

TODAY IN PERSONAL JOURNAL

# The Stores That Set the Style

PLUS A Travel Tip Savvy Fliers Want to Share

# THE WALL STREET JOURNAL.

DOW JONES

News Corp.

\*\*\*\*\*

THURSDAY, OCTOBER 9, 2014 - VOL. CCLXIV NO. 85

WSJ.com

★★★★ \$2.00

DJIA 16994.22 ▲ 274.83 1.6% NASDAQ 4468.59 ▲ 1.9% NIKKEI 15595.98 ▼ 1.2% STOXX 600 328.00 ▼ 0.9% 10-YR. TREAS. ▲ 6/32, yield 2.331% OIL \$87.31 ▼ \$1.54 GOLD \$1,205.30 ▼ \$6.40 EURO \$1.2734 YEN 108.09

## What's News

Business & Finance

**F**ed officials are concerned about global growth and a strong dollar, making them more inclined to keep rates low, meeting minutes show. **A1**  
■ **The Dow surged** 274.83, or 1.6%, to 16994.22, its biggest gain this year, after the minutes suggested the Fed would go slow on raising rates. **C1**

■ **Hackers who broke into** J.P. Morgan targeted at least 12 other financial firms, including Fidelity, investigators believe. **C1**

■ **Gross's Janus bond fund** took in \$66.4 million in September, a sliver of the sum that left Pimco after his exit. **C1**

■ **Gap said its CEO is stepping down** as the retailer reported flat September sales. Its shares slid nearly 8% after hours. **B1**

■ **Factory wages** are rising at a rapid clip in some states amid shortages of certain skills and falling jobless rates. **B1**

■ **AT&T agreed** to pay \$105 million to settle claims it added bogus third-party charges to subscribers' wireless bills. **B1**

■ **Fuel efficiency** of 2014 vehicles slowed, the EPA estimated, as sales of SUVs and pickups increased. **B1**

■ **Apple said** it was surprised by the abrupt bankruptcy filing earlier this week by materials supplier GT. **B1**

■ **Geithner took** responsibility for setting some controversial terms of the AIG bailout as head of the New York Fed. **C3**

■ **PC sales fell** last quarter as shipments declined in emerging markets. Growth continued in mature markets. **B3**

World-Wide

■ **A Liberian man** hospitalized in Dallas with Ebola died, the first known death in the U.S. of a patient sickened in the West African outbreak. **A1**  
■ **U.S. authorities** will soon begin airport screenings of travelers from Liberia, Sierra Leone and Guinea. **A12, A13**

■ **The U.S. and its allies** raised the possibility of setting up a safe zone for refugees along the Syrian-Turkish border as Islamic State massed more forces around a border city. **A8**

■ **The EU's executive arm** urged member states to advance long-stalled membership talks with Turkey. **A8**

■ **House Democrats** are pulling ad funds from districts where their prospects look slim, a sign the GOP could strengthen its majority. **A4**

■ **The Supreme Court** temporarily blocked the start of same-sex marriages in Idaho while it reviews an appeals request. **A6**

■ **The arrest in Britain** of four terrorist suspects underscores fears about fighters returning to Europe from Syria. **A9**

■ **Hong Kong officials** and students sniped at one another after agreeing to talks amid rifts among protest groups. **A10**

■ **The Nobel Prize** in chemistry was awarded to a German and two Americans for work on imaging techniques. **A11**

■ **A Swiss museum plans** to decide next month whether to accept some 1,000 artworks, including those Nazis looted. **A11**

■ **Insurance applicants** on HealthCare.gov will use a much shorter form, officials said. **A2**

CONTENTS Small Business... B7  
Corporate News B2,3,6 Sports... D5  
Global Finance... C3 Style & Travel... D2,3  
Heard on the Street C10 Technology... B4  
In the Markets... C4,5 U.S. News... A2-6  
Leisure & Arts... D4 Weather Watch... A8  
Opinion... A15-17 World News... A8-13



## Uneasy Calm in Turkey as Battle Rages Next Door



**DANGEROUS NEIGHBORS:** A man and his sons tend sheep in Turkey, as Islamic State fighters battle across the border to control the Syrian town of Kobani. **A8**

## Fed Wary on Global Growth

Angst About Overseas Economies, Strong Dollar Ease Path for Keeping Rates Low

By JON HILSENRATH

Federal Reserve officials have become more concerned that weak overseas growth and a strengthening U.S. dollar will crimp the domestic economy and hold down inflation, an outlook that has made them more inclined to stick to low interest rates.

Several officials worried at a Sept. 16-17 policy meeting that disappointing growth in Europe,

Japan and China could restrain U.S. exports, according to minutes of the meeting released by the Fed Wednesday with the regular three-week lag. Meantime, the stronger currency—by reducing the cost of imported goods and services and putting downward pressure on commodities prices—could hold U.S. inflation below the Fed's 2% objective. The Fed staff slightly reduced its projection for medium-run growth in part because of these concerns.

Angst about global growth and the economic impacts of a strong dollar represent a meaningful development in the Fed's running debate about when to raise short-term interest rates from near zero.

Investors responded with relief to the Fed's concerns and apparent caution about stepping away quickly from easy-money policies. The Dow Jones Industrial Average posted its largest one-day point and percentage in-

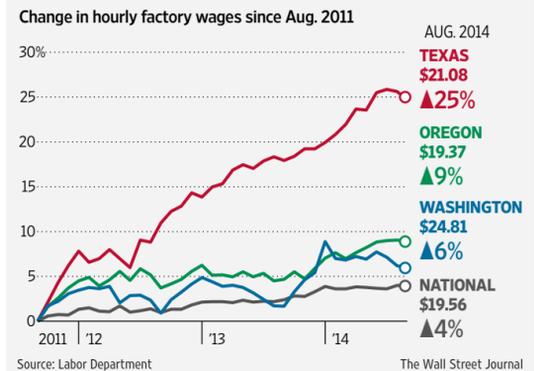
crease since December 2013. Stocks continued to rise Thursday morning in Asia.

Many officials have been expecting the first rate increase by mid-2015. An improving U.S. job market led some officials to

*Please turn to the next page*

- ◆ Yellen shakes up Fed staff... **A2**
- ◆ Caution on interest-rate rise lifts stocks... **C1**
- ◆ Heard on the Street: Housing recovery weighs on Fed... **C10**

## Wages Roll Higher in Pockets of U.S.



**HELP WANTED:** Factory pay is up in some industrial states as manufacturers shell out more to attract specialized skills and to retain workers. **B1**

## While IPOs Soar, Many Firms Prefer To Stay Away

By YULIYA CHERNOVA

The market for initial public offerings is booming, and Alibaba Group Holding Ltd. made the largest-ever stock-market debut last month amid much fanfare. But other highly valued private companies are deciding that rushing to go public isn't worth the trouble.

As of the beginning of the week, there were at least 49 U.S. venture-capital-backed companies with a valuation of \$1 billion or more—the highest number on record—according to data from Dow Jones VentureSource. That tops the previous peak of 28 companies at the end of last year.

## Many Drone Makers Will Hate This Headline

Unmanned-Aircraft Fans Nix Military Moniker, Search for Alternatives; UAS, RPA, Bullfrogs?

By JACK NICAS

At a drone conference in Washington, D.C., last year, the trade group running the event sent a not-so-subtle message to the journalists there: The Wi-Fi password was DONTSAYDRONES in the press room.

As the drone industry takes off, many people in it say it needs a different name. They say "drone" suggests the devices are dumb, it is technically inaccurate and now has a militaristic reputation. Unmanned-aircraft advocates scold reporters and even congressmen who use the term.

But they have another problem: Few of them agree on what the devices should be called.



A quadcopter

"Maybe we call it the 'crone' for commercial drone?" said John Mulcahy, a patent attorney with clients in the commercial-drone industry.

The alternatives are an alphabet soup. There is "UAV" (unmanned aerial vehicle), "RPA" (remotely piloted aircraft), and "UAS" (unmanned aircraft system). Some prefer the more digestible "unmanned aircraft," or just "robot," while European Union officials opt for the bulkier "RPAS," or remotely piloted aircraft systems.

"We need another name for it, but I'm not sure what that new name should be," said Zack Porter, a venture-capital executive considering investments in com-

*Please turn to page A14*

EUROPEAN CONFLICT

## Google Faces a Fight In France Over Its Tax Bill

By SAM SCHECHNER

PARIS—Google Inc. Chief Executive Larry Page met with France's premier late last month and quietly pressed home a message: Google has invested heavily in France and is willing to do more.

In a half-hour meeting in the gilded office of Prime Minister Manuel Valls, Mr. Page noted that Google has greatly expanded its Paris operation in recent years and set up a fund for French newspapers, and said he was "totally prepared to continue investing in France," according to people familiar with the meeting. Mr. Valls responded that France welcomed foreign investment.

Barely mentioned, according to one of the peo-

ple, was an elephant in the room: Google is in the midst of a battle with France over a March tax assessment of possibly over a billion euros. More than just a wrangle over a bill, the fight calls into question an arrangement Google and many other companies use that shields revenue originating in European countries from those countries' tax authorities.

"France is not anti-Google. But when you look at the profit that they make in France, and the number of customers they have, and the tax they pay, it's outrageous," says French Deputy Minister for Digital Affairs Axelle Lemaire.

Google's prickly relationship with France reflects

*Please turn to page A14*

## Oracle Cloud Applications

- HCM** Human Capital Recruiting Talent
- CRM** Sales Service Marketing

- ERP** Financials Procurement Projects Supply Chain

More Enterprise SaaS Applications Than Any Other Cloud Services Provider



Copyright © 2013, Oracle and/or its affiliates. All rights reserved.