



How to Fight and Stay Friends

PERSONAL JOURNAL



THE WALL STREET JOURNAL

DOW JONES A NEWS CORPORATION COMPANY

TUESDAY, APRIL 19, 2011 - VOL. CCLVII NO. 90

*** \$2.00

DJIA 12201.59 ▼ 140.24 -1.1% NASDAQ 2735.38 ▼ 1.1% NIKKEI 9556.65 ▼ 0.4% STOXX600 273.05 ▼ 1.7% 10-YR TREAS ▲ 9/32, yield 3.373% OIL \$107.12 ▼ \$2.54 GOLD \$1,492.30 ▲ \$7.00 EURO \$1.4233 YEN 82.71

What's News—

Business & Finance

U.S. multinationals, the big firms that employ a fifth of all American workers, have been hiring abroad while cutting back at home, sharpening the debate over globalization's impact on the U.S. **B1**

S&P lowered its outlook on U.S. government debt to "negative" from "stable," intensifying divisions over how best to tackle deficits. **A1, A6, A7**
Stocks dropped sharply after S&P's move. Comex gold soared to a record, while long-term Treasuries gained after enduring a selloff. **C1, C5, C6**

Sovereign-debt fears along Europe's troubled periphery continued, weighing heavily on the euro and government debt markets. **A13, C5**

The U.S. plans to sell a significant share of its stake in GM this summer despite the disappointing performance of the auto maker's stock. **B1**

Citigroup's net profit fell 32% to \$3 billion in the banking giant's first full quarter outside U.S. government ownership since 2009. **C3**

The defense rested in the insider-trading trial of Galileo's Raj Rajaratnam without the hedge-fund founder taking the witness stand. **C1**

Twitter is taking steps to broaden the messaging service's appeal as it tries to move beyond management changes and build its business. **B1**

Apple sued Samsung Electronics, claiming that Samsung's Galaxy line of mobile phones and tablet "slavishly" copied its iPhone and iPad. **B3**

Tribune ex-shareholders are bracing for possible litigation aimed at clawing back more than \$8 billion in payouts from the firm's LBO. **C1**

Community Health converted its roughly \$3.3 billion offer for Tenet to all cash, as the hospital operator continued a hostile bid for its rival. **B3**

Halliburton posted strong results for the first quarter, having remained largely unscathed in the wake of the Deepwater Horizon disaster. **B1**

OPEC nations now need higher annual oil prices to make their budgets work after increasing spending to quell unrest, analysts say. **A11**

Japanese auto makers have started testing their vehicles for radiation prior to shipping them. **A13**

World-Wide

Iran and Egypt signaled a thaw in their relations. Iran said it appointed an ambassador to Egypt for the first time since the two sides froze diplomatic relations more than three decades ago. Egyptian officials confirmed that new foreign minister Nabil Elaraby is considering a plan to visit the Gaza Strip, an area controlled by Hamas, a group backed by Tehran and until now shunned by Cairo. **A1**
The U.S., Israel and Saudi Arabia expressed concern that the latest overtures could upset the Mideast's fragile balance of power.

The FAA suspended an air-traffic controller and supervisor for losing contact with aircraft when the controller inadvertently transmitted the soundtrack of a DVD movie. **A2**

The Obamas paid \$453,770 in federal income tax last year and reported \$1.7 million in adjusted gross income. **A3**

At least 5,000 Syrians held a sit-in at a central square in the city of Homs, seeking Assad's ouster. **A10**

A trial to find out whether AIDS drugs taken by mouth can ward off HIV infection in women was halted early, a setback for researchers. **A8**

Updated guidelines for Alzheimer's expand the definition to include patients with earlier symptoms. **D4**

A Pentagon report alleged inaccuracies in a Rolling Stone magazine article that led to the ouster of Gen. Stanley McChrystal. **A8**

Chicago's Mayor-elect Emanuel named a schools chief known for closing low-performing schools. **A3**

Notre Dame said it didn't knowingly risk the life of a student employee who died Oct. 27 when wind toppled the scissor lift he was using. **A4**

Joseph Rago, an editorial writer at The Wall Street Journal, was awarded a Pulitzer Prize for writing about health-care overhaul. The award for public service went to the Los Angeles Times. **B7**

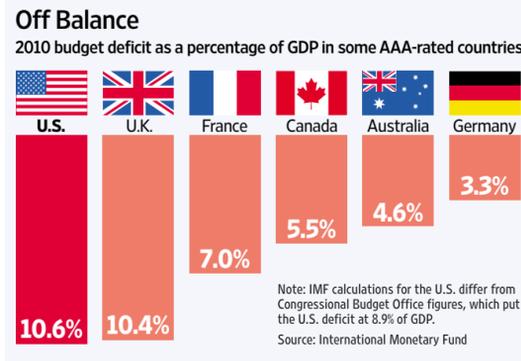
Geoffrey Mutai won the Boston Marathon in 2 hours, 3 minutes, 2 seconds—the fastest marathon ever. **D6**

Died: Pietro Ferrero, 47, co-chief executive of Italian chocolate maker Ferrero. **B3**

U.S. Warned on Debt Load

S&P Signals Top Credit Rating Is in Danger, Stoking Political Battle on Deficit

BY DAMIAN PALETTA AND E.S. BROWNING



A blunt warning Monday from a credit-rating firm about the U.S. government's mounting debt pushed stock markets lower and intensified political divisions in Washington about how best to tackle growing deficits.

Both the Obama administration and House Republicans scrambled to gain leverage from Standard & Poor's changing its outlook on U.S. Treasury securities to "negative" from "stable." S&P didn't lower its top-notch AAA-bond rating for U.S. government Treasury securities, and

their prices initially fell but later rebounded amid optimism that the report could serve as a catalyst to force both sides in Washington to compromise.

The Dow Jones Industrial Average fell 140.24 points, or 1.14%, to 12201.59, its biggest decline in a month, after earlier tumbling. *Please turn to page A6*

Deficit Attention

- Capital Journal: Dueling narratives on the debt..... **A7**
- The Intelligent Investor: Markets should recover..... **A7**
- Dow falls 140.24 points..... **C1**

Hard-Fought Presidential Election Ends in Nigeria, but the Battle Rages On



NO LUCK: Rioting broke out in Kano and other northern Nigerian cities after incumbent Goodluck Jonathan was declared the winner of the presidential election. Mr. Jonathan, who is from the Christian south, beat a rival from the Muslim north. Observers deemed the vote fair. **A9**

In Silicon Valley, Investors Are Jockeying Like It's 1999

BY MONICA LANGLEY

MENLO PARK, Calif.—Travis Kalanick is the founder of a start-up that lets people order up a car service from a cellphone. Recently, the 34-year-old found himself in the driver's seat.

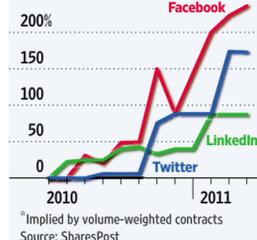
Several major venture-capital firms were vying to fund Uber, his fledgling company. While presenting his business plan at the offices of Benchmark Capital, Mr. Kalanick briefly excused himself to phone three other potential investors. His message: They needed to move fast.

Gurley, wouldn't have it. "No need to talk to those guys," he told Mr. Kalanick. "Let's get the deal done here." After two days of wooing, Benchmark provided nearly \$12 million in capital for a 20% stake in Uber, pegging its valuation at \$60 million.

That is just one scene in the latest gold rush to sweep Silicon Valley, where prospectors are now fighting over buzzy start-ups and companies are getting their pick of deep-pocketed backers. The momentum is driving a wave of deal envy and trash talking—complete with power plays, personal feuds and

Tech's Resurgence

Growth in average monthly valuation since April 2010*



Egyptians Court Foes Of U.S.

BY MATT BRADLEY

CAIRO—Iran and Egypt's new government signaled Monday they were moving quickly to thaw decades of frosty relations, worrying the U.S., Israel and Saudi Arabia that the overtures could upset the Mideast's fragile balance of power.

Iran said it appointed an ambassador to Egypt for the first time since the two sides froze diplomatic relations more than three decades ago, the website of the Iranian government's official English-language channel, Press TV, reported late Monday.

Also Monday, officials at Egypt's Ministry of Foreign Affairs confirmed that new foreign minister Nabil Elaraby is considering a visit to the Gaza Strip—an area controlled by Hamas, a militant Palestinian Islamist group backed by Tehran and until now shunned by Cairo.

The announcements follow a rare meeting earlier this month between a high-level Iranian diplomat and Mr. Elaraby, after which the foreign minister told reporters that Egypt has "opened a new page" with Iran.

American officials said they are concerned that Egypt's apparent determination to re-establish relations with Iran is part of a broader reordering of its foreign policy. They worry that such a *Please turn to page A10*

This 'Jihadi' Is Armed With a Subversive Sense of Humor

Artist Totes Gold Gun, Tweaks Afghan Elite, Doles Out 'Reverse Bribes'

BY DION NISSENBAUM

KABUL—Dressed in a police uniform, Aman Mojadidi once set up a fake roadside checkpoint to hand out real money to befuddled Afghan motorists used to paying, not receiving, bribes.

Then, during last fall's parliamentary elections, the 40-year-old Afghan artist took his antics a step further by covertly pasting Kabul walls with faux campaign posters that featured him in a black turban with a

gold-plated pistol hanging around his neck.

"Vote for me," the posters urged. "I'm rich—and I've done jihad."

The stunts are part of a campaign the 40-year-old Afghan-American has been waging for the past three years against the excesses of the Afghan government, ranked as one of the

world's most corrupt. In the process, he has become the leading agent provocateur of the nascent Afghan art scene.

"I think Aman can be a leader for Afghans in showing what provocative art can do in Afghanistan," said Tamim Samee, founder of Afghanistan's Comment, ranked as one of the *Please turn to page A14*



Aman Mojadidi

Vital Signs

Housing-market index



Home builders are gloomy about their business. The National Association of Home Builders' housing-market index fell to 16 in April from 17 in March; readings below 50 indicate more builders consider conditions poor than good. A large supply of existing homes on the market, many being sold at foreclosure prices, has made it hard for new homes to compete.

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Global Finance.....	C3	Sports.....	D6
Health & Wellness D2-4		Stocks in the News	C5
Heard on the Street C8		Technology.....	B6
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Opinion.....	A15-17	Weather Watch.....	B8
		World News.....	A9-13

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