

## THE WALL STREET JOURNAL.

**BIG-BOX BAROLO?** 



**OFF DUTY** 

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## What's News

World-Wide

The NRA called for armed guards in schools. The gun-rights lobby said predators have exploited the fact that schools are gunfree zones and urged Congress to appropriate whatever is necessary to put police officers in every school, Former Rep. Asa Hutchinson will lead the NRA's effort to develop a school shield program. A4

The comments were the NRA's most extensive since the Dec. 14 school shooting in Newtown, Conn.

Congress and Obama called for a return to negotiations on the impending "fiscal cliff" a day after talks cratered in acrimony. A1 Obama tried to break the cliff impasse by urging lawmakers to pass a strippeddown budget plan. A8

Obama nominated John Kerry as secretary of state. as the president rebuilds his foreign-policy team. A6

■ Italy's Monti resigned, setting the stage for a raucous election season over which he and his government's legacy will loom large, A10

Thousands of looters ransacked stores in Argentina for a second day in the latest challenge to Kirchner. A9

an overhaul to the country's educational system. A9

■ The Mayan calendar finished its cycle, but life—and parties—continued. A10

#### Business & Finance

Motorola is working on a sophisticated handset, but the Google unit is running into some obstacles in its effort to provide more potent competition for Apple. A1

The economy's promise, reflected in November consumer spending and durable-goods orders, could be derailed by uncertainty from the fiscal-cliff talks. A8

■ Titan Advisors has told clients it decided to withdraw all its investment from SAC Capital, which is facing regulatory scrutiny, B2

The Dow industrials fell 120.88 points, or 0.9%, to 13190.84, but it and other indexes gained on the week. B1

■ The NYSE takeover deal includes an array of potential fees that tightly bind it

and ICE to their pact. B2

ArcelorMittal took a write-down of \$4.3 billion on the value of its struggling European division, B4

■ Shares of RIM fell 23% over worries about a new service-fee structure, B1

■ The pharmacy in Massachusetts linked with a deadly fungal meningitis outbreak filed in bankruptcy court. A8

■ The four largest Greek banks are in need of a capital boost of \$36 billion.

Inside **NOONAN A17** When Childhood Fears

Come True

CONTENTS Cooking D1-4 Stock Listings B9.10 Corporate News. B13.4 Style & Fashion... D5.6 Ideas Market C4 Weather Watch B13



of the scented ornaments into a basket in her dining room usu-

come people. Mr. Boehner, irritated with the White House, was finding it

ing a deal with the White House

to let tax rates rise for upper-in-

\* \* \* \* \* \* \*

BY PATRICK O'CONNOR

AND PETER NICHOLAS

WASHINGTON-Congressio-

nal leaders and President Barack

Obama called Friday for a return

to negotiations to avert the so-

called fiscal cliff, a day after

talks cratered in a very public

fashion when Republicans aban-

doned House Speaker John

deficit-reduction deal had al-

ready broken down Monday af-

ternoon in the office of Mr.

Boehner (R., Ohio), a Wall Street

Journal reconstruction shows.

Mr. Boehner had been negotiat-

Boehner's backup plan.

hard to keep his troops in line as details of his negotiations with Mr. Obama leaked out. In the speaker's office just off the Capitol's majestic rotunda that afternoon, he told his top lieutenants that he was already thinking plan. "In the absence of an agreement, 'Plan B' is the plan," he told his deputies, according to a script he read them that afternoon.

### Not the End of the World, but...

 How the talks would restart remains unclear..... Economy at risk after showing signs of recovery............ A8 Dow drops 120.88 as traders seek shelter...... B1

favor of Plan B and against the in entitlements. broader deal.

How 'Cliff' Talks Hit the Wall

Behind Scenes, Boehner Failed to Sell Republicans on Taxes, While Obama's Spending Plans Rankled

Then Budget Chairman Paul Ryan (R., Wis.), whom Mr. Boehner had spent weeks wooing, said he couldn't sign on because One by one, they came out in it didn't make structural changes

The speaker went ahead with House Ways and Means Chair- Plan B, which collapsed Thursman Dave Camp (R., Mich.) said day night before he could even In truth, talks to secure a big about a pared-down backup the new tax revenue the broader bring it to a vote, leaving talks to bend when a deal was in plan called for was too high. at a perilous standstill just days before the year-end fiscal-cliff deadline. Even if an agreement can be reached by then, both sides expect it to be a small package doing little to tackle the

long-term budget woes and deferring the battle until next year. A review of the negotiations.

based on interviews with a dozen aides and lawmakers, suggests the problems lay in Mr. Boehner's inability to coax his rank-and-file to support a deal that raises taxes on higher-income Americans, Another factor was what Republicans saw as President Obama's unwillingness sight, jamming the speaker with a deal his party couldn't swal-

The negotiations offer little evidence November's election Please turn to page A6

Google Labors

To Build

A Phone

Engineers at Motorola are

hard at work on a sophisticated

handset-known internally as

the "X phone"—but the Google

Inc. unit is running into some obstacles in its effort to provide

more potent competition for Ap-

ple Inc., said people familiar

quired by Google for \$12.5 billion, Motorola is designing its

marquee handset with cuttingedge features to stand apart from existing phones when it is

released next year, these people

swift execution on the Web, its

new hardware unit has run into

hurdles associated with manu-

facturing and supply-chain management that have caused the

company to rethink some initial

plans for the X phone, such as

using a bendable screen, these

development effort is a key facet

of Google's strategy for boosting

the minuscule market position of

the cellphone pioneer, based

partly on bolstering quality

while reducing the quantity of

on two fronts: devices that will

Motorola is primarily working

The previously undisclosed

people added.

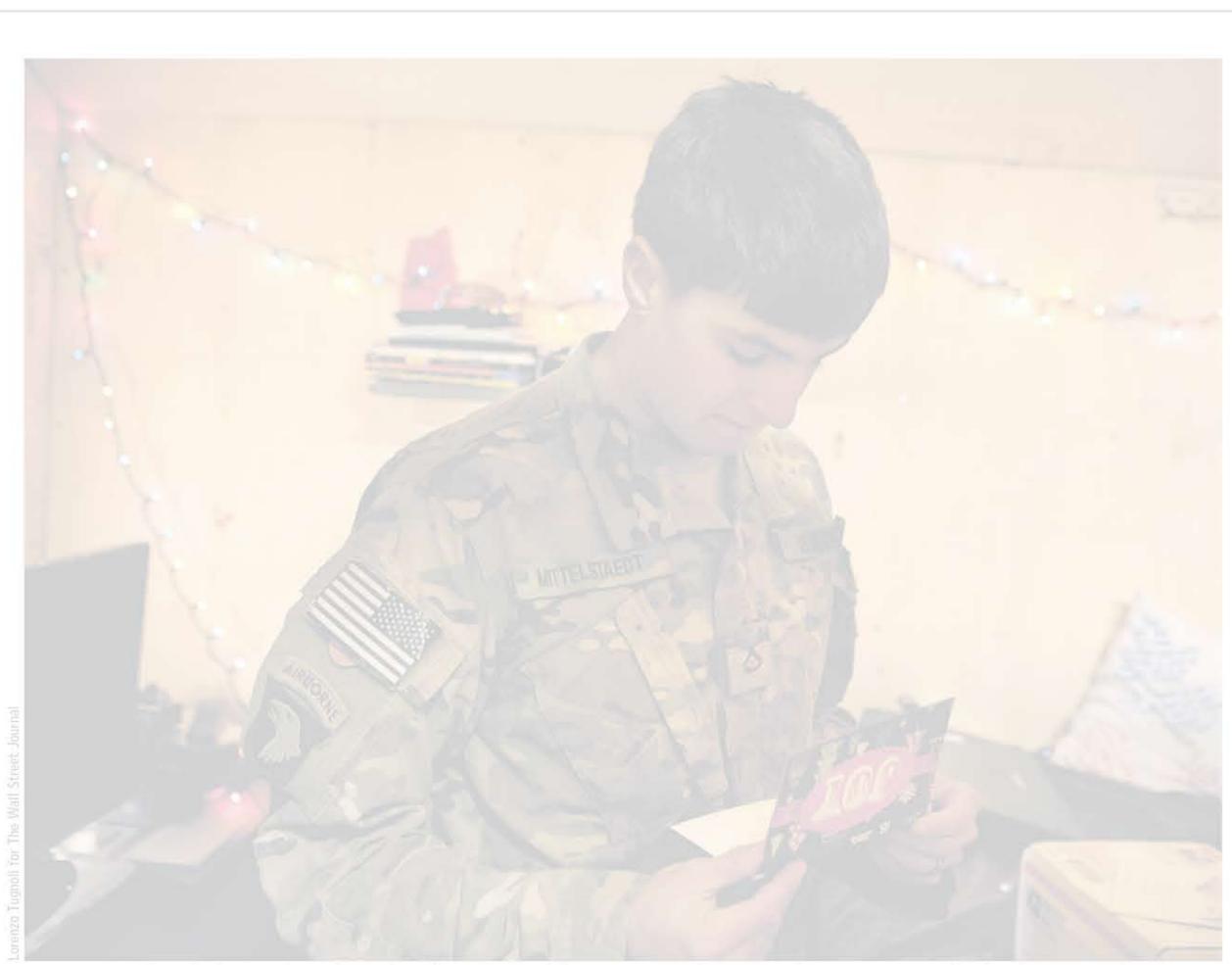
But while Google is known for

Seven months after being ac-

By Amir Efrati

with the matter.

said.



## On Afghan Odyssey, Gifts to Troops Brave Ambushes, Bombs

By Maria Abi-Habib

GARDEZ, Afghanistan—Back home in Watertown, Minn., Courtney Mittelstaedt selected her husband's Christmas gifts with the care and sweet mischief of a newlywed.

She bought Legos, a plastic duck in a Santa Claus suit and Christmas treeshaped marshmallows, "his favorite candy," said Mrs. Mittelstaedt, a 20-yearold hairdresser. She used Spider-Man wrapping paper to remind him of the last time they went to the movies, before her husband, Army Private First Class Cody Mittelstaedt, went to war 7,000 miles

without him," said Mrs. Mittelstaedt, who married last year, "Buying gifts and wrapping them up for him makes me feel

like he's involved and he's here with me." Her husband's presents will join 6.4 million pounds of mail the U.S. Postal Service estimates it will ferry this month from families, friends and kindly strangers to U.S. troops in Afghanistan, Senders pay roughly \$15 to send an average-size package.

After Mrs. Mittelstaedt wrapped, sealed and addressed the gifts to Forward Operating Base Gardez, she took them to her post office, where the workers know her by name. She has become a regular customer, sending packages of "He's gone and Christmas is so hard letters, toys and candy at least once a

week since her husband was deployed overseas three months ago.

"Everything is so serious there, it's war," she said. "So when he gets the packages I want him to smile and not think about his day. I don't know if it takes off the weight, and I'm sure it doesn't work like that, but I can pretend,

I guess." Postal Service offices across the U.S. funnel packages to Afghanistan through its International Service Center in Newark, N.J. Then they travel by air-usually via Manama, Bahrain—to Bagram Airfield outside of Kabul, according to a Postal Service spokeswoman.

From Kabul, the delivery of Christmas Please turn to page A13

#### Motorola ran into difficulties when it looked into using a bendable screen.

Motorola products.

be sold by carrier partner Verizon Wireless, such as the "Droid" line of smartphones, and the X phone, these people said. Motorola is also expected to work on an "X" tablet after the phone, the people added.

Meanwhile, Google must manage complex relationships with smartphone makers that use its Android mobile-device software-particularly with Samsung Electronics Co., a Motorola rival that has become the No. 1 smartphone maker with Google's help.

Dennis Woodside, a former Google top sales executive who is now Motorola's chief executive, declined to discuss products under development. But he said in an interview that the company is "investing in a team and a technology that will do something quite different than the current approaches."

He said while Motorola has 'fallen under hard times," it 'now has the support of a shareholder in Google that has resources to do big things." He added that only one billion of the world's seven billion people use smartphones, calling that 'an incredible opportunity."

For the X phone, an initiative being led by former Google product manager Lior Ron who worked on the Google Maps

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### Everybody Pines for That Christmas Tree Smell, but It Can Be a Tall Order

Artificial Trees Don't Have It Naturally—That's Why Santa Brings Us ScentSicles

By Shira Ovide

Laura Benson calls herself a "scent person." On her desk at home in Centennial, Colo., she keeps a bottle of Coppertone sunscreen lotion that she flips open now and then for a whiff of the beach.

But every holiday season, Mrs. Benson's artificial Christmas tree left her pining for the aroma of real evergreens. "That's of course one of the hardest things about artificial trees," she says. "They don't

smell like real trees." Then last year, Mrs. Benson bought a five-and-half-inch-long pine-scented ornament that she

says makes her family's artificial tree smell real. Mrs. Benson also tucked one

flowers. She sometimes sniffs the tree for another reminder of the holidays. "I don't know if it's

ally filled with dried

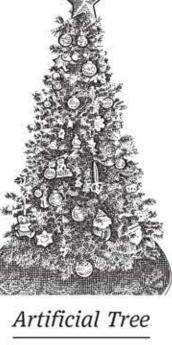
every bit as good as the real thing," she says of the ornaments, called ScentSicles. "But if you did a blind smell test, it would tell the difference."

mas.

probably be hard to Sometimes, all we want for Christmas is the smell. And some Americans, whether they're pro-fir or pro-faux, are turning to homemade potions or manufactured scents to spruce up the holidays. As they say in

Southern California, it's beginning to smell a lot like Christ-

People long have used decora-



ers to liven the holidays, or, as Febrcommercials make clear, to make garbage smell like a day in May. Some people use low-cost tricks such as soaking pine needles in water

tive candles, pot-

pourri or air freshen-

placed at the base of trees or tossing pine cones in the fireplace. people Today,

seeking smells-like-Christmas have more options than ever. Sean Selman, a 40-year-old communications official, tried out a Fraser Fir candle as an alternative to the effort of trimming his Atlanta apartment with garlands

of greenery. Mr. Selman knew

the candle was just the thing

when he opened the box at his

office desk. "Everyone's head popped up

and said, 'What's that smell? Why does it suddenly smell like a Christmas tree in here?" he savs. People seeking holiday-odor

oomph say Christmas just feels wrong if the smell is off. Pamela Dalton, an olfactory scientist with the Monell Chemical Senses Center, in Philadelphia, says the link between warm emotions and evergreen may be strong because people don't typically use conifer scents at other times of the year. "There's a uniqueness to that

particular association that makes it a little more salient," Dr. Dalton says. Scent-seeking sometimes goes

awry. Last year, Ruth Kaplan of Austin, Texas, took home a free Please turn to page A13

# ■ Mexico's Congress passed