delhi and Chennai, CBI spokesman R.K. Gaur said.

Mr. Raja resigned as minister last month after a government audit concluded that the telecom department sold the bandwidth without an auction at prices set in 2001, when the number of mobile-phone users was much smaller than in 2008.

That decision, the audit said, deprived the country of a potential \$38.9 billion in revenue.

Mr. Raja has denied any wrongdoing and hasn't been charged with any crime.

The CBI said it also searched the homes of former telecom secretary Siddhartha Behura and former telecom commission member K. Sridhar, three houses and an office belonging to Mr. Raja's former personal secretary, R.K. Chandolia, and the office of the Department of Telecommunication's former deputy director general, A.K. Srivastava.

The CBI "came, they saw some papers, and they left," Mr. Behura said, declining to elaborate. Neither



Former Telecom Minister Andimuthu Raja, right, looks on during a search at his Delhi residence by the CBI Wednesday.

Mr. Raja nor the three other men could be reached for comment.

The four men haven't been arrested or charged with any wrongdoing.

The CBI investigation has been going on for more than a year, since it registered corruption cases against "unknown" people and companies over the allotment of bandwidth for second-generation mobile-phone services.

The probe included an October 2009 raid on the offices of the Department of Telecommunications.

India's top court is hearing cases involving the spectrum scandal, and the parliament's Public Accounts Committee is looking into the auditor's findings.