

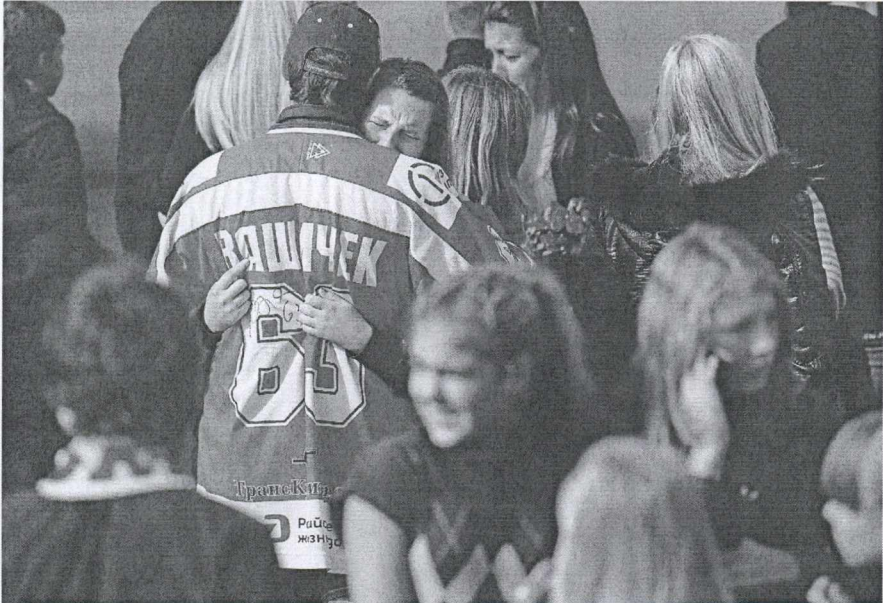


International Herald Tribune

FRIDAY, SEPTEMBER 9, 2011

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Grieving for a team Hockey fans and supporters gathered in Yaroslavl, Russia, on Thursday near an arena where the Lokomotiv squad played. All but one player on the team was lost when its plane crashed on takeoff the day before. In solidarity, more than two dozen Russian players have volunteered to transfer to Lokomotiv. **PAGE 13**

Google divulges secret: Its power consumption

BY JAMES GLANZ

Google released Thursday what was once among its most closely guarded secrets: how much electricity its enormous computing facilities consume.

The company said its data centers continuously drew almost 260 million watts — about a quarter of the output of a nuclear power plant — to run Google searches, YouTube videos, Gmail messaging and display ads on all those services around the world.

Though the electricity figure may seem large, the company asserts that the world is using less energy as a result of the billions of operations carried out in Google data centers. Google says people should consider things like the amount of gasoline saved when someone conducts a Google search rather than, say, driving to the library.

“They look big in the small context,” Urs Hoelzle, Google’s senior vice president of technical infrastructure, said during an interview.

Google says that people conduct over a billion searches a day and numerous other downloads and queries, and it calculates that the average energy consumption for a typical user is small, about 180 watt-hours a month, or the equivalent of running a 60-watt light bulb for three hours. The overall electricity figure includes all Google operations worldwide. **GOOGLE, PAGE 19**

The 9/11 attacks, in real time

NEW YORK

Audio files published this week provide a vivid view of the day’s events

BY JIM DWYER

On the morning of Sept. 11, 2001, an airliner that had vanished from all the tracking tools of modern aviation suddenly became visible in its flight seconds to the people who had been trying to find it.

It was just after 9 a.m., 16 minutes after a plane had hit the north tower of the World Trade Center, when a radio transmission came into the New York air traffic control radar center.

“They, can you look out your window right now?” the caller said.

“Yeah,” the radar control manager said.

“Can you, can you see a guy at about 4,000 feet, about 5 east of the airport right now, look’s like he’s—”

“Yeah, I see him,” the manager said.

“Do you see that guy, look, is he descending into the building also?” the caller asked.

“He’s descending really quick too, yeah,” the manager said. “Forty-five hundred right now, he just dropped 800 feet in like, like one, one sweep.”

“What kind of airplane is that, can you guys tell?”

“I don’t know, I’ll read it out in a minute,” the manager said.

There was no time to read it out.

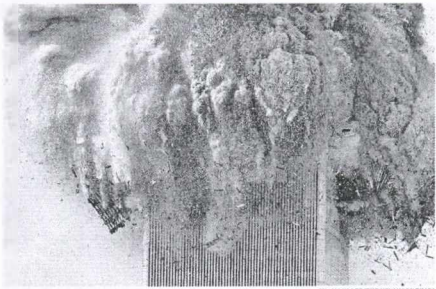
In the background, people can be heard shouting. “Another one just hit the building. Wow. Another one just hit the World Trade.”

The manager spoke. “The whole building just came apart,” he said.

That moment is part of a newly published chronicle of the civil and military aviation response to the hijackings that originally had been prepared by investigators for the 9/11 Commission, but never completed or made public.

Threaded into vivid narratives covering each of the four airliners, the multimedia document contains 114 recordings of air traffic controllers, military aviation officers, airline and fighter jet pilots, as well as two of the hijackers, stretching over two hours of the morning of Sept. 11.

Although some of the audio has **SEPT. 11, PAGE 9**



COMING THIS WEEKEND

A decade after 9/11 On Sept. 11, 2001, the United States was attacked. The sun set on crushed buildings in a re-imagined world. Or so it seemed. To examine those events and the effects they had in the decade that followed, the International Herald Tribune is devoting a special section to 9/11 and its aftermath.

BUSINESS

Rising specter of U.S. recession
If history is a guide, the odds that the U.S. economy is falling into a double-dip recession have risen sharply in recent weeks and may even have reached 50 percent. Over the past half century, every time that job growth has been as meager as it has been in the past four months, the economy has been headed toward recession, in a recession or in the immediate aftermath of one. **PAGE 17**

Protection for Saab is refused
A Swedish court on Thursday rejected the carmaker’s application for protection from creditors, sharply reducing Saab’s room for maneuver and pushing it a step closer to financial collapse. **PAGE 16**

Growth prospects dim in 2011
Economic growth in much of the advanced world is near stagnation and set to remain weak through the rest of the year, although a downturn on the scale of the last one appears unlikely, the O.E.C.D. said Thursday. **PAGE 11**

WORLD NEWS

Doubts on Obama’s jobs plan
Economists say his economic measures would make only a small dent. “The two parties aren’t going to agree on everything,” said Representative John Boehner below. **PAGES**



A defining moment for Obama
For coverage and analysis of President Barack Obama’s speech on jobs to a joint meeting of Congress on Thursday night, go to global.nytimes.com

And in this political corner . . .

In a glimpse into their very different strategies as candidates, Rick Perry and Mitt Romney dropped any pretense that their attacks were aimed at any of the other six candidates. The others struggled to break through the discord between the two at a Republican presidential debate. **PAGES**

Heat-seeking missiles vanish

In an unguarded arms depot in Tripoli, Libya, many shoulder-fired missiles of the type that could be used to shoot down civilian airliners are missing, and U.S. officials are concerned that these missiles could easily find their way onto the black market. **PAGE 4**

Galliano guilty over outbursts

John Galliano, the British fashion designer whose career imploded after a videotaped anti-Semitic rant, was given a suspended fine of €6,000 on Thursday by a French tribunal of judges in connection with two separate clashes in a Paris bar. **PAGE 3**

SPORTS

Rugby’s World Cup get under way
New Zealand not only hosts the tournament but its pride and joy, the All Blacks, face the task of overcoming a history of under-achieving, badly, in the event. **PAGE 14**
For rundown of the teams and their strengths and weaknesses as well as five key players, like Dan Carter of New Zealand, turn to **PAGE 14**

VIEWS

Roger Cohen
One thing 9/11 teaches, a decade later, is that memory is treacherous. It is ever shifting and unscientific. Tell me your theory of what really happened on 9/11 and I’ll tell you who you are. **PAGE 6**

Nicholas D. Kristof

There may be some goons among the rebel movement in Libya, but there are some good reasons to be optimistic about Libya’s direction in the post-Qaddafi era. **PAGE 7**

Few options as euro zone seeks path to stability

PARIS

A lull in the storm, but long-term outlook for bloc appears bleak

BY STEVEN ERLANGER

The markets may have calmed down this week but the prospects for the euro zone still look pretty bad.

Growth is slowing, even in Germany, where exports are down and imports are stagnant. A team of experts stalked out of Greece last week to force Athens to live up to its debt-cutting promises as its bills continue to mount. The Italian government is grudgingly applying fiscal Band Aids to its budget deficit instead of resorting to needed surgery. And there is new pressure on both Rome and Madrid, which are considered too big to bail out.

On Thursday, the Organization of Economic Cooperation and Development provided only the latest gloomy scenario of a new recession and a potential European banking crisis.

“The sovereign debt crisis in the euro area could intensify again,” the group said, urging the recapitalization of some European banks and better financial governance in the 17-nation euro zone.

The German finance minister, Wolfgang Schäuble, scolded Athens, warning that European aid will only be provided “if Greece actually does what it agreed to do.”

“The situation is extremely grave,” said Julian Callow, chief European economist for Barclays Capital. “Despite a sharp slowdown in economic activity, especially on the export side, you still have to push governments with large deficits to cut them to levels that are sustainable. That’s the key challenge, and the economic environment is much less favorable now for fiscal consolidation in the euro zone. And the Greek situation is like a ticking bomb.”

But Europe works in incremental steps, driven by crisis and the domestic politics of its many member nations. Any sweeping solution to the problems of the euro — like an “economic government,” or a pan-European Treasury or Finance Ministry, or collective “euro bonds” — are many months, if not years, away.

Europe is still working on ratifying the changes made to its economic system on July 21 at an urgent summit meeting in Brussels. To go into effect, those changes must be approved by all euro zone countries and their parliaments, which may take until the middle of October, making the financial market **EURO, PAGE 3**

SO MANY WAYS TO EVALUATE GREEK BONDS
Banks have wildly differing ways of calculating the value of Greek debt. Floyd Norris writes **PAGE 22**

EURO ZONE RAISES PRESSURE ON ATHENS
European leaders warned Greece on Thursday to meet the conditions for further aid or face the markets. **PAGE 16**

Interest rates held steady as risk grows of downturn

FRANKFURT

Central banks in Europe and Asia stand pat, citing rising uncertainty

BY JACK EWING AND JULIA WERDIGIER

The president of the European Central Bank, Jean-Claude Trichet, warned Thursday that the risk of slower growth in Europe had intensified amid a climate of “enormous” economic uncertainty, and signaled that the bank was unlikely to raise rates again soon.

The E.C.B. joined the Bank of England and several Asian central banks in leaving benchmark interest rates unchanged Thursday, as they wait to see if the global economy deteriorates.

Nearly stagnant growth in the euro zone has raised questions whether the E.C.B. acted prematurely when it raised rates twice earlier this year, to 1.5 percent from 1 percent.

While warning that the euro zone economy was “subject to particularly high uncertainty and intensified downside risks,” Mr. Trichet defended the E.C.B.’s earlier policy moves as necessary to hold down prices.

“We think what we did was appropriate,” he said at a news conference, which also included a rare outburst against his critics. Asked about complaints about the E.C.B.’s policy in the German Parliament, Mr. Trichet said, with obvious irritation, “We do our job, it’s not an easy job.”

Mr. Trichet normally suffers the financial press corps with remarkable equanimity. But, with less than two months to go before retirement, he seemed to vent frustration at the lack of appreciation the central bank has received during the sovereign debt crisis, when it has effectively held the euro zone together while political leaders appeared to dither.

“We have delivered price stability impeccably — impeccably!” he said loudly, reminding his German critics that inflation under the E.C.B. had been lower than when the Bundesbank, the German central bank, oversaw the Deutsche mark.

As Mr. Trichet nears the end of his term leading the E.C.B., the bank is on the front lines of the most acute crisis the euro has seen. Some European banks are struggling to borrow on the interbank market because of questions about their solvency, the E.C.B. is keeping them afloat by providing them with **RATES, PAGE 17**



Jean-Claude Trichet, in Frankfurt on Thursday, responded to critics by saying, “We do our job, it’s not an easy job.”

GIORGIO ARMANI

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CURRENCIES (vs. U.S. dollar) % CHG. 10:00PM

€ Euro	€1 = \$1.3930	\$1.4100
£ Pound	£1 = \$1.6000	\$1.5990
¥ Yen	¥1 = ¥77.490	¥77.210
S Franc	SFr 1 = SFr 8730	SFr 8580

STOCK INDEXES 3:00PM

▲ The Dow J 30pm	11,410.74	+0.04%
▲ FTSE 100 close	5,340.38	+0.41%
▲ Nikkei 225 close	8,793.12	+0.34%

OIL NEW YORK THURSDAY 3:00PM

▲ Light sweet crude	\$89.77	+\$0.48
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Looking for next steps in increasingly fragile euro zone

EURO, FROM PAGE 1

kets even more anxious. The hope among experts and economists is that those changes, if implemented with skill, may allow Europe to further isolate Greece and its unsustainable debts from other countries, reducing the risk of contagion, and buying time for other countries to fix their budgets.

Though abstract on the surface, the changes will provide considerably more flexibility to euro zone nations to bail out or further restructure Greek debt, to aid Italy and Spain with their bond sales and even to recapitalize some European banks, weakened by their exposure to sovereign debt in the form of Greek, Portuguese, Spanish and Italian bonds.

Changes in the European Financial Stability Facility, which will be expanded to €440 billion of collective funding from the 17 euro zone states, should also allow it to act as a kind of bank. That would help relieve the European Central Bank from its current role as the buyer of last resort for Italian and Spanish bonds, a decision it reluctantly made to keep down the borrowing costs of those governments and prevent Greece's problems from infecting the rest of Europe.

The facility itself is already a form of stealth euro bond, in the sense that its obligations are collectively shared by all euro zone members. If everything goes well — a big if — that could buy time for the euro zone nations, under the leadership of European Union President Herman Van Rompuy, to draft a new set of institutions, with more oversight and power over national budgets and tax regimes, which would probably be embod-

ied in a new treaty that would not have to be ratified by all 27 E.U. member states.

There is a precedent for such a "treaty within a treaty" in the Schengen Accords that govern passport-free travel. Such a treaty would probably take years to write, ratify and implement — like the Maastricht treaty itself that finally led to the euro. Because it would involve a serious ceding of economic sovereignty to a central authority, governments would have to seek the approval of their voters.

"You either go forward to more European economic governance or backward," said Edwin M. Truman of the Peterson Institute for International Economics in Washington. "And if you go backward, you go backward pretty far, to the fragmentation of Europe."

Mr. Callow said that the mood among European central bankers and German officials, too, is "centralize or die."

Jacob Kirkegaard, a Danish economist also at the Peterson Institute, has been skeptical about how Europe's weak political leadership can handle the euro crisis. But once the stability facility is ratified, he said, he sees the possibility of using it to finally undertake a serious restructuring of unsustainable levels of Greek debt by the end of the year.

The July 21 decisions already sanctioned a partial, if inadequate, restructuring of Greece's debt despite early vows never to do so.

Greece is still running a deficit, even without its huge debt payments, which is one reason why the pressure on Athens has not let up. The problem is not simply that countries like Finland would like collateral before providing

any more loans to Greece, but that the Greeks have not fully followed through on their promises.

Their spending cuts have already thrown the economy deeper into recession, leaving Greece even more enmeshed in a so-called "debt trap." But if Athens can fix its finances enough to run a notional budget surplus without debt payments, then economists can calculate how much debt it can actually afford to pay, and restructure the rest, ideally without bringing down the euro.

By contrast to Greece, Portugal and Ireland have made significant strides to fix their deficits, Mr. Kirkegaard said, and they have "a fighting chance to make it with the subsidized lending

Many bankers believe it's time to "centralize or die."

from the E.F.S.F." Mr. Callow agrees. "It's a painful process, but the more Greece can be isolated, and if other countries continue to do what's required on the fiscal side, then you can potentially avoid contagion."

In the last two weeks, under fierce market and European pressure, the Greek, Italian, French and Spanish governments have all moved to further cut their budget deficits, and Spain has passed a "balanced budget" law, as Germany has done and France vows to do.

But the pressure is considerable, especially as anxiety rises about the health of European banks, since they carry so much sovereign debt. The problem, of course, is circular: if faith in the solidity and creditworthiness of the

sovereigns themselves crumbles, in part because of the need to raise even more money to help the banks, then the banks are in real trouble.

And if anxious banks stop lending to one another, that could set off a Lehman-style global crisis, which has caused unease in Washington about the exposure of the U.S. financial system to European debt. While that hasn't happened, there are plenty of hidden landmines ready to explode at any moment.

Moreover, inaction on the banking sector troubles markets, said Simon Tilford, an economist with the Center for European Reform in London, because it "highlights a willful refusal to recognize the core of the crisis, which is the collapse of economic activity and low economic growth."

Without growth, he argued, there is no easy way forward, and growth can't be produced by fiscal austerity or by structural reforms, even if those may help down the road.

There remains a structural problem, too. All the tough talk from Germany and elsewhere in northern Europe, is fine, Mr. Tilford said, but misses the point — richer countries with surpluses like Germany that have benefited hugely from trade with the indebted countries of the euro zone have to help them if they want them to continue to buy more.

"Countries like Germany must accept that if you run big surpluses then you have to finance the borrowers, and if your banks won't do that then the public treasury must," he said. "You can set up a torture chamber, but it will have no impact if the targets are unsustainable politically and economically."

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